

Michael Abernathy, DDS

REVISED  
AND EXPANDED  
2ND EDITION

THE **SUPER** GENERAL  
DENTAL PRACTICE

*Everything is about to change.  
You're about to discover  
how to transform  
into the practice you  
never thought  
possible.*

# THE SUPER GENERAL DENTAL PRACTICE

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2nd Edition

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## PREFACE

**It's been years since WHO MOVED MY CHEESE? by Spencer Johnson was published, and I read it. Back in 1998 it stayed on the New York Times bestseller list for 5 years. At the time, Max and I used it to teach practice management principles about embracing change. For the moment, we're going to take a little trip back in time. This book has never been more relevant than it is today. There is not a week that goes by that I don't receive a call from a dentist who just can't understand why their systems, staff, and overall practice direction no longer works. Whether it's the economy, demographics, competition, or inflexibility, change has been a constant for my entire career in dentistry. What follows is a synopsis of the book and characters after which we will give a dental twist for application.**

## **When Change Happens**

One of the constant things in life is CHANGE. Each day is a different set of circumstances and a different experience for each of us. However, our daily routine, from the time we wake up until the time we lay down, creates a cycle that leads us to comfort and routine habits. Such comfort creates neglect and negligence in our character that makes us forget that life is constantly changing. Then when we realize that change has occurred, we stress out, react, procrastinate, complain, etc.

Even if it's hard to admit it, in school, at home, and in the community where we live, we were taught to believe in following the rules and a set of standards, and that being curious and creating change is not SOP...that being obedient, doing what we are told and what is "right", is the key to success and happiness in life. The attitude of resistance to change is a limiting belief that will create a slow death spiral to your practices. That's why it is hard for the majority of us to handle and accept change. Our coping mechanism is to postpone making a decision or "paralysis through analysis". Our hope is that if we don't move or make a decision, things will go back to the way they were or the problem or challenge will blow over.

Upon experiencing change, our initial reaction is to resist it because we are afraid to lose the comfort and normalcy of what we currently have, or we have a fear of the unknown.

## The Fable of Change

The book, Who Moved My Cheese?, is a fable that teaches an amazing way to deal with change in your personal and professional life.

Below is a short synopsis of the fable:

*There were four characters: two mice named “Sniff” and “Scurry,” and two little people named “Hem” and “Haw.” The four characters live in a maze (which represents your practices in your town) and their activity is to look for cheese (which represents your practices profitability, new patients, systems, and staff).*

*Each morning, Sniff, Scurry, Hem and Haw wear their most comfortable shoes to run and search the maze to find cheese (There was a time when all of us did whatever it takes to succeed). They searched each day until they found Cheese Station “C”. The four were so happy and glad to have found Station “C” which is filled with cheese (Sounds like the 90’s when the economy was still building). Hem and Haw, human as they were, became comfortable having found Station “C”. They thought that the Cheese in Station “C” was more than enough to sustain their needs in a lifetime (Big mistake. Things change). Hem and Haw lazily get up every morning and walk to station “C” without their running shoes on (They start to stop doing what it takes to succeed). On the other hand, the two mice “Sniff” and “Scurry” still eagerly run to Station “C” to search and find their cheese.*

*Then one morning, as Hem and Haw lazily walk shoeless to station “C”, they arrive and find it empty. Hem and Haw become furious and angry. Unprepared, the humans have counted on the cheese supply to be constant. They rant at the unfairness of the situation and were angry at those who stole their cheese (This is the point of*

*Entitlement I find in Dentists). They wanted justice. They wanted the cheese to come back, but they went home hungry (But not hungry enough to change). On the other hand, when Sniff and Scurry found that Station C was empty, they were not surprised. They noticed the cheese supply was decreasing. They had mentally prepared beforehand for the tough but foreseeable task of finding new cheese. They easily accepted it and moved on to search for new cheese.*

*The next day, Hem and Haw still walk to Station C hoping to find their cheese. They were still hoping that things were the same as in the past. The cheese was still gone and was not coming back. Haw, beginning to realize that the cheese-less situation was not going away, proposed to search for new cheese. But Hem was dead set in his closed mindset and rejected the proposal. Meanwhile, Sniff and Scurry have found “Cheese Station N”, a new supply of cheese.*

*Hem and Haw still have no cheese and blame everything but their aversion to change. Wanting to change, Haw once again suggested searching for new cheese, but Hem rejected it again. He didn't want to change, he was already comfortable with his old cheese and he was afraid of the unknown, the new cheese. He just wants the old cheese to come back, and he'll be happy again. After many days in denial, Hem and Haw remained without cheese.*

*One day, having discovered his weakening fears, Haw began to laugh at the situation and stopped taking himself so seriously. Haw realized that he should simply move on and enter the maze to find a new cheese. While walking down the maze in search of new cheese, Haw took time to write on the walls the experiences and lessons he learned in his search for change and the new cheese. Haw did this to create a guide for his friend, just in case he finally agrees*

to move on and find new cheese. First, he wrote, **“If You Do Not Change, You Can Become Extinct”** Still fearful of his new quest, Haw wrote, **“What Would You Do If You Weren’t Afraid?”** In his journey he realized and wrote down **“When You Move Beyond Your Fear, You Feel Free.”** Then one day, Haw finally found “Cheese Station N” and realized it was better and tastier than “Cheese Station C”. Wanting to remember everything he had learned, he wrote on the largest wall in “Cheese Station N” the following Six (6) Important Lessons on Change:

1. **Change Happens.** *They Keep Moving the Cheese*
2. **Anticipate Change.** *Get Ready for The Cheese to Move*
3. **Monitor Change.** *Smell the Cheese Often So You Know When It Is **Getting Old.***
4. **Adapt to Change Quickly.** *The Quicker You Let Go of Old Cheese, The Sooner You Can Enjoy New Cheese.*
5. **Change.** *Move with The Cheese*
6. **Enjoy Change.** *Savor the Adventure and Enjoy the Taste of New Cheese*

Are You Like Hem?

Even if we don’t admit it, we act like Hem. When change happens in our lives, we get angry, we blame others, and we lose hope and resist change.

