

PRACTICE facts

40%

PATIENTS WHO CITE COST
AS THE REASON FOR NOT
SCHEDULING A DENTAL VISIT
OVER THE NEXT YEAR

32%

PATIENTS WHO CLAIM NO
NEED FOR CARE AS THE
REASON THEY HAVEN'T
SCHEDULED A DENTAL VISIT
OVER THE NEXT YEAR

61.7

U.S. DENTISTS PER 100,000
PEOPLE IN 2013

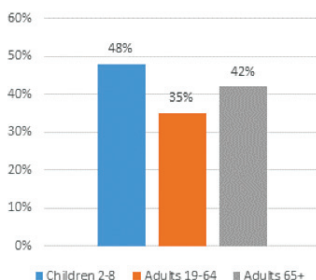
63.3

PROJECTED U.S. DENTISTS
PER 100,000 PEOPLE IN 2033

\$180,950

AVERAGE NET INCOME FOR A
U.S. GENERAL DENTIST IN 2013

Population, by age, who
had a dental visit in 2012



Source: ADA Health Policy Institute

'I just want to be a dentist!'

*Managing your roles as dental
health professional, business owner*

By Virginia Moore

Attracting new patients. Hiring a new team member. Paying the bills — all the bills! Maintaining OSHA and HIPAA compliance. Building a new facility, or not.

Oh ... and treating patients!

Yes, as a dentist and business owner, there are myriad areas to manage in your practice. Whether you have a top-notch office administrator and are able to delegate many of these responsibilities or take it all on yourself, the key to successfully managing your roles is to “know your numbers.”

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PRACTICE matters

Location, location, LOCATION

Tips for deciding where to practice

By Arlene Furlong

The cost of preparing for a career in dentistry means stakes are high after graduation. Yet new dentists often are unaware how their choice of a practice location can influence their professional goals and ultimate success until it's too late. A poor choice will be more than a learning experience. It can lead to hardships that postpone or even prevent success.

“I’m always surprised how frequently dentists go on gut instinct” when deciding where to practice, says Jayme Amos, author of “Choosing the Right Practice Location,” published in 2013. Mr. Amos has been assisting dentists with their practice transitions for more than a decade.

“Companies like Starbucks or even the local gas station do extensive research before planting their flags,” he notes. “Dentists, who have much more to lose and need higher

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Every successful owner of a small, medium or large sized company lives by this essential element. Monitoring and responding to the numbers is the most effective and accurate method of assuring that your business runs at top performance.

Knowing your numbers is the first step in detecting problems in your practice. Your numbers also give you the opportunity to identify what is going well and to acknowledge and celebrate success with your team.

Here are the steps to successfully manage your practice through knowing your numbers.

- ▶ Collect the data:
“The Essential 7.”
- ▶ Analyze “The Essential 7.”
- ▶ Take action.

Collect the data

With today's comprehensive practice management software, it is possible to have reams of numbers printed out daily/weekly/monthly.

Avoid engaging your time in trying to chase and/or tame the paper tiger. Instead, pare down your analysis to the most important numbers.

The numbers that will speak to all aspects of your practice success are “The Essential 7.”

Analyze “The Essential 7”

Now that you have this data, what is it telling you? These numbers must be compared to goal figures in order to have relevance and to be the strong tool in guiding your practice success.

Where do the goals come from? They derive from your annual plan — the unique plan that defines the measurements, reflected by numbers, of your practice performance for the next 12 months — and from industry/profession standards for healthy practice.



For example, based on your treatment acceptance percentage, you have determined that you need 20-23 net new patients per month — part of your annual plan. In month 1 of the 12 month plan, your data shows that you have 17 net new patients.

Analysis shows: Enhancements to your website still have not yet taken place.

Training for the new team member has been delayed. Even though that person has not been properly trained, she is taking new patient phone calls.

The Facebook campaign doesn't start for another two months.

All these factors contribute to the deficit of 3-6 net new patients.

Take Action

In collecting and analyzing “The Essential 7” you have a wealth of information to help you take proactive action to achieve your goal for net new patients.

