

The Economic Model Puzzle of Dentistry? **The critical 21 pieces of a dental practice puzzle**

By Lisa Philp - RDH, CMC

Today's dental economy and environment is more challenging and more competitive than ever before. Hard work, technical ability and quality patient care no longer guarantee a healthy practice. The need to assess your current operations in regards to the leadership vision and team performance, the patient services you are offering, the revenue potential, the capacity of your facility and expense management is paramount, for moving into the future.

Every dental practice is metaphorically speaking like *an intricate puzzle* that has many pieces that must fit together strategically and with careful consideration. Each piece is intricately shaped to fit together with another to mentally challenge those who want to create their future success. Whether your practice is in the start up stages, it has reached a plateau or you are developing a transition strategy for retirement, you need to carefully assess your puzzle and determine what is the difference between a "surviving" practice and a "thriving" practice.

Big picture questions include:

- What drives your economic engine?
- Who is your customer?
- What type of team do you need to accomplish success?
- How will you continue to generate sustained and robust cash flow and profitability in the future?
- What is your annual revenue per patient and your ability to build growth centers?

This article will review the key 21 pieces of the Economic Model Puzzle that are common to every dental practice. Be prepared to exercise patience, thoughtful consideration and contemplation. Ask yourself how you are performing in each piece of the puzzle to determine your efficiency and productivity, as well as plan for maximum value for the future.

Team



PIECE # 1

What is your Leadership Style and how does this style impact the working atmosphere and production of your dental practice?

The dentist leader has many demands and must wear many different “hats” the Owner, the Team Leader, the Operational Director, Technical Service Provider and the main Revenue Generator. Assessing your leadership style and how it sets the stage for the culture and climate gives you the freedom from having to do it all. Creating and building a cohesive team with a common set of values, purpose and vision is significantly and directly related to the overall health of the practice.

Dr. Daniel Goleman and a consulting firm named Hay/McBer, performed one of the first quantitative studies on which precise leadership style has the greatest impact on results. (2) They found that there are 6 different leadership styles that directly impact team behaviors and the culture of work environment. They discovered that leaders with the most success were the ones who didn't depend on just one style, but were able to adjust the style based on the business situation.

The first style is the **Coercive Leader**. They demand immediate compliance and operate from a “do what I tell you,” mode. This style can be detrimental to morale. It should only be used in a crisis situation when there are problem employees or desperate change needed.

The second style is the **Authoritative Leader**. They are visionaries and operate from a “come with me,” mode. This style has the most positive impact on a work environment. It mobilizes people toward a vision and is most effective when creating a shared vision.

The third style is the **Affiliative Leader**. They create emotional bonds and harmony, and have a “people come first,” mode. This style is best used to heal rifts on a team and to motivate during stressful situations.

The fourth style is the **Democratic Leader**. This style builds consensus through participation by using the “what do you think?” mode. It is best used when input is needed from a skilled team, and it can have a negative effect when it is overused with a team that wants the leader to know the answers.

The fifth leadership style is the **Pace Setting Leader**. They expect excellence and self direction, and have an attitude of “do as I do.” This style can have a negative effect on

team morale and atmosphere and can burn out people quickly. This style is best used only when dealing with a need for quick results from a highly competent team.

The last style is the **Coaching Style** and tends to be used less often due to time constraints and the demands of daily operations. It has a "Try This," attitude and will have a positive impact of building people for the future and developing a person's strengths. Many dentists say they don't have the time in this high-pressured environment for the slow and tedious work of teaching people and helping them grow. Leaders who ignore this style are passing up a powerful tool and its positive impact on performance.

The most positive style as far as impact on the success of a business is the **Authoritative Style**. The other positive styles depending on the situation are Affiliative, Coaching and Democratic. The key to effective leadership is to understand your dominant style and how it serves your purpose and then look at which other styles would be worth learning, based on your individual situation.



PIECE # 2

Do You Have A High Performing Team Whose Combined Energy Cause Harmony And Collaboration?

The need for team development has become even more obvious as dental practices become aware of the importance of empowering team members. If a practice is to be successful, it must consistently achieve its goals, provide excellent care and service, keep up with or stay ahead of the market changes and satisfy patients' needs and expectations. Truly excellent businesses accomplish all of this through the efforts of the people who make up the team ~ but, only when those people have the freedom to think and act, to question policies and procedures that interfere with quality or service, and to experiment and innovate.

We know that empowering people throughout the practice is a key element in creating excellence. To empower someone, you must give him/her the authority to make decisions and to act without having to get approval each time. It means allowing people to use their own intelligence, experience, intuition, and creativity to help the business improve and succeed. Empowerment means keeping people informed and involved in the operations of the organization. It means listening to people and using their ideas.

A multitude of models and theories exist in the current literature on how to create a high performing team. A simplistic model to assess the health of your team is a model called G.R.I.P. Model, developed by action for excellence international. This model provides a way of examining important elements that need attention for the creation and maintenance of effective teams.