1. **Change Happens.** After over 40 years of dentistry, I can attest that change is the only constant. If you think about it, when you’re done with change, you’re done. In life there are no guarantees and sure things. Enjoy the journey because it is not about the destination.
2. **Anticipate Change.** Are you a thermometer or a thermostat? 95% of dentists I speak with are thermometers because they only measure change.

They seldom anticipate or create the environment that would let them be successful. The minority are thermostats because they are constantly adjusting what they do: They control their circumstances and climate they compete in.

3. **Monitor Change.** Over and over we stress running your businesses by the numbers. It is so disappointing when the doctors can't give me a current P&L, can't tell me the number of new patients, or don't know their production and overhead numbers. You have to monitor your numbers, anticipate change, and act quickly to rectify any down turn.
4. **Adapt to Change Quickly.** Success goes to the quick, not the plodding. Paralysis through analysis is rampant in our profession. Rarely will everything be perfect before you act. You need to adapt the attitude of "ready, fire, aim". There is no time like NOW to take an action step to correct or improve your momentum.
5. **Change.** Act. You can't just do what you are currently doing and expect to go to the next level. If you want to take it to another level you have to do something different first. You have the habits of whatever practice you currently have. To take it up a notch, you have to change everything. Failure to grow is failure to meet your patient's needs. There is no other reason for lack of growth. You have to "*put on your big girl panties and deal with it*". You are not doing the right thing. If you were, you would be growing. There would be no limits.
6. **Enjoy Change.** Because change will be constant, you must embrace it and enjoy it. You cannot expect to go through life successfully if you don't enjoy the journey. Change is going to happen. Someone will steal or move your cheese. You have to enthusiastically seek a new way, a better system, to stay on top. While on a Southwest Airlines plane

following a very hard landing, the flight attendant came over the intercom to interject that the rough landing wasn't "our fault, and it wasn't your fault it was asphalt. Be careful on opening the overhead bins because articles stowed there may have shifted." "Shift happens". Shift happens in dentistry also; get ready to react.

You are about to embark on a Journey of Change. Dentistry as we know it has changed, and many of us will be caught unaware and unable to adjust to the new reality of healthcare. This book was written from my experiences from the ownership of multiple dental offices and the thoughts and lessons I learned from my mentors after over four decades of practice, teaching, and the study of how to create a successful business model in dentistry. You will find most of it very counter intuitive, but you, like the thousands of doctors we have helped through Summit Practice Solutions ([www.summitpracticesolutions.com](http://www.summitpracticesolutions.com)), will see the logic and simplicity of its truth. Enjoy the book, embrace change, and stop settling for mediocrity. Like "Hem and Haw", someone has moved your "practice". This book will put you back on the path to unlimited growth and financial security in the practice of dentistry.

Michael Abernathy, DDS  
[abernathy2004@yahoo.com](mailto:abernathy2004@yahoo.com)  
972-523-4660 cell

# Chapter 1

## **Begin at the Beginning: Ask the Right Question**

Regardless of the age of the doctor or the number of years in practice, I always ask the same two questions: *“How much is enough?”* and *“How long do you want to practice?”* Seldom can anyone answer these two simple questions. The young ones say they just started and haven’t really thought about it. The mid-career doctors are beginning to worry about whether or not they will ever be able to retire, usually because they are in debt up to their eyeballs. The older doctors (who know they haven’t saved what they need for retirement) say they “want to” practice 5-10 more years. As for money, they feel like they need \$2,000,000-6,000,000 to retire. I try to give them a guideline using an approximate 5% after tax return on the money they have saved. If you think you need \$100,000/year after tax, you will need to have \$2,000,000 in savings: \$200,000/year would be \$4,000,000. You get the idea. The problem is that most of these doctors have not saved a penny, have successfully ended three marriages, and want to retire in two years because they are burned out. Their debts far outweigh their assets. What happened? We literally have had millions of dollars pass through our fingers during our careers and most of us have little or nothing to show for it. I believe it’s because we fail to plan. We let our lifestyles out strip our earning capacity. Believe me, there is no amount of income that you cannot spend. Because of this, I see the average dentist spend just a few percentage points more than they actually take home. A failure to set goals early in life with a due date and a strategy to get there is a plan to fail. The results of not planning create average doctors with below average results.

Keep in mind that as an Associate you will most likely end up under the tutelage of this “*average dentist*”. Statistically the “average dentist” today is:

- 54 years of age.
- \$225,000 in net worth (Assets - Debts = Net Worth).
- Divorced at least once.
- 67% dislike their chosen profession.
- 47% have abused alcohol or drugs during their career.
- Have endured at least 3 career lawsuits.
- Only have 1.5 days of hygiene per week in their practice (Should be 8 days a week or two full time hygienist/DDS).
- Have a 91% collection rate (Should be 98%+).
- Have a 42% recall rate (Should be at least 80%).
- Produce a little about \$650,000/year with a 67-75% overhead (The Overhead should be in the 50-60% range).
- Net pay is around \$60.00/hour. About the same as a plumber in the State of Texas.

L.D Pankey said it best: “*The average dentist is the best of the worst, or the worst of the best.*” No one ever left dental school hoping to become an “average dentist”. Fail to plan, to find a mentor, coach, or consultant and you

are doomed to mediocrity. I have made a short list of the characteristics and habits of the “average dentist” that I have observed over the last few decades of coaching. I call it the “*Seduction of Good Enough*”. Consider this. You graduate from school and go into an associateship and then:

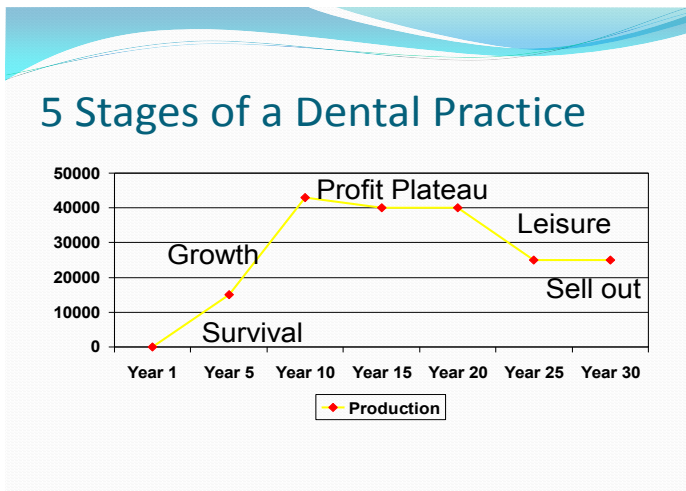
- Do the minimum required.
- Wait until the last minute to do things.
- Be unprepared and unorganized.
- Accept mistakes and errors as part of life.
- Be willing to let someone else do it.