The first step in taking action is to avoid minimizing the deficit as in “It's only 3-6 net new patients.” This is a dangerous trap that will find you six months down the road, the deficit growing, and no plan in place to make course corrections.

Annualize that 3-6 net new patients per months and you have 36-72 fewer net new patients. That deficit leads to lower production and collection. The “It's not a big deal” problem grows into a practice-buster that could have been more easily solved early on.

Now that you've acknowledged this is a situation that can and must be corrected, put together a plan of action. Here are some options for consideration:

- ▶ Establish a firm date for completion of your website upgrade.

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▶ Re-evaluate when to start the Facebook campaign. While it may seem like a financial savings to put off that marketing expense, the future value of money (FVM), says the opposite. Making that investment sooner, rather than later, makes sense.

Now that you've acknowledged this is a situation that can and must be corrected, put together a plan of action.

Managing your roles as dentist and business owner just became easier through “knowing your numbers.” ♦

A graduate of the ADA KEMP program, Virginia Moore is a nationally recognized consultant, speaker and writer on the business of dentistry. Using "The Essential 7," she has brought rapid and substantial improvement to dental practices. For more information on "The Essential 7," contact Virginia at vmoore@virginiamoore.com or 530-527-9457.

MARKET Buzz

Notes on recent economic developments



Small-business optimism is up

Small-business owners were more optimistic at the end of last year than they had been since early 2008, the Wells Fargo/Gallup

Economic gains expected after brief slowdown

After stagnating in the fourth quarter of 2014, economic growth should bounce back this year, predicts financial analyst David Payne of Kiplinger.

“The [2014] fourth-quarter pause — with growth slipping to only about a 2 percent annualized pace after averaging nearly twice that rate in the second and third quarters — is no cause for concern,” says Payne.

He adds, "It is not uncommon for several strong quarters to be followed by a weaker one, with growth then bouncing back as the economy catches its breath."

As signs of growth, he cites a rise in hiring, near record-level job openings and a low rate of layoffs.

"Spending on consumer services, such as recreation, is likely to strengthen as incomes rise," says Payne. "Odds are, health care also will pick up as consumers and providers get used to the new rules."


Small Business Index showed in November.

The index rose to 58 that month, up from 49 in July. The index had not been that high since the first quarter of 2008, when it was at 83. Introduced in 2001, the Small Business Index hit an all-time high of 114 in late 2006. It's all-time low was -28 in the third quarter of 2010.

A Gallup report on the index said it showed that “small-business owners are reacting positively to the same rising economic tides that have lifted overall economic confidence in the U.S. and optimism about jobs.”

The report noted that small businesses — companies with 20 or fewer employees — employ 90 percent of all workers in the country.

“Thus, it is an encouraging sign for the job market and the U.S. economy overall that small-business owners’ expectations about hiring over the next year are at their highest point since 2007,” the Gallup report said. ♦



“Any long-term chairside satisfaction depends on choosing a demographically supported location to match that decision.”

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4 annual revenue, often make blind decisions based on instinct rather than proven strategies and applied knowledge.”

He isn't alone in this observation. Christine Taxin is an adjunct professor teaching graduating doctors in the College of Dentistry at New York University. She says young dentists often are inclined to neglect due diligence when it comes to selecting a location.

“They can't wait to get out there and begin practicing,” she says. “But the cost of starting without the right information can be the loss of the practice.”

Both experts say targeted preliminary research and a solid business plan are necessary for new dentists hoping to secure a location that can promote the success they envision.

A wide range of factors contribute to a sound decision on practice location.

Demographic detail is among them. “Everyone knows demographics are crucial to the success of a practice, yet few know which metrics matter most to success,” says Mr. Amos, who estimates the necessary population-to-doctor ratio at 2000:1.

The author and consultant helps dentists investigate details within

the patient demographic that matter most — age, employment, income and others — and then correlates that data with the dentist's personal business plan.

“First, a dentist must decide what kind of patient population is desired,” he says. “Any long-term chairside satisfaction depends on choosing a demographically supported location to match that decision.”

Demographic details lead to information about patient insurance reimbursements, another factor in deciding practice location.

Mr. Amos says all dentists are aware of the expense that comes with dental benefit plan write-offs, but few recognize the wild fluctuations in reimbursement rates in nearby regions.