The "**G**" in GRIP stands for **Goals**. Do you have established clear, specific goals that all team members understand? Do the team members accept the goals and agree to work toward them? If not, work must be done to gain commitment by all.

The "**R**" stands for **Roles**. Have you identified roles needed for every task or project by assessing the team's strengths and resources for filling the roles? If needed, identify options for adding a complementing role or changing of a team member.

The "**I**" stands for **Interactions**. Are all team members involved and are needs, concerns and ideas heard? Are team members encouraged to be clear in expressing their ideas, thoughts and feelings and establish open communication and trust in the team with genuine positive feedback, when appropriate?

The "**P**" stands for **Procedures**. Are you sure everyone listens to each other's opinions, thoughts, and feelings to keep involvement high, to identify and acknowledge needs, concerns, and ideas? Is the team clear in presenting ideas, thoughts, and feelings with open communication and trust allowing for genuine positive feedback when appropriate?

A high performing team has settled its relationships and expectations. They can begin performing—diagnosing, solving problems, and choosing to implement changes. They

have discovered and accepted each other's strengths and weaknesses and include insights into personal and group processes.



PIECE # 3

Do You Have The Right People On Your Team, In The Right Role, Communicating Effectively?

The "right person" has more to do with character traits and innate capabilities than with specific knowledge, background or skills. (Jim Collins, Good to Great). Take the time to define the characteristics of what constitutes the "right person," for your environment and team. Think about the role specific duties, the relationship and communication skills you want and what attitude is necessary to thrive.

Look closely at attitude, as it is the most challenging to change. A person's self image and self worth drives their attitude and behaviors. How they feel about success, about money, about achievement, right and wrong. These are more important than facts, educational status, money, mistakes, success, appearance and skill. It will make or break a dental team.

Does each member have defined job descriptions that review all responsibilities and outcomes? Is there goal setting and regular written feedback of performance? All of these things will set a team member up to succeed. Focusing on a specific area of expertise makes the transformation from "we all do it," to "I am accountable for the task." Clearly defined roles based on the individual members' values and strengths create ownership of a shared vision of where the practice is going and why it is going there. They will then put forth the effort to walk the stepping stones of how to get there and achieve success. Success is a continuous experience and not some remote destination to be reached someday. It does not matter what your goals are (money, love, power, fame, etc.) when you achieve your goals you experience success.



PIECE # 4

What Is The Level Of Negative And Positive Stress That Occurs In The Daily Operations?

Awareness of both positive and negative stressors that affect all of us on a daily basis, determines organizational stress. It is not what is happening that is the concern, it is how people are handling it that is important. Without a certain amount of stress, success and achievement would be diminished. However, too much, or uncontrolled stress can be detrimental to the health and well being of individual members of your organization and to the overall health of the organization itself. Poorly handled stress causes 70%-80% of all illnesses today.

The ways to deal with stress levels lie in the timeless principles and systems of Monitors and Tracking of business operations and regular team meetings to discuss the success of

practice. This will significantly reduce stress by allowing each team members to share in the problem solving of what worked and what could be working better.

Understanding the difference between Men and Woman can be a way to reduce stress. Dr. John Gray's studies in his book "Men are from Mars and Woman are from Venus," show that the biggest difference between men and women are the way they handle stress. A team with different genders would benefit from understanding that when men get stressed they generally distract themselves with various activities to relax. That's why you see so many men head for the nearest basketball hoop or bury themselves in the paper or TV. But there's another aspect of the way we handle severe stress that can be particularly frustrating, man may withdraw into their "cave." They need to be away from everybody else while they figure out their problems alone. Remember, a man is very self-reliant and competitive, and to ask for help is weakness, so he will first want to solve the problem by himself.

Women handle stress in the exact opposite way. When stressed they get more involved with other people. They want to talk about what's upsetting them, because they process information and feelings by putting them into words. But merely talking is only half of it; they talk in order to be heard and understood. Having a good listener on the other end is extremely important. No wonder there is such misunderstanding when different genders working together on a daily basis are under stress.

Stressful situations in the dental environment will never be completely eliminated, however they can be controlled. Developing communication skills, listening and conflict management are strategies of how to deal constructively with the negative stress and prevent burn out.