There are 5 Stages of a Dental Practice. If you were to place these stages on a piece of graph paper, they would look like the diagram below. The Vertical axis is measured in money. The Horizontal axis is a measure of time. We all start day one with little or no money and we’ll call this the **Survival Stage** of dentistry. We will do whatever it takes to make a living: We are very short on experience, and hopefully long on persistence. We start out doing whatever it takes. Dr. Gordon Christensen has said: “*our diplomas are just learner’s permits. We are just barely not dangerous.*” The great thing at this point of our careers is that we don’t know what we don’t know. We are pretty clueless about the business of dentistry. We are just looking for a chance to get into the game.

The next stage is the **Growth Stage**. This is the most exciting time for most of us. We start practicing as a dentist, get an apartment or home, get married, and even

start a family. We are gradually increasing our clinical, business, and financial skills, usually by trial and error. Everything is looking up. At almost every turn, we run into something that is a challenge. The trouble with growth is that it ends far too quickly for most of us. Very few of us are able to keep adding challenges, clinical skills, and sustain growth in our practices. Without continued growth and profitability, we are doomed to languish in mediocrity.

The next stage is the **Profit Plateau Stage**. You could find that you hit several different plateaus during your career. Slow down, plateau, and then you market more, add a procedure or even another provider, grow a little, and then hit another plateau. It is kind of like failing. You really only fail the last time you stop trying. As long as you fail forward and keep getting yourself up after a challenge knocks you down, you have not failed. You may currently struggle with some challenge, but it will not make you fail.



The strange thing about this graph is that the time line may not be your entire career. You might find that you enter the Profit Plateau Stage in your 5<sup>th</sup> year, or maybe never. It varies from doctor to doctor and practice to practice. But I find too many doctors arrive too early and remain stuck in this Plateau Stage for most of their careers. They feel helpless to control their circumstances. They feel out of control. The practice, staff, patients, overhead, and management have taken their toll. They stopped trying years ago. They just come in, do what they have to, leave, and *hope* for the best. The truth is ---- *hope* is not really a strategy.

It is at about this time of helplessness and lack of control that everything begins to go downhill. Patient numbers drop, production barely covers expenses, staff turnover is high, and the inevitable slowdown into the **Leisure Stage** begins. The name leisure probably doesn't do it justice. It is more of a "*decay of attention and profitability*": A time when stress is the constant and profit is elusive. You begin to think of patients as the problem. You arrive late, never really are fully engaged during the day, leave early, and try to occupy your life with something other than dentistry.

It is at this point that we hit the **Sellout Stage**: The very worst time to try to sell a practice or bring in an associate or partner. Your systems are in shambles, there is little or no profit, and not even enough energy to lead the practice. You will receive the least amount of money for your practice and have little or no time left to act on an investment strategy to help it grow. At the time in your life when you need money the most, and should be able to cut back, you find yourself back at the **Survival Stage**. This is

a vicious circle that captures way too many of the dentists I encounter: Great opportunity, plenty of time, but a complete failure to follow thru. You become a thermometer instead of a thermostat. You sense what's going on around you but you never control your environment. A young doctor should never buy a practice in its lowest stage, unless it is a fire sale.

Not a pretty story and not the path that you want to take. That is why you are reading this. If you are a new graduate, you will be looking for a practice with the goal of a career-long **Growth Stage** with huge financial gains, less stress and a renewed enthusiasm for life. If you are a seasoned doctor, you find yourself either searching for a way to take your practice to the next level, or you resign yourself to mediocrity and stay the course.

At forty years of age I decided I would retire from dentistry in 15 years with at least \$7,000,000 in assets and be debt free. I had just read Bob Buford's book "*Half Time*". In it, he tells how his son dies a few days before joining him in running his very successful business. It traces his thoughts and grief as he tries to make sense of life. His conclusion was that he had spent the first part of his life trying to be "*successful*". He felt he needed to spend the last stage of his life trying to do something "*significant*". He referred to this point of transition as "*half time*". Kind of like a football game where you go into the locker room with the first half over and having to reassess your strategy for the second half. I came away from that book with a renewed purpose and a new plan to make my dreams come true. The trouble was that I didn't know anything other than dentistry. I had to make dentistry fun and profitable for the next 15 years. During

that same time, I sold partnerships for fractional ownership of my practice to 3 doctors, grew the practice an average of 15% a year, lowered my overhead to the 50% range, added 9 hygienists, a commercial lab, one more location, started Summit, and eliminated all of my debt. I have tried to add significance to every day of my life since that turning point. It is this sense of purpose and significance that continues to drive me today in my sixties. It is this sense of purpose and significance that I hope to give you as you read this book. This book will change your life if you will just act, and act today.

## Chapter 2

### THE SUPER “GENERAL” DENTAL PRACTICE MINDSET

Nothing stays the same. There are always game changers and evolving situations. This is true even in Dentistry. The problem is that most of us are not seeing it: We can't see the forest for the trees, or we are just too close to the problem to properly assess the solutions. Somehow, we have become an industry in denial with a lack of concern or perception of the reality of our plight. No longer can you take on the strategy of just hanging out a sign on any corner in town and expect to survive, much less thrive. John Gardner says it best:

*“Most Organizations have developed a functional blindness to their own defects. They are not suffering because they cannot resolve their problems, but because they cannot see their problems”.*

Let's take a look at Dentistry today. The facts, trends, and strategies that are shaping our future in dentistry will catch most of you unaware until it is too late. It's like the parable of cooking a frog. It is impossible to cook a frog by throwing him into boiling water, because he will just jump out. The frog gets “cooked” when he is placed into cold water that is slowly heated to boiling. It is so gradual that by the time the frog realizes his plight it is too late. He is dead. This is dentistry today. The water is so hot that if you sit there any longer you will be cooked. We have taken on strategies that are folly as for as sustainable growth driven by consumer desires. In Dentistry as in any other consumer driven business, nothing happens unless the

consumer says yes. Are you listening to what they are saying? Will you react and give them more of what they want and less of what they don't?