“Some of my clients write off as much as 45 percent of their production, and others, just a few miles away, have insurance company write-offs of only 25 percent,” he notes.

Ms. Taxin recommends investigating a practice location by drilling down into the zip code. “Dentists

who know the median household income within a zip code can realistically determine their fee schedule,” she says, adding that she believes such information is useful for dentists in any practice situation.

“Solo practitioners can use income information to determine if the insurance plans in the area will reimburse at an acceptable percentage,” she says. “Dentists in groups who are paid a percentage of collectible dollars can get a better idea of what their paycheck will be based on their production and what accepted insurance companies pay within that zip code.”

Ms. Taxin helps dentists determine a fee schedule within the 40th to 95th percentile in any given zip code. “New dentists in particular have to remember that it's not what they're producing, it's what they're collecting that matters,” she cautions.

Newer dentists also may think of their current employment situation is temporary, without realizing its potential long-term implications. Non-compete provisions in employment contracts at both small and large practices bar dentists from

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quitting and practicing nearby for a defined number of years after employment. The situation may have a greater impact on dentists working in a group practice.

Mr. Amos notes that non-compete clauses generally don't allow dentists who leave the group to work within a five-mile radius of the practice location.

"Dentists can avoid getting locked out of their dream town by knowing where they want to be down the road and understanding how the non-compete clause they're signing today might affect that goal," he says. ♦

Arlene Furlong is a Chicago-based freelance writer specializing in dental topics and a former ADA staff member. She can be reached at arlfurl@aol.com

Read more about it

The ADA Center for Professional Success features links to valuable resources to assist dentists in their location search. Visit Site Planning: Choosing a Location for your Practice and log in to read the full article. If this is your first visit to the Center, please have your member number handy for log-in.

Our consultants

Jayne Amos is a dental practice consultant specializing in ownership success. Products and service information is available at www.howtoopenadentaloffice.com. Mr. Amos can be contacted directly at jayne@howtoopenadentaloffice.com.

Christine Taxin is the founder and president of links2success, a practice management consulting company to the dental and medical fields. Resources and a list of services are available at www.links2success.biz/about-us.html. Ms. Taxin can be contacted directly at ctaxin@links2success.biz.



Job descriptions matter

Defining tasks will aid performance

By Sally McKenzie

When you hired Sarah, you thought she would solve all your problems. She came to your practice with six years of experience, and was excited to take over as your new patient coordinator. You thought that with her background and enthusiasm, she would single-handedly grow your patient retention numbers and, in turn, your income. But that isn't happening at all. The sad truth is, Sarah just isn't living up to your expectations.

Sound familiar? In my more than 30 years of experience as a dental consultant, I've seen this scenario play out at practices time and time again. The dentist hires the seemingly perfect employee, only to be let down by his or her performance. This, of course, leads to frustration, and does nothing to move the practice forward to true success and profitability.

The good news is, we can fix this. Chances are, if your employees just aren't measuring up, it's because you haven't given them the direction they need to succeed. That's right, your employees can't read your mind. You, as the practice CEO, need to lay out clear expectations and establish performance measurements to guide the staff. It doesn't matter if your new hire worked at another dental practice for 10 years, or if you briefly went over job duties during the face-to-face interview. If you want your team members to live up to your expectations and help you achieve your practice goals, you have to tell them what those expectations and goals are.

This starts with a written job description. I know most dentists think written job descriptions are a waste of time, but let me assure you they are not. They serve as your success plans and outline exactly what every employee needs to do to succeed as individuals, as well as to help your practice thrive. Job descriptions give your employees purpose and allow them to take accountability for specific practice systems. They eliminate any questions about whose job it is to complete which tasks and provide the direction your team members crave.

Creating job descriptions for every role in the practice can seem like a daunting task, but it doesn't have to be. Break it down into steps, and involve your employees in developing job descriptions to encourage individual ownership and responsibility.

Here are the three main elements you need to include:

1 Define the job. Think about exactly what you expect the person filling the position to do. Greet patients? Meet a specific daily production goal? Build a rapport with new and existing patients? No matter how small

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