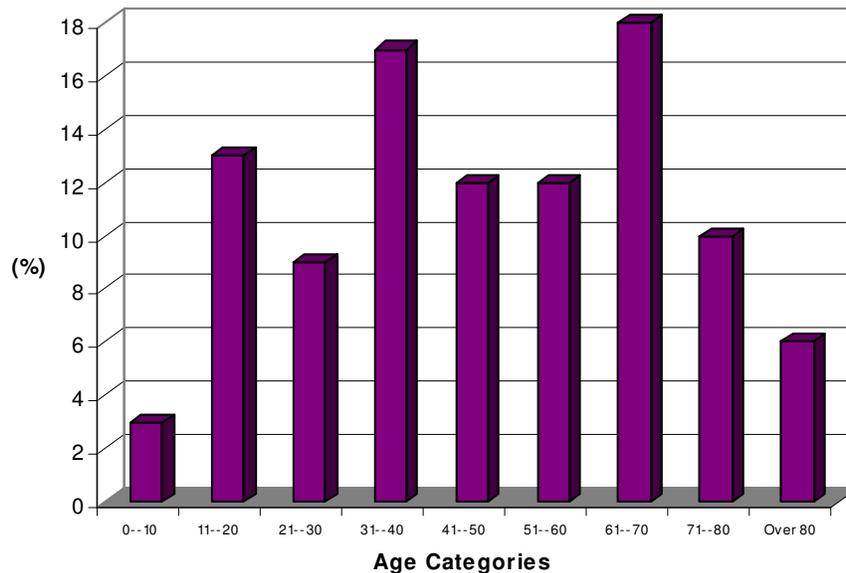
Patient



PIECE # 5

What Is The Demographic Of Your Patient Base In Regards To Age, Family Status And Insurance Benefits?

The Patient Engine is comprised of many different pieces of the puzzle. Great patients aren't by chance: if you want them, you've got to understand them and train them. One way to understand them is to know their age demographic. Age is a determinant in assessing how your practice is meeting the needs of the patient with your environment, service philosophy and treatment procedures.



For example the above practice has 40% of the patients under the age of 40 years old with a combination of 31% of the patient base over the age of 60. The expectations of the different generations in relation to service, procedures and buying trends can be challenging to juggle. The baby boomer has different customer characteristics than that of a traditionalist. The age demographic can also help plan continuing education goals for the team and leader.



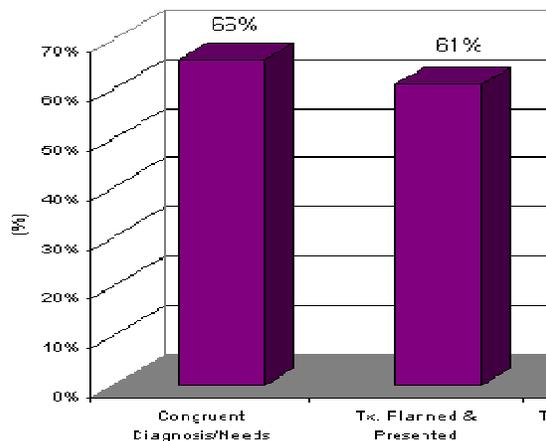
PIECE # 6

What Is The Preventive, Restorative And Cosmetic Diagnostic Philosophy Of The Dentist?

The diagnostic philosophy of the dentist is the lifeblood of the dental services and procedures, knowing what the doctor's philosophy is in regards to preventing periodontal disease, restoring teeth and smile services will create a common vision of what services you have to validate in your case presentation. The only providers that can diagnose conditions are dentists and if they don't diagnose, then there is not treatment to plan, present and gain acceptance.

Establishing a clear concise diagnostic philosophy that the entire team understands will ensure that all patients are aware of what dentistry has to offer them in regards to solutions so they can make their own choices about saying "Yes". It is also important for the dentist to be confident when explaining their diagnosis, so the patient believes that the diagnosis is in their best interest and the team becomes promoters and educators of all services. Overcoming personal bias, prejudice, financial assumptions, lack of relationship are the challenges of human nature and must be overcome in order to offer optimal dental care. After all, professional guidelines confirm the fact that we have a moral, ethical, legal and health care responsibility to diagnose thoroughly and accurately and to make sure the patient makes the decision that is right for them. The treatment planning process of organizing, sequencing, prioritization of treatment recommendations need to be customized to match the beliefs of "tooth" dentistry, quadrant dentistry, cosmetic or reconstructive services.

The example below is the results of a recent chart audit that indicated that 66% of the patients in this practice have a diagnosis that is congruent with what dentistry has to offer.



This shows significant potential with 34% of the patient base still having conditions that need to be identified and communicated. The second bar shows that 61% of the patient charts with a diagnosis actually had a written treatment plan. This shows potential of

39% of the patients still need a treatment plan. The diagnosis and the treatment planning systems are the lifeblood of the practice.



PIECE #7

Have You Implemented A Comprehensive Periodontal Program?

Periodontics has the greatest immediate potential for growth due to the amount of periodontal disease amongst our existing patients. The research shows that 60-80% of adults will have some level of periodontal disease. A tremendous service opportunity and growth center exists within your practice. The difficulty lies in assimilating the current concepts into your clinical practice. Some questions to ask are:

- Does the dental team understand how oral health fits into overall wellness?
- Is the practice performing comprehensive oral evaluation on all non-edentulous patients?
- Does the hygiene department have clear distinctions between health, disease and maintenance procedures?
- Do the patients value the services being provided?
- Are hygiene exams generating restorative dentistry that comprises 80% of the dentist schedule?