In the mid-nineties we were introduced to “Cosmetic” dentistry along with more and more products and technology to “sell” to the consumer. We went from being the third most respected profession to the next to the last one: Just above a used car salesman. We made the mistake of wanting the dentistry more than the consumer did. We crossed the line and now we are losing our audience in the market place. When was the last time that every dummy on every corner *did not* claim to be a cosmetic, aesthetic, implant, sedation, TMJ, sleep, pain, comprehensive, smile stylist, dental spa specialist? The brand is so diluted that every Tom, Dick, and Harry from every “institute”, study club, and “academy” with its bogus pseudo-specialist diploma is claiming some heaven sent, never before seen technique or service that will set the patient free.

Don't get me wrong, I love cosmetic dentistry, sedation, implants, and orthodontics. They will be around forever. The problem is that practices that limit themselves to just one of these niches, or showcase the boutique style practice will find it more and more difficult to find patients that want just that. By only offering certain services at the exclusion of what most general practices offer, you limit the range of patients you can inspire. No patient wants to be diagnosed by a general dentist, referred to an endodontist, oral surgeon or pedodontic specialist if their trusted dentist would do the work. The stand alone “boutique practice” is dying and will be limited to large cities with an over population of dentists all seeking the

same 3% of the population. The small percentage of the population that needs, wants, and can afford this level of dentistry is rapidly shrinking and is not being replaced by generations of dental neglect or ignorance. Cosmetic dentistry in general is a product of an affluent society obsessed with the external. Even from a clinical perspective you will find that the best dentistry is no dentistry at all. Healthy teeth and soft tissue is as good as it gets. Procedures that irreversibly alter a tooth relegate the patient to having to repeat the procedure every 12-15 years, and that's if it is done to the highest standard of clinical excellence. Decayed, missing, and filled teeth are becoming nonexistent in middle class America. Demographics show us trends that prove these assumptions. Stop and take a look at what is happening around you and your practice. What are the trends? What is changing? How will you adapt? Why are corporate practices growing at such an alarming rate?

I know what's going through your mind right now. I don't want to hear this crap. He's off on another tangent that doesn't affect me. I hear this every day: A myth that you are the exception rather than the rule. I hate to bust your bubble, but if you've been practicing in the same location more than 15 years, the odds are you are in the wrong place. While you have not changed, the demographics, people, income level, race, median household income, education, disposable income and age of the neighborhoods around you have changed dramatically. You are not in the same place. Today is nothing like it was 15 years ago. Is it any surprise that you are struggling to get your share of new patients, lower your overhead, save money, and raise your production doing the

same thing over and over again and expecting a different result? That result will never come. You are no longer inspiring your patients. Every system in your office is geared to give you the results you are getting. It is hopeless until you decide to do something different. If you are not operating at below a 60% overhead, producing \$20,000/employee/month, producing \$25,000/Op/month, growing at least 15% a year with 40-60 new patients per month, while saving your age in \$1,000 bills each year, then count on never retiring, or living on Social Security the rest of your life.

Even the recent graduate will struggle. They are educated for a minimal level of competence by professors who have no real-world experience in the successful business model of a modern dental practice. They fly out of dental school ill prepared to meet the demands of business and clinical dentistry. They used to be, “just barely, not dangerous”, now they fall short of that. Their expectations so far exceed reality in pay, and responsibility as to be ludicrous. Currently we have over 6,000 dental students a year graduating from schools around the nation, and we have several more dental schools scheduled to open over the next two years. We have more and more retired dentists coming back into dentistry because they have too much time and too little money saved. We have older doctors re-evaluating or postponing retirement altogether. Add to this the lack of general business creating situations where current associates are being let go, and you have the perfect storm. Dental students are coming out of dental school with \$350,000 to over \$500,000 in school debt, few skills, no job, and a challenging future with ever shrinking opportunities. A lot of them are even marrying a fellow

classmate so now its \$800,000 in school debt. The icing on the cake is that every last one of them wants to practice in the city. In Dallas, Austin, LA, Atlanta, New York, etc.: The very places that guarantee failure due to decreasing demographics and unsustainable competition. I call this “*competition kill-off*”. It’s like an over-stocked lake where there is not enough food to go around so they begin to eat each other. I practiced in McKinney, Texas for over 37 years. Just next to it is Frisco, Texas. They meet at a North/South street called Custer Road. These two cities are among the fastest growing towns of their size in the US, but the ratio of dentist to patient on Custer Road is one dentist to 275 people. You need at least 1:2000. You cannot make a living in this area. Everything changes. You can’t survive in “*demographic denial*”. *Where* you practice, *how* you practice, *what* you practice, and *when* you practice are the points that will create success or failure.

Specialists are not immune either. They, more than anybody else, are feeling the pressure of change. When the going gets rough, general practices actually start studying and adding specialty services. 90%+ of all endodontics is done by the general practice. 40% plus of orthodontics is being done by the general practice. We are doing sedation, implants, perio, you name it; we are doing it all. Patients want to stay with the general dentist they know and trust. Technology has made this accelerate: Automated endo with ultrasonics and rotary instruments. Technology in bracket and wire design has made orthodontics a no-brainer for 90% of the ortho cases. Add in Clear Choice and Invisalign, and there is no wonder that Orthodontists are down 47% in the last 3 years. You name it, and specialists are feeling it. Why should the general practice send out

every wisdom tooth, periodontal implant, or orthodontic case? There is no reason, and there are plenty of reasons to keep it in house. This is a trend that is not only accelerating but becoming nationwide.

