

12 Steps to

**Increase
Your Practice
Income...
In Any
Economy**

Get it Now Free!



“Twelve Action Steps to Assure Healthy Practice Growth in Any Economy”

By Michael D. Goldstein, DDS, FAGD
President, Goldstein Management



Today, there are more challenges than ever before to dentists wanting to increase, or even maintain, their profitability. Many dentists are generating fewer new patients and lower net profits than they have in years past. Many patients are struggling with smaller salaries, smaller or no dental insurance benefits, or complete loss of employment. The net effects are fewer dental appointments and decreased revenue in many dental offices.

My name is Dr. Michael Goldstein. As a practicing dentist for more than 40 years, I've certainly seen my share of economic downturns, but interestingly enough, I learned how to successfully grow my own dental practice through both good and bad financial times. It had gotten to the point where the economy made absolutely no difference to me. Some of the systems I put into place actually worked better in a down economy!

I've always been a strong believer in being proactive to make certain I meet my financial and life goals. Rather than passively waiting for an expected downturn in practice business and revenue, there are steps to take now to minimize the effects of a slowing economy.

I have compiled a list of twelve action steps that I believe you must take immediately to “recession-proof” your practice. If you incorporate these systems in your practice, I will practically guarantee you will not only weather an economic downturn, but when it's all over, you'll come out so far ahead that you just won't believe what happened!

Here are twelve action steps that every dentist should follow:

1. Develop a practice budget and track your progress.



Most dentists don't create a budget for their practices and routinely monitor their progress. Unfortunately, they are often too focused on just doing dentistry! The most successful dentists take the time to work on their practices, and not just in their practices.

It's very important to set production and collection goals each year. One critical exercise is to look at your previous year's overhead expenses, and for each category, calculate increases (or in rare cases decreases) in anticipated spending. Total all the categories and you will know how much additional revenue you will require for the following year. Very often, this additional revenue can be generated by making strategic adjustments to your fee schedule. Once this is accomplished, you can be confident that if you produce the same amount of dentistry this year, than you did in the previous year, your profitability will remain the same.

Once this **break-even** budget is calculated, you can then determine your **growth budget**. Your growth budget is determined by estimating how much additional production you will achieve as a result of greater capacity or greater efficiency. Knowing where you stand at any given moment in relation to your production and collection goals allows you to strategically "steer" your practice in the right direction throughout the year.

2. Have patient-friendly payment options available.



Because many patients may be experiencing financial pressures, it's more important than ever to offer treatment payment options that allow them to comfortably spread their

payments over time. With vendor choices, such as Care Credit available, you should be offering flexible treatment payment arrangements to your patients. Positively presenting outside payment options to patients is an important skill for all front desk personnel. Let your patients know that you now offer easy-to-manage, interest-free payments for their dental treatment. The payments can generally be spread over a few months or up to a year or more!

3. Be flexible with your treatment plans.



Some patients may find it necessary to postpone major dental treatment, or to have less costly treatment done at this time. Be prepared to modify your treatment plans on these patients. Offer options that allow them to maintain good dental health until they're financially ready to have ideal treatment. A large

composite restoration may not be as durable as a core and crown, but it can certainly keep the tooth healthy for the short-term. Plus, if your clinical skills are up-to-date, and your appointment scheduler understands how to efficiently book your time, the composite restoration appointment can still be profitable.

Your patients should know that your office is sensitive to their financial situation, and that you will be as flexible as possible to make certain their dental treatment fits into their budgets.

4. Closely scrutinize your major purchases and expenditures.

Carefully weigh your practice expenditures, especially on high-tech items. Make certain that you're spending money on products that will provide you with an immediate positive return on your investment (ROI) from a cash flow basis. A \$700 ultra-fast composite curing light may be a better investment than a \$75,000 + Cone Beam X-Ray, from the standpoint of immediate cash flow.

You should also closely scrutinize the money you spend on practice growth and expansion. Make certain your practice can support the extra operator or the extra associate or employee you may be considering adding.

5. Encourage new patient referrals from your existing patients.

Maintaining a steady flow of new patients is crucial during slow economic periods. One great (and free) way to add new patients to your practice is to *ask for them!* Make certain that you ask your existing patients for referrals of their family members, coworkers and friends. I recommend a "referral invitation" that the dentist or staff member can give to a patient, to encourage the referral. To request a copy of an article how this works, please email me at DrMike@GoldsteinManagement.com. You and your team should practice the scripting to use while asking for referrals. This is a wonderful activity for an office team meeting.

6. Diligently work your recall system



Maintaining a healthy hygiene department and recall system is essential. In a well-run practice, around one-fourth to one-third of the office revenue should be generated by the hygiene department. Hygienists should always give patients several specific reasons to return for their next hygiene visit. They should then note the specific condition(s) needing follow-up in the patients' charts for future reference. When given a specific reason or reasons to return for their recall visits, most patients will place a greater

priority on the appointment. Be certain that everyone on your team understands the importance of educating patients about their recall visits.