Is the hygiene department just “a cleaning” department or is it a therapeutic department that has consistent protocols for early detection of periodontal disease, (the number one cause of premature tooth loss in adults). Does the dental team understand how to identify the risk factors that lead to its etiology such as genetics, lifestyle choices, a diet low in nutrients, smoking / the use of smokeless tobacco, autoimmune or systemic diseases, diabetes, hormonal changes in the body and medication. Are you providing non surgical treatment of scaling and root planing, behavioral modification with self care aids, medicaments and follow up re-evaluation procedures on regular basis with accurate coding and value add fees?



PIECE # 8

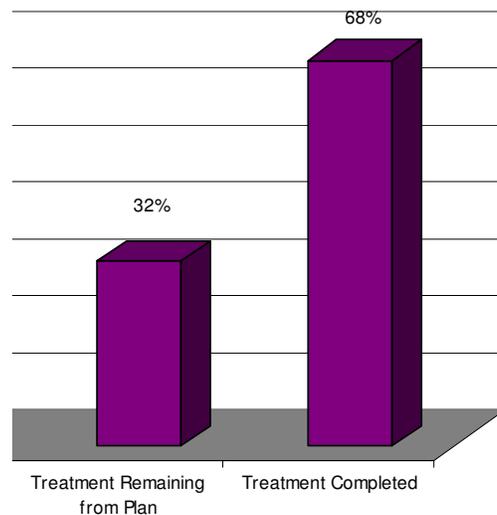
What Is Your Case Acceptance Success?

Case Acceptance is the practice currency in regards to doing the dentistry we love to do on the patients who value it. Know what your case acceptance success is every month and set goals appropriately. Once you have hit your goal for three months, raise the goal in 5% intervals. Knowing how many cases, how many dollars per case and the acceptance percentage helps predict the operations for the future 6 weeks. Acceptance is defined as when the patient leaves your practice with time reserved in the schedule, with a smile on their face, willing to pay you more than it cost you to serve them.

Eighty five percent (85%) of your case acceptance success is related to your interpersonal people skills and fifteen percent (15%) is related to technical ability. Do you take the time to build rapport, learning about the patients' family situation, occupation and recreational

hobbies. Interviewing techniques are a learned skill and must be practiced in order to understand patients' needs and wants. Are you familiar with their dental goals and clear on what is happening in their life that may affect their decision to say yes to your treatment plan?

People want to know that you care about them and have taken the time to understand them and their behaviors. They will say "yes" based on their awareness of their dental condition and if it is causing them a disability in their life. How they fit the dentistry into their existing schedule and budget will be determined by their readiness to move ahead.



The above practice assessment graph reveals that 68% is the case acceptance rate of the planned and presented dentistry, this leaves an opportunity for 32% of treatment currently planned to be re-presented by the provider(s) along with the treatment coordinator of the practice. The practice has considerable opportunity to deliver more restorative services through enhancing the diagnostic process. Consistent case presentation by a qualified treatment coordinator, along with continued promotion of the third party financial option, will assist the patient with payment options to accept the dentistry which is not covered by insurance.

Treat a disease you win or loose. Treat a person you win every time no matter what the outcome. Patch Adams



PIECE # 9

Are You Up To Date With The Latest Technology And Is It Used Regularly In Patient Care?

Dental practices must focus on keeping up with rapid changes in technology, creating the right plan for integration, training programs for team members, and return on investment decisions while always keeping the patients' best interest in mind. It is important to make a plan for your technology needs and take the time to sort through the technology available for your practice.

The plan begins with what infrastructure you will need, what hardware equipment is required and decide on the numerous different software options. Some other things to include in your plan are what type and size of Server that will store your data. How will your Network be organized for multiple users and how will you protect your data via Back Up mechanisms. Review the ergonomics of terminal placement in the business area, based on your individual facility and wiring capabilities. The clinical area poses many questions regarding the placement of terminals, keyboards, mouse and CPU. If you need customized arms and brackets for monitor placement of your practice management monitor so you can maintain protection of patient's privacy, the cost should be considered for your plan. Keyboard and mouse placement should really honor infection control at all times. Ask an expert about Capture Cards, wireless service, Scanners and Printers, LCD flat screens and Plasma screens and patient education DVD systems.

Revenue



PIECE # 10

How Many True Active Patients Do You Have?

The number of active patients is a key factor in predicting revenue. An active patient is defined as a patient who has been in the practice in the last two years. It is also helpful to determine the length of time a patient has been a member of your practice. A patient who has been a patient for 4 years or more is much more likely to stay active than a patient who has one or two visits. The longevity of your patient base is significant in assessing what the possible Annual Revenue per patient is and will be in the future.

Note** The active patient count should be accurate at all times with regular purging and tracking of the number of patients who are leaving the practice due to attrition. It is also helpful to know why they are leaving, with proper exit interviews.