The next nail in the coffin of the boiled frog is Insurance managed care. I call this “*Insurance Glut*”, and they are here to market you out of the game. Every insurance company is pushing their enrollees to seek an in-network provider. Every time the out of network patient has a crown done, they receive a letter from the insurance company on how much they would have saved by seeking an in-network provider. They are trying to make the public believe that a crown is a crown. If they succeed, there will be no reason to select a dentist other than by fee. You just pick the lowest priced provider. Guess what? They are succeeding in most states. This “commoditization” of healthcare started decades ago, and we are now reaping the results of an educated consumer and a financial powerhouse in the form of insurance company driven healthcare. These people have lots of money and know how to play the game. You and I have to be aware that they are not going away. The latest and greatest tactic by Big Brother is to systematically use technology to limit fees and eliminate good doctors who do high-end dentistry. We had a client who was dropped from Met Life due to an arbitrarily high number of crowns done by his office; crowns that the insurance company had approved on their EOB. The doctors that are being eliminated are the ones that continue to be at the front of dental research and study: The LVI, Pac Live, Seattle Study group, Pankey, Dawson, Rosenthal, and American Academy of Cosmetic Dentistry types. Through no fault of their own, they are being

excluded from managed care because of their excellence in dentistry. It is not “good versus evil”, it is just another business plying for the same consumer dollar trying to be profitable, and we have to be competitive to make this work. Insurance companies with ever-updated strategies are not going away. Even today, insurance companies are investing in their own medical and dental practices. This is a quantum leap in threat compared to corporate dentistry.

The final nail is the corporate dental practice. Practices like Pacific, Monarch, Aspen Dental, and Heartland are making huge inroads to dentistry in the US. Now, add in the new rise of DSO model of practice. This strategy has started and stalled off and on for over 20 years, and now it is working. We have uninformed, clumsy business models that are ripe for picking, and the Corporate nationwide companies have hit their stride. These people are not going away either. These companies are looking at a business that can generate 25-50% profit margins when operated correctly. Give me a break; grocery stores operate on a 2-3% spread. Dentistry is ripe for the harvest, and the solo practitioner is clueless. This happened some 30 years ago with Pharmacists. Most, if not all pharmacies were individually owned private businesses. Then came the big bad wolf. Corporate America saw an opportunity to capitalize on this mom and pop operation and turn it into big business. Enter Wal-Mart, CVS, and Eckerd’s. So successful were they, that there is not one privately owned pharmacy in all of San Francisco today. This is our future if we do not act. If you wait to react it will be too late.

But wait, there’s a kicker. Welcome to “Ineptocracy”: A system of government where the least capable to lead are elected by the least capable of

producing, and where members of society least likely to sustain themselves or succeed, are rewarded with goods and services paid for by the confiscated wealth of a diminishing number of producers. Every new change in the White House seems to bring healthcare reform that will increase your overhead by 4-6%, while increasing your taxes by another 10% while at the same time eliminating some or most of your deductions. Life as we know it has changed, and it is most likely going to change more.

So, what do we do? How can we compete? What is “the” business model for the future of dentistry? It’s not the 23 operatory, high-stress, high staff turnover, corporate model. It’s not a spa/boutique practice with limited services for the high-end customer. It is not a specialty practice that depends on referrals from the general dentist who no longer refers to specialist. It’s the phenomena of the “Super General Dental Practice”. Let me just list a few of the characteristics of this new model that is popping up around the country and thriving in any market.

- It is located in an area of growth with a demographic of at least 50% of the population below the age of 39.
- It will have a race demographic of 70% white or higher. If Hispanic, black, or Asian race demographics exceed 5% they will reflect this in their hiring practices and marketing to become more inclusive of all the factors from age, income, race, and educational level.
- The median household income will be \$50,000-\$80,000.

- Educational statistics will indicate 90% or higher high school grads, and at least 40% of the population will have a bachelor's degree.
- People living in the same home 5 or more years will be below 60%.
- They will see and market to kids.
- They will be in-network for most insurances and try to eliminate as many hurdles or barriers as possible to treatment while still maintaining a 60% or below overhead.
- They will have multiple financial options along with perhaps the ability to carry the financing themselves while still maintaining above a 98% collections rate.
- Hours will include Saturdays and Fridays and most often is six days a week with Sundays following close behind.
- Services will include but are not limited to: Implants, C&B, sedation, TMJ, oral surgery, limited perio, orthodontics, and all of the normal general practice services.
- Staff cost will be at or below 25%, with benefits, and a progressive bonus system that guarantees a "staff ownership" mentality.
- 6-10 operatories that maintain a \$25,000/month/Op production rate or higher.

- They will have long-time caring and compassionate staff with little or no turnover. The owners and even the staff will not tolerate mediocre staff. Staff will have a functional bonus in the form of profit sharing that will act as an incentive for above-average results. A policy manual and job descriptions will detail consequences for lack of performance.
- They will average 2 hygienists per dentist or 2X the hygiene hours per doctor hours.
- New patient numbers should meet or exceed 40-70 new patients/month/doctor with 50% or greater coming from direct referrals from existing patients.
- There will be multiple providers leading ultimately to multiple owners creating an attitude of ownership among the doctors.
- While it grows, it will maintain an attitude that will embrace change while constantly monitoring results and guarding a core vision for the future. The owners and staff will make sure that serving the patients is a core tenet in building a business model that will continue to grow and compete in any economy.

This “Super General Practice” is the model for today and the future. The practices that are at the forefront of profitability and sustainable growth already know this. Wake up, and reevaluate your direction and vision. Waiting for the good ole days to return guarantees that you will be the victim in a profession that needs to embrace change and start today to reshape the strategies that will

take us to the next level. This book is the foundation for doing just that. Read the book, re-read it, mark the pages and underline the important points, and begin to apply the knowledge contained in these pages. Now is the time to act. Keep in mind that there is no learning without application. Just reading this book is not enough. You must apply its tenets, and embrace the journey that will lead to a positive change for you and your staff. In over three decades of practice and consulting, I have never seen a practice that couldn't produce more, collect it all, and keep half.

## Chapter 3

### PURPOSE, PROSPERITY, AND PEACE OF MIND

I thought I would take this opportunity to introduce you to just a bit of the philosophy and direction from my main practice. This overriding philosophy forms the framework for this book and the philosophy of Summit Practice Solutions.

For many years, we have felt that a majority of dentists, staffs, and practices have been operating from a fatal flaw: An incorrect perspective. A view, that if left unaltered, guaranteed a slow death spiral for their practices. This limiting belief holds them back from realizing success in their practices and security for their futures. Once presented with the realities that this seminar teaches, we continued to hear the same response. Hundreds of doctors and staffs have felt they belonged to the “NETMA” club (*Nobody Ever Tells Me Anything*). Everything we taught made perfect sense now. *The truth is that people are lying to you, and if you're listening to the wrong person, it could cost you your career.* That's why we took years to actually lay out the Super General Dental Practice philosophy and systems, and another year to write the Super General Dental Practice designed to break those flaws in strategy and replace them with solid systems and a new-found perspective on unlimited growth in any economy. This philosophy and strategy will shape dentistry for decades to come.