Part of maintaining a healthy recall system involves reactivating patients who haven't been into the office for a year or more. Do an inventory of your patient records to single out those overdue patients who have not been in for appointments for a year or more. Telephoning these patients to offer them appointments to check some specific condition or conditions (hopefully noted during their last visit) can prove to be time well spent. Rehearse the "scripts" you will use when you make these calls to ensure the best results

7. Diagnose and treat periodontal disease in your hygiene department.



One of the most under-diagnosed conditions in the dental office is periodontal disease. Many offices perform prophies on perio patients who are actually in need of scaling and root planing. If less than one-third of your hygiene department production is composed of periodontal treatment procedures, you are probably under-treating your patients and producing far less hygiene department revenue than you should be. Unfortunately, my experience has

been that many hygiene departments are producing only four to ten percent revenue from periodontal therapy.

You have an obligation to educate your patients about the new evidence linking periodontal disease to serious medical conditions. There are many well-written brochures and articles that can be useful to help educate patients about this important link. As always, everyone on the team should be informed of the importance of identifying and treating periodontal conditions. Value scripting should be discussed and used to educate patients.



8. Refer fewer procedures out of your office.

Too many dentists refer profitable procedures to specialists that they could be

doing comfortably in their own offices. When I was working with Dr. Kit Weathers, producing the *Endodontic Hands-On Root Camp*, we had a doctor tell us that she was tired of receiving a “\$75,000 holiday gift basket” each year from her endodontist. She was referring to her Endodontist for at least that amount of endo each year from her practice. A two-day, hands-on training seminar was all she needed to improve her endo skills enough to solve her cash flow and busyness problems. It did end up costing her a free holiday gift basket.

Endodontics, which is one of the most profitable procedures that a GP performs, is just one of many treatments that GP’s refer to specialists at a greater frequency than necessary. Track the procedures that you routinely refer to specialists and seek out continuing education to allow you the comfort level to do many of these procedures in your own office.

9. Stress the cosmetic, functional, and economic benefits of treatment.



Whether you’re discussing your patient’s upcoming recall visit or proposed six-unit bridge, get in the habit of helping them to appreciate what a good long-term “investment” their treatment will be. Patients on a tight budget need to know that in the long run they will be saving money by investing in quality dental treatment. Always present the benefits of treatment to patients. Patients should be reminded of the cosmetic, functional, and long-term financial benefits of their treatment

When quoting the treatment fee, you can say, “Mrs. Jones, your investment will be ...” By the way, I prefer saying “long-term” rather than “permanent” when describing the expected results of the treatment.

10. Minimize cancellations and failed appointments.



Pay close attention to how you educate your patients about the importance of showing up on time for their scheduled appointments. I recommend a three-pronged approach to minimizing these time-wasting, profit-consuming occurrences:

1. Provide positive reinforcement when your patient shows up on time. *“Mrs. Jones, thank you for being right on time. The doctor is on schedule and will see you at your scheduled time, in five minutes.”* This is especially important for new patients who are getting to know your practice.
2. Discuss the importance of your patients keeping their scheduled appointments. Explain this from the standpoint of the benefits to them. Make certain they understand how your office strives to keep on schedule for the convenience and benefit of all your patients. As the doctor, you should look each new patient in the eye and ask them to verbally confirm to you that they will call the office at least a day or two ahead of time if they need to change or cancel an appointment.
3. Educate your patients so that they understand how important their treatment is to their long-term dental health. This assures that they will place a greater importance about keeping their scheduled treatment time.

I’m frequently asked if a dentist should charge a patient for a failed appointment. My experience has shown the following to be true:

You should only charge for a failed appointment if you are prepared for that patient to leave your practice, and take the rest of their family members with them.

I also recommend that you wait 24-hours before you make a final decision how your office will respond to a patient who missed an appointment. This ensures that you won’t be reacting emotionally, and that you’ve had time to

discover any unexpected information about the circumstances of the failed appointment.

11. Continue to market your practice.

Even during a slow economy, it's important to continue the marketing that's been producing new patients. One of the best ways to keep up a steady flow of new patients is to market to the people that may be looking for a new dentist. Keep in mind, that even during a recession, most people want to have their teeth cleaned, and want to maintain their dental health. Even if patients are not choosing to have major elective or cosmetic dentistry performed, there is a tremendous amount of restorative, endo, perio, and other treatments to be done.

Having an inviting and attractive website is very important. Combining this with effective search engine optimization and a positive social media presence is critical.

12. Be strategic about your continuing dental education.



Quality dental continuing education helps to keep a dentist and team motivated and excited about practice. Concentrate on courses that improve your efficiency in the procedures you currently perform, or take courses to improve your knowledge and skills in the profitable procedures you're

referring out, as mentioned in #8 above. Very often, a weekend, hands-on seminar, can give you the confidence to treat cases you've been referring to specialists.

Those are my twelve tips to help recession-proof your practice. Put them into place and I know they will help you during tough economic times. As I stated earlier, just because the economy takes a downturn does not mean that you or your dental practice has to do the same!

No one can accurately predict how our national economy will perform in the future; or for that matter, what impact a downturn in the economy will have on our patients. As dentists, we're fortunate that we provide a vital service that is needed during both good and bad economic times. By adjusting our practice as outlined in the twelve steps, you can minimize future downturns that may occur in our practice as a result of a slowed economy.

Even though dentists usually agree that positive changes may be necessary for their practices, incorporating new systems into the dental practice can be a real challenge. I provide coaching and direction to dentists to help them incorporate positive change in their practices.

I offer free telephone consultations and practice analysis to determine if I can be of service to your practice. You can reach me at 770-467-0467, or by emailing me at DrMike@GoldsteinManagement.com.