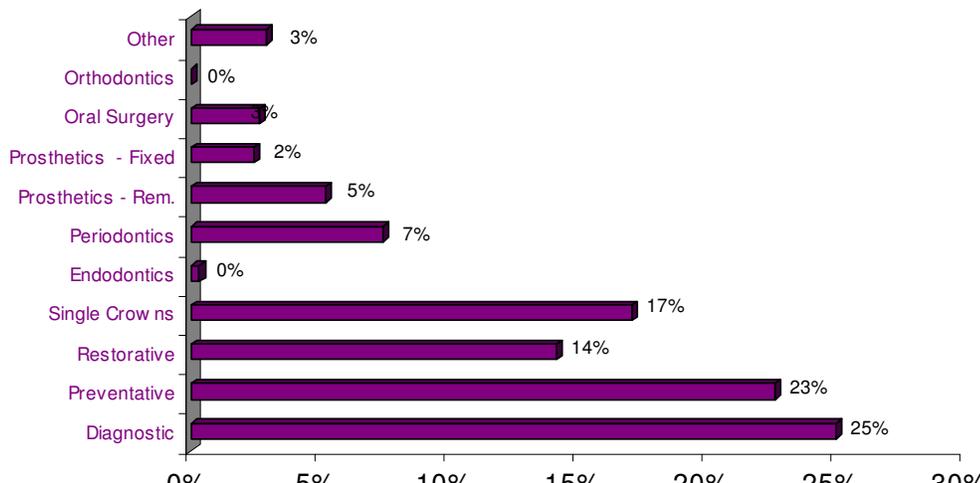
John Maxwell's book entitled "The Winning Attitude" has an interesting survey that showed statistics on why clients leave a service business. Knowing that dentistry is a service business, the results are relevant to the dental client/patient. The reason why a customer quits (attrition) is 1% because of death, 3% relocate, 5% other friendships have persuaded them to switch providers, 9% for competitive reasons, 14% product dissatisfaction and 68% because of indifference. Indifference is defined as "Apathy" demonstrated by an absence of emotional reactions or connection, the trait of lacking enthusiasm for or interest". Indifference can be overcome by providing a value add experience and exceeding service expectations.



PIECE # 11

What Percentage Of Your Revenue Comes From Restorative And Hygiene?

In analyzing the total revenue, what portion comes from the different types of procedures. What portion comes from restorative and what portion is attributed to hygiene?





PIECE # 12

What Is The Current Dollar Per Hour For Each Provider?

The dollar per hour for each provider indicates the success of speed, skill and scheduling. It is calculated by taking the gross production for each provider and dividing it by the number of available hours that the provider works i.e. a dentist produces \$40,000 per month and works 112 patient hours, the dollar per hour would be \$357 per hour.

A dentist who performs “tooth” dentistry—one tooth at a time will have a lower dollar per hour than a dentist who performs “Quad” dentistry, because of more dentistry per appointment. A dentist who is comfortable with cosmetic smile designs and makeovers will have an above average dollar per hour. The comprehensive care dentist who does full mouth reconstruction and multiple units at a time and corrects function and positioning will be at the highest range for dollar per hour, providing all goes well with the case and there are no laboratory remakes.

A sound goal is for a dentist who has been in practice at least 5 years is \$250 per hour or \$2000 per day based on 8 patient hour day. The quadrant dentist and cosmetic dentist’s goals would be closer to \$400-\$550 per hour. The comprehensive care dentist can produce upwards of \$600-\$800 per hour depending on fee structure and percentile.

The dollar per hour for hygiene will depend on whether the hygiene exams are included in the hygienist’s production. The exams are best tracked via hygiene as it creates a much truer picture of what the chair and treatment room are generating for the health of the business. If hygiene exams are tracked in the restorative schedule, although the doctor performs the exams, it is not an accurate picture of the real restorative dollar per hour.

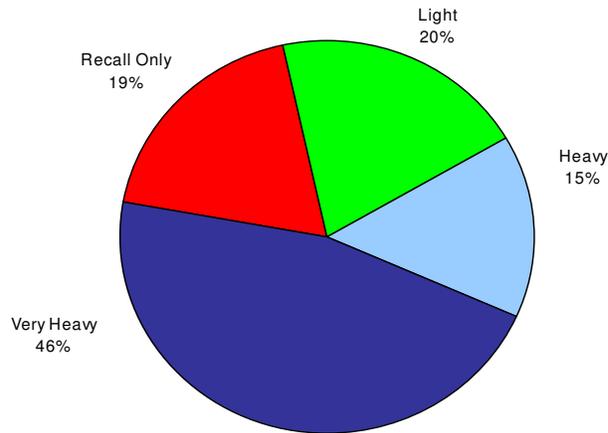


PIECE # 13

How Much Dentistry Do You Have Sitting In Your Current Patient Charts?

Many dental practices have thousands of dollars sitting in their existing patient charts that are not accessed. The term “Cabinet Millionaire,” would be accurate in many cases and as

much as the new patient growth is important, knowing what the current patient needs are, is crucial in projecting a revenue stream that is waiting to be produced.



The pie chart above indicates the breakdown of outstanding dentistry remaining in the charts.

The chart audit revealed that heavy and very heavy needs constitute 61% of the patients with at least \$1000-\$1500 of dentistry left to be completed between the non-diagnosed and the non-accepted. 19% of the patients in the patient base are hygiene only (2 visits per year) patients. 20% of the patients in the chart audit required light dentistry, which are basic restorative amalgams and composites.