Ignorance is not just what *we don't know*; it's also what *we think we know that isn't so*, and most of all, that *we just never know what we don't know*. Accept this

statement, and a lot of what we do each day is based on false or unknown data. For the most part, what scares me isn't what you know, but what you think you know. This thought process creates a perspective that at best clouds the way you look at your business, finances, systems, and staffing. At worst, it directs you down a path leading away from success.

So, let's start at the beginning, and allow me to lay out the structure of how change works. It is my assertion that everyone needs a "180 Degree mindset": Think about why you do what you do, and be willing to make adjustments in your course of actions. Most of us base our actions on past experiences. We use our own history to plan for the future. We base our strategies on what we know through experience. "It only makes sense to do what makes you feel safe". There may be a problem though. What if the last several decades, the history that we use to base our decisions on is an aberration? Instead of being normal, the last few decades have been the exception rather than the rule. If this is true, and I believe I can statistically make a strong case for this, everything you know will direct you to make the wrong decisions in business. Add to that, the rate of change that we face in dentistry, technology, science, and consumerism and you have a formula for disaster. If you're just beginning a career, you at least have not created unbreakable habits that may prevent you from making the necessary changes in order to correct your course. The normal practice will have years of experiences that are both good and bad, systems that used to work when circumstances were different, a fear of failure and a lack of goal setting that means they have to make a huge effort to just notice the need before it is too late. They

have to stop the momentum and its direction that carries them away from where they want to go, make a course correction, and begin to accelerate again...all the while trying to break the habits that got you to where you are in the first place.

Let's look at our practices like a Physics problem. Let's see how change and directions of effort are affected by our choices.

- 1. Correction Recognition that there is a problem:**  
Change only happens when you have identified a need. In addition, this need has to be more important than the emotional challenge you face to make the change. You will always avoid the "pain". You have to want the change more than your fear of the pain associated with actually doing it. Fear is a powerful emotion that most of us will struggle to tame. Subverting fear is the mark of a good leader. Just do it. Regret is way over-rated. Kind of like removing a band aid on your hairy extremity. Do you want to do it slowly or quickly? This is an assumption that every person has to make. They accept the fact that there is a powerful need to change. They recognize they are falling short on results, and they're ready to deal with it. They are tired of mediocrity. They want more: They want *Purpose, Prosperity, and Peace of Mind*. This need is driven by the lack of results, lack of new patients, poor strategies, and lack of profitability. These are all symptoms of a deeper problem...a lack or wrong direction of effort. You have lost focus or just don't understand what to focus on.

2. **Direction of Effort:** We are all doing what we do and getting what we get: Cause and effect. Our results attest to our success or failure in business. Belief and excuses don't matter. Only results count. So, each of our practices is headed in a certain direction: Schedules, systems, staffing, fees, profitability and production yield us a result or, in this case, a profit. If you want a different result, you will need to direct your effort in a different direction. Working harder or longer will not help. If you want a different result, then you have to go to "different" to get there, you have to alter your course.
3. **Momentum:** So, we're going in a particular direction at some speed. Maybe fast or maybe slow. The speed and momentum will either allow you to make a fast or slow change in direction. The faster you're moving in one direction, the more difficult it is to alter course. Move too fast, and try to change quickly, and you may crash. If you're going 180 degrees in the wrong direction, it means you have to pull a lot G's in order to turn and accelerate in a different direction. A small course correction is easier, but any change is difficult.
4. **Mass:** How big is your practice? The larger the office, the more staff, hours, facility and patients, the more difficulty you will find turning towards the new direction you wish to take. You will also find the longer you have been doing something incorrectly, the greater the difficulty in making the effort to correct course. Think of an ocean liner verses a canoe. Ocean liners may take five miles to

actually slow and make a turn. A canoe can turn on a dime (less mass and less speed). Be aware that fighting speed, mass, and momentum are difficult, and it takes a lot of intentional effort.

5. **Action or Response to the Problem:** It's not enough to just realize the need for change: You have to do something about it. I would have to say that I have seen far too many doctors who agree they are not where they want to be, but still fail to act. What does it take for you to actually be engaged in creating the optimized dental practice through sound practice management and statistical analysis? Let's hope this book does it rather than being forced to make a change due to bankruptcy, divorce, and financial ruin.
6. **Speed of change:** Complete commitment with no hesitation or procrastination is the order of the day. Set your course and move quickly to correct the direction of your effort. Everything needs to change. It needs to be a full court press. You need to be relentless about pursuing your new direction, and intentional about what actions you take. Acting isn't enough if it takes years for you to actually get a different result or even make an effort. A day should not go by without you taking specific actions that create specific results. You have to become a leader for your team.
7. **Results:** If you think about it, results or the lack of them, are what started this process in the first place. No results or poor results mean you have a problem. You need goals and measurable results to tell you if

you're on course. Results allow you to make adjustments based on fact, not feelings. If you're not getting the results you need, it's time to make a course correction. It will not get better. Think about it. If you were traveling North on a highway but you should really be going South, or even just a couple of degrees off course, each second you keep going, you move further from the goal. It will take longer to get back to the starting point before you can make a better result happen.

8. **Course Correction:** Like sailing, your course is never a straight line. You will need to make corrections. In sailing when we want to go from point A to point B, we are always heading for the destination, but we have to tack back and forth into the wind in order to continue to travel toward our destination. Some days there is not much course correction or tacking. Other days you spend a lot of time fighting your surroundings before you ultimately land at your destination. Sometimes a good skipper or a better boat makes the difference. Most of the time it is just dogged persistence to getting where you want to go: Stick to the basics, and keep the destination in sight.