The goal would be to create a team approach to build your market share and find ways to get the dentistry out of the chart and into the schedule with enhanced case presentation skills that will lead to increased case acceptance.



PIECE # 14

What Is Your Financial Policy And Do You Make Dentistry Affordable For All Procedures?

Once the dentistry has been diagnosed, planned and presented we must find ways to fit the financial investment comfortably into the patient's budget and individual financial situation.

Do you have a proactive financial policy that the entire team understands and can present to the patient at any time no matter what role they play in the practice? Does the team understand why billing can no longer be a part of the practice philosophy and fee for service will maintain the practice's level of excellence? Extended financial arrangements and flexible payment options can increase the amount of comprehensive treatment being accepted without putting the practice at financial risk. It is best to discuss complex

financial arrangements in a private consultation room or a private area away from the patients in the reception area. People still consider their finances very private. The objective is to create arrangements based on a written policy that works for the patients and the comfort level of the practice.

Dealing with patients concerning money is not always comfortable, yet an important and necessary job. Developing an organized, systematic approach for collecting fees for services rendered is imperative. It needs to be firm, yet non confrontational. Is the policy consistent, clearly written and signed by the patients prior to treatment with options that include cash, check, major credit cards, and a Third Party Financing Company such as Care Credit?

Consider offering patients a 5% cash courtesy, or accounting reduction for prepayment when scheduling treatment. This option allows the money to be deposited in the bank before the treatment is rendered. Because of this, you are happy to pass along the 5% savings due to the saved time in confirmation, collections and receivable management. If the patient pre-pays they are assured to show up for their scheduled appointment and this reduces stress in the scheduling department. Be aware if insurance is involved, the reduced fee must be submitted and communicated to the insurance company.



PIECE # 15

How Many New Patients Do You See Per Month And Where Do They Come From?

The puzzle piece of new patients is another driver that contributes to the revenue. The new patients are the growth factor of your patient base and are a major part of goal setting. The distinction between "emergency new patients" and "true new patients" is the difference between a patient who undergoes a comprehensive oral examination, relationship building and determination of their dental goals and a patient who just wants their chief complaint dealt with. The emergency new patient is not a true new patient until they have returned for a preventive appointment to prevent emergency conditions in the future. The national average for true new patients is an average of 30-35 a month per provider.

The monitoring and tracking of how the patient found out about your practice guides the team in continuing or developing marketing strategies. The marketing strategy that outweighs all others in most practices is still the referral source of an existing patient. Although external marketing can be effective and must be planned and executed very carefully staying within a reasonable budget, it may not be the only choice. Asking for referrals on a daily basis costs nothing and has proven to have the greatest impact on new patient growth.

In order to properly prepare and plan a market strategy for you practice, your must first begin by tailoring it to your needs, so that it is appropriate for your referring dentists, patients and your own personal style. It is prudent to look into your office systems in

detail and evaluate how effective they are in assisting your practice's marketing plans. It may be necessary to change or adapt some of your current office systems.

Special consideration should be given to your market plan, it should be effective, cost efficient, but most of all, it should say "You". If some of your marketing strategies are not you, they will be perceived as not being genuine and therefore, not well accepted.

The team member in charge of your market plan and its delivery should be committed to and enthusiastic about it. The doctor and the marketing co-ordinator should be in total agreement with the plan. Frequent progress meetings will be necessary and a well defined set of goals established within your chosen time frames. You can achieve your goals if you are patient, well prepared and committed to the results. It helps if each team member understands his/her role in the marketing of the practice. Performance responsibilities need to be outlined so that everyone is clear about their responsibility and is comfortable carrying out the marketing tasks.



PIECE # 16

Do You Collect 99% Of What You Produce, If Not Why?

It is one thing to produce great dentistry. It is another to collect payment for it. Having a clear financial policy with flexible financial arrangements and overcoming the temptation to act like a bank and carry a high accounts receivable by offering long term payment plans leads to 99% collections. The labor required for collections with hundreds of statements, postage costs and numerous collection calls required to collect is arduous and many times too much for a practice to bear. Assignment practices have much higher accounts receivable then a non-assignment environment.

Consider changing the way you think about billing by aligning yourself with a financial partner such as Care Credit who can act as a third party to handle the investment without jeopardizing the patient relationship because accounts are overdue.

Remember to always provide a patient with a walk out statement with their total fee upon check out and any outstanding balance over 31 days becomes the patient's responsibility. Spend time on receivables each week and divide the number of statement you send at one time to reduce the influx of incoming calls from patients.

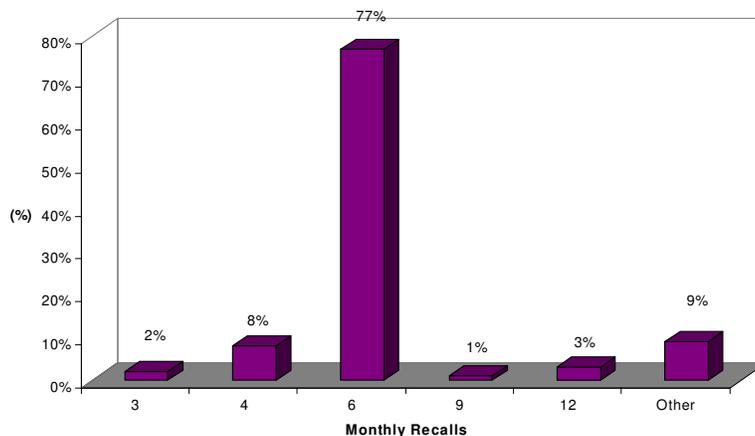
Capacity



PIECE # 17

Do You Utilize Your Facility And It's Capacity Clinically And Non-Clinically?

Knowing the hygiene intervals of the patients help to confirm a more exact number of demand for hygiene hours.



The above graph is an indication of the hygiene interval of the patient base. 77% of the patient base is on a six-month hygiene interval. It should be noted that many notations on the charts indicated that patients preferred longer recare intervals. This can be an issue when a practice is attempting to provide care to a patient who is periodontally involved. Only 10% of the patients have a periodontal interval indicated, and many are not on periodontal disease management protocols. Hygiene needs to be very clear on diagnosis and proper billing of periodontal procedures. 9% of the patient base falls under the "other" category and represents the patient base that does not have a recommended hygiene interval.

The percentage of patients who are not actively enrolled in a hygiene program reinforces the immediate need to purge the charts and attempt to reintroduce these patients into the practice and the hygiene department.



PIECE # 18

Are You Scheduling Efficiently?

Once the dentistry is accepted and there is a signed financial agreement, scheduling can occur. One of the biggest challenges we see practices dealing with on a daily basis is how to effectively schedule to maximize time and efficiency. Dentistry is the only health care profession that does not structure ideal days based on pre-planning procedures, operator fatigue or patient comfort.

A common habit is to just fill the blanks with as many patients as you can, squeeze in the last minute emergency patients and guess at how much time is needed for procedures, while hoping the dentist will be able to check 1-3 hygiene patients an hour. This lack of planning and engineering of the schedule causes high stress, low productivity, decreased dollar per hour and serious time management issues for patients

“Great” scheduling is best defined as organizing each and every day for a variety of procedures, set aside emergency time and making sure procedures have been analyzed for time accuracy. The benefits are a road map for each day, each week and each month. To see fewer patients, yet do more dentistry per patient. Increase production, Decrease stress, respect patients’ time, and provide last-minute emergency care smoothly.

Setting a production goal is the first and perhaps the most vital of the steps for proper scheduling. Unless the entire team knows what the necessary production goal is, they will not know what they need to work toward. You must know how many dollars it takes to run your practice each month. Divide this figure by the desired number of practicing days, and you should have your necessary daily goal.

For example, a practice has a financial need of \$50,000 per month and wants to practice four days per week for an average of sixteen days per month. $\$50,000 \div 16 = \$3,125$. This practice’s daily goal is \$3,125. The objective is to engineer 16 days a month at a production amount of \$3,125 using a combination of Crowns, Bridges, Fillings and adjustments and insert appointments. A variety of procedures in every day miraculously support the financial goals with focused effort and just not randomly scheduling patients anywhere, anytime.

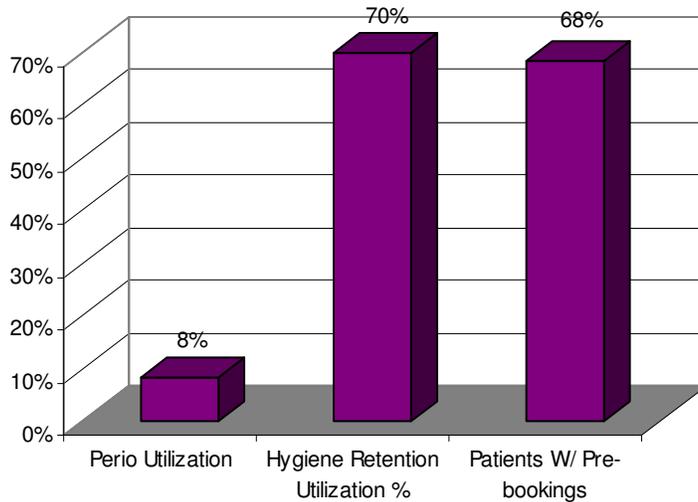


PIECE # 19

What Is Your Patient Retention %?

The overall success of any practice is extremely dependent upon the success of its continuing care system. An effective continuing care system makes sure that at least 80% of the recommended visits in hygiene are attended. It is common in some practices to not know that a patient base is deteriorating or patients are falling through the cracks. Making sure that the patient never leaves without their next visit scheduled can help close

up the holes as well as protocols for purge, reactivation and confirmation. The goal is to pre-schedule 90% of the continuing care appointments. Establishing a systematic routine ensures both success and simplicity.