There are two things we have not considered. This paradigm shift of “acceptance of change” has to be embraced by not just the doctor, but everyone you work with. This book, and every step and strategy it professes, must be embraced by the entire team. It is the “weakest link syndrome”: You will go no farther than the one individual with the lowest commitment to your vision or goal. That means that you cannot tolerate a mediocre staff

or lack of engagement by everyone. What you allow, you encourage. Let even one-person drift away from a 100% commitment, and you will always fail. The Gallup group did a survey of corporate America only to find that 67% of all employees are not only *un-engaged* in their jobs but are *actively sabotaging* your business. It's painful to make the difficult decisions, but impossible to make the changes you need to make without them. You must get used to recognizing blockages and dealing with them quickly and decisively. Decide right now that nothing will stand in your way of making the changes that will alter your course to a new level of profitability and production: No system, or staff person, family member, or even yourself. Nothing will keep you from succeeding. This commitment must be an all or nothing attitude.

The second area we need to visit is the “perception of the need for change” by the doctor or owner of the practice. Each of us perceives “need” a little differently. Think about a quarterback and his passing prowess. During the heat of a game he throws an interception, losing the game. In retrospect, he believes that his choice to throw to that receiver at that time was not a “*poor decision*”. It was “*poor execution*”. With this flawed thinking he will focus on improving his mechanics and technique rather than his flawed thinking. If this is the case, he may choose to make the same mistake again until he finally realizes it was a poor decision and not poor execution. He has the opportunity to learn and correct his mistakes, or upon faulty analysis, he will repeat them. Oftentimes, the poor analysis and faulty thinking results in him being removed from the position and replaced with someone who gets better results. This is true in Dentistry as well. In a small consumer

driven business, like Dentistry, people or our potential clients vote with their feet and wallets. They choose who they buy products and services from and if you keep seeing the back of their heads, you are doing something wrong. It is as if most of us just can't see the obvious, so we continue to take the wrong path with flawed actions, finding we continue to get poor results. I wish I had a magic wand and could remove this over- powering desire to think that you are going to get a different result while doing the same thing over and over again.

We need to somehow create in each of us a “habit of change”: “If it ain't broke, break it” type of attitude. We all change, and change will occur in one of three ways.

1. **You choose to change.** You are one of those rare individuals that structure your life in such a way as to never be satisfied with the status quo. You understand that it is impossible to coast. You are either improving, or you're losing ground. You make more correct decisions than incorrect ones. Even when you fail, you go at it again while making a course correction, and a new dedication to get it right next time. Take note here. This type of person does not feel like a temporary failure or blockage has anything to do with their self-image. They still believe they are good people with integrity and a great work ethic. A setback doesn't mean you are a failure personally. Everyone struggles. In fact, an expert is often defined as an individual who has failed more times than anyone else in their chosen field of endeavor. You only fail if you don't get up, and go at it again. There is a great book written by John McGee called Man's

Search for Significance. Its premise is that Satan's greatest lie is that your performance + other people's opinions = your self-worth. Operate from this lie, and you face a lifetime of disappointment and grief.

2. **You are persuaded to change.** This happens in one of two ways. Both ways arrive at a tipping point of action or response. Obviously, the speed of recognition and action determine the winners in life.
  - a. **Logical persuasion:** You or someone else presents a factual, logical progression of information that leaves only one sensible or possible conclusion: I need to change or I will suffer the consequences. It makes sense, and any intelligent person would choose to go ahead and take the plunge.
  - b. **Forced Persuasion:** Through a "slow or fast death spiral of bankruptcy, lack of patients, no production or profit... A do or die situation in which you have to act or leave the profession. Believe it or not, we see a lot of these. Like it or not, it is the doctor's fault. They chose the actions that created the results that they find themselves in. If it is the doctor's fault for the situation, it will have to be the doctor's corrective actions that take them to the next level of practice.

Let me give you a few fatal assumptions that I hear every day. I call this the “**YEAH, BUT**” Syndrome of practice management:

- *The economy or my situation will get better.* (It may not for you, and if the last decade or so has been an aberration, it will never get back to the “good ole days”).
- *It's the poor economy or some other "external" problem.* (A lot of our clients are having the best month they ever had) Don't look for an external solution for an internal problem. Regardless of what the economy or any other external situation exists, there is always a doctor just down the street that is thriving and growing. You need to be that practice.
- *My circumstances are different.* (This is usually followed by how they are doing everything right, but fail to see why everything is not working). If you are not growing, you are not meeting your patient's needs. Fail to give patients what they want, when they want it, at a price they can afford, and you are guaranteed failure in the business of dentistry.
- *I just need to be patient.* (Never, never, never say this. You need to do something different). If you follow this flawed strategy, you will move patiently into a failed business.
- *Patients will come back soon.* Are you kidding me? They will never come back. They found someone who takes their insurance, has consumer hours, charges reasonable fees, offers services that you don't, cleans teeth on the first appointment, and

finds ways to make their patient's dentistry affordable.

These "false assumptions" are limiting beliefs. If you hold a limiting belief long enough, it becomes truth for you. Once it is truth, it holds you captive and prevents you from being able to see the real truth of your circumstances. This statement is precisely what will keep you from embracing the tenets of this book. You will justify or excuse your poor results and fail to embrace the fact that what you are currently doing will never let you become the dentist you always wanted to be.

This is the point in which I find most doctors and practices: Mediocre results over decades of practice creating layers of habits compensating for a lot of limiting beliefs. I guess I always thought or hoped that if I presented a seminar or wrote an article with all of the answers, these offices would take the solutions and use them to better their situation. I truly wanted to save these practices from having to use trial and error to finally arrive at a predictable solution that yields consistent results. *I was wrong*. The problem was, after four decades of doing seminars, books and articles, I find that only 3-5% of those offices will actually take the information and use it to optimize their practices. That means over 90% of those who have read, heard, and been shown the way, fail or choose not to take advantage of this opportunity. We can give you a plan, all the tools you need to make it work, decades of history to show it works all over the US, and you still struggle to implement. Why?

The "why" is the reason for this book. It's not your fault that the entire educational system has been designed

to create a matrix that turns out dentists who, by their very nature, are ill-suited to become successful in their chosen field. Think about it. You have to have the money, desire, and smarts to be successful in college. Only the students with the best grades get into graduate school, but success after dental school is based on an extroverted social personality that exudes caring and compassion along with being good with your hands, and a modicum of business sense. Dental schools today and in the past have failed miserably to pick the best candidates. They pick the candidates with the best grades. If the truth were to be known, probably most of the “C” students that were the social center of activities in college would do better at dentistry than most of the current graduates. Our selection process along with the didactic teaching process guarantees that you end up with a socially challenged doctor with a poor self image, no business sense, a limited set of people skills and a dogged determination to not adapt or make changes. The super practices that you always read or hear about are the *exception to the rule*: The 1% that has the whole ball of wax. They get it and are engaged in embracing change in order to adapt to the constantly moving target of the consumer, and they are doing it well. The problem is, you only hear about the great ones. The other 99% of us are the silent majority. Here comes that limiting belief again. You begin to think that if Dental Economics writes about some super runway model turned exceptionally successful multi-million-dollar dentist, then everybody is doing well except you. That is the furthest thing from the truth. In fact, I know most of those super doctors, and all of them struggle too. Even Super Man had his Kryptonite. Bottom line: We all struggle. We all fall short. The good ones get up and alter their effort and

course when that happens. The rest of them languish in mediocrity for their entire career. I am here to tell you that regardless of where you have been, where you are, or where you would like to go, we have an answer for you and a strategy that will work.

I wrote an article awhile back entitled: “Who Makes a Great Coaching Client?”. The premise was based on the fact that consultants and mentors have different results with different doctors and staffs. There are traits that we can see that are advantageous to embrace. Let me be even more direct and say that it is more than just advantageous. It is a necessity. If you don’t have them, then it will be necessary for you to develop them. If you just can’t develop or embrace them, then stop reading, and go back to your mediocre practice and results. It’s this set of characteristics that make teachers look good. I have added this below, but I want you to consider that these very traits are also the traits of doctors with great dental practices. Read the next chapter like a checklist or to-do list that would help you to begin the journey toward the practice you have always wanted. If you fall short on some of the characteristics, make a point of taking the time to learn that particular trait as soon as possible. Failing that, make sure you hire people that can compensate for the areas that you struggle with as well as compliment your greatest traits. You need them all to chart a predictable course to success in Dentistry. Keep in mind that there are no "natural born" dentists. Everything we are discussing can be learned and applied.

## Chapter 4

### WHO MAKES THE BEST COACHING CLIENTS?

*(Or for our purposes: What traits do I need to succeed in Dentistry to create the Super General Dental Practice?)*

I got stumped on a telephone call. I was blindsided with a question I could not answer. A new client asked me: “What makes the difference between a great client and a doctor who doesn’t really perform?” He had already signed up for coaching, but I still would have liked to have said: Every doctor does well when they hire Summit. He actually just wanted to be one of our best clients, and wanted a list of things to benchmark against. I would have to say that there are differences in the results each office attains. Every doctor gets customized coaching based on a consistent formula of systems, information, one-on-one training done in their office, 24/7 access to me and their individual consultant, but we do see different levels of success with each practice. So why do consulting companies get different results with each client. After a little thought and consultation with the coaches, we came up with these top 10 reasons that results may vary depending on the client.

1. **The Doctor (and Staff) fails to own the process of learning and application of what he/she and the office are taught.** When asked, most doctors would say that they don’t want to manage the office, deal with the staff, or worry about financial strategies. All they want to do is just do the dentistry and not have to deal with the staff or

patients. I wish we could cull this type of applicant for our services, but sometimes they slip through. If you feel this way, don't even go down the road to improve your practice and bottom line. It will never work. I hate to say it but every problem in your practice is your fault. Either by omission or commission we create the problems that exist in our practices. You hired the staff, set up the hours, bought the location, marketed or failed to market, fell short inspiring your patients, you were responsible for everything. The opposite is also true: If you want a different result, you have to make the decisions, set the course, and start the process. You are the valve that every action goes through prior to implementation. As your coach or mentor, we need your attention and participation. The act of leadership cannot be delegated or ignored. Leadership can be taught and we can help, but you must consistently act to implement.

2. **Poor Demographics.** Believe it or not, there are many areas in the country that make growth almost impossible. Once you drop below the doctor to population ratio of 1:2000, you have entered an area of diminishing returns. You have gone over to the "dark side". Marketing is more difficult because every doctor is doing it, and every person is exposed to it. Fees are more competitive. Patients have more choices in the dentist they go to. Everything has to be at the top of your game. There is very little wiggle room. You must have the location, hours, take their insurance, and offer services at a price they can afford six days a week.

Differentiating your practice from everyone else is difficult if not impossible. If this is the case, your expectations on growth, new patients, production, and overhead need to be realistic. Without an outright move, you will struggle for the remainder of your career. This is a difficult fact to accept. Make sure you can handle the truth.

3. **Location.** Even if the demographics seem right in your town or zip code, they tend to degrade and change. If you have been practicing in the same location for more than 10 years, you may now be in the wrong location in your city or county. Every neighborhood degrades; it changes demographics, race, and income levels. As it does, you will often find that your practice does not reflect these changes. You will have lost touch with your audience. The patients today are looking for something altogether different than what you have to offer. Finding your practice in a multi-story professional building is probably the worst location possible. Can it be overcome? Maybe, but not likely. You should be spending 3%-5% or more of your collections to market your practice consistently. Select one of these huge buildings with no signage or drive by recognition and you will need to spend an extra \$5,000 per month plus the 5% of collections on marketing. Your practice, staff, and overall systems must reflect the community you practice in.
4. **The wrong practice strategy.** There are all types of successful practices: Boutique, general, family, managed care, fee for service, Medicare.... Any

strategy can work somewhere. Many strategies are doomed to fail if you are in the wrong location. The problem is that many strategies are fraught with challenges. While the idea of a cosmetic or boutique practice appeals to most doctors, your practice location, your personality, charisma, and clinical skills may not be able to support it. Each form of practice is dictated by the demographics of the area you serve. Don't be fooled by some slick speaker or "institute of higher learning" into thinking that a boutique practice is the only stress free, high profit, low overhead, and higher quality, higher calling type of practice. Often times it is the most stressful, least profitable practice that you could start. It is certainly the least valuable when it comes time to sell and retire. All this to say, make sure your choice of practice styles is supported by your circumstances. Deciding to try and give patients what they do not want is a sure-fire way to financial and practice failure. What would you pay for something you did not want? Look at what your patients want, and give it to them.

5. **Not being poised for growth.** This is a very broad topic. Many practices seeking a consulting firm are plagued with burned out doctors, marginal staff, and have entered the practice mode of