The above graph indicates that 8% of the patients have some form of periodontal interval or documentation of periodontal condition. This would be considered below average considering the age and outstanding dentistry of the patient base. The patient retention is somewhat low at 70%, this means that out of all of the recommended visits to hygiene by the dental team 70% were attended. This needs to be increased to 90% success. One reason may be that only 68% of the patients are leaving the practice with a pre-scheduled appointment and a commitment to attend their next recommended hygiene visit.

The systems of better utilization of the computer in the treatment rooms to assist with patient check out, completely filling hygiene available hours before adding additional hours, Consistent Periodontal disease management program between providers and tracking of the pre-scheduling success would contribute to the hygiene growth center.



PIECE # 20

What Percentage Of Your Available Hours Is Non Productive Due To Cancellations And No Shows?

Downtime due to broken appointments and no shows are an ongoing challenge for those trying to manage stress free, productive, profitable dental practices. Downtime is defined as a percentage measurement of the non-productive time that occurs during the hours of availability to treat patients. Tracking the number of short notice cancellations and no show appointments allows a benchmark in which the practice can work towards setting goals. The typical goals for downtime in a general practice are 5 - 8% for the restorative department and less than 10% in hygiene. Take your percentage and work to reduce it by 1% a month. Think about if you could reduce one short notice cancellation or no show

per day this is achievable with concentrated focus and effort. Some things to consider are your systems of a clear documented cancellation policy that all team and patients understand. Are you creating a sense of urgency for the patient to return on the recommended interval? Do you run on time for their appointments? Do you have effective confirmation strategies? Do you train the patients to talk to someone directly to cancel, not just leave a message on a machine?

Downtime is calculated as a total percentage of non productive time due to cancellations that can't be filled, patients who have no showed and unscheduled units.

Formula to calculate % of non-productive time equals

$$\frac{\text{Non-Productive Hours}}{\text{Available Hours}} \times 100 = \text{\% of Non-Productive time}$$

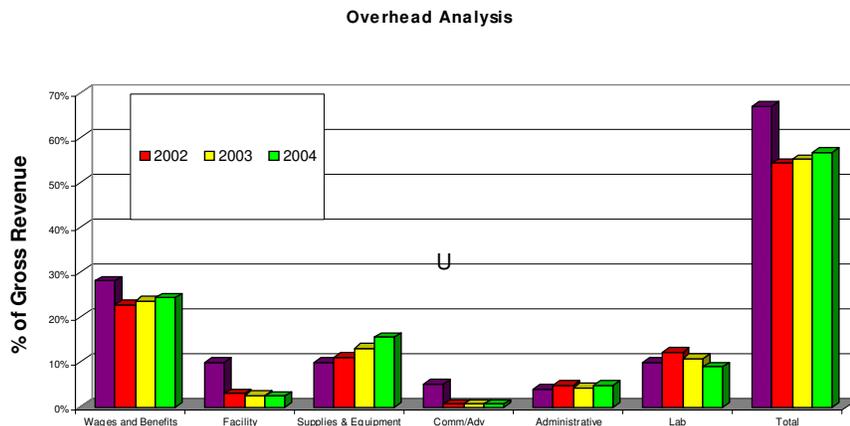
Expenses



PIECE # 21

What Is Your Overhead And Does It Fall Into Industry Standards

The last piece of the puzzle and a major issue for any practice is overhead control. The cost of running a dental practice is rising every year, and the profit margin is decreasing. This combination is, indeed, frustrating, stressful and worthy of attention. In the 80's, the average overhead for a dental practice was about 50%. In the 90's it was about 55% and over the last decade it has climbed significantly. The average overhead for general practice today is—according to business analysts—between 60 and 68% for the general practitioner. Some sources indicate higher percentages. If overhead is not analyzed then dental professionals will find themselves working harder for a lower return. You may increase your revenue by 10% a year and after tax and overhead increases, but the bottom line is the same. This is a major source of financial frustration that has many systems and solutions that can help protect profit.



In the CPA (Comprehensive Practice Assessment) graph below, the purple bar indicates industry standards in a general sense and can be valuable to use as a guide to measure where your practice stands.

Now that we have reviewed the 5 engines/sections of an economic model puzzle and reviewed the 21 performance driver pieces that drive every aspect of the dental practice. It is time to create a plan of what systems and solutions need to be continued, changed or reinforced.

Analyzing all systems will help you operate in an orderly and efficient manner. Systems are everywhere, we have systems for how we drive a car, how we elect our leaders, how we are educated, how we are run our homes. If one part or person doesn't follow the system then situations arise that cause stress. Systems help us to gain control of a situation or our environment, they give us predictability, and optimally it produces consistent results.

When deciding on what to change, it is much simpler to follow the old adage that says "if there are several solutions always choose the simplest one". Applying the elementary rules of change can also serve as a way to prioritize what you need to change first, second or third. The rules of change include

Rule #1 - if something is working then continue, and find ways to do more of it.

Rule #2 - if something is not working then do something different.

Rule #3 - If you don't know if it works, find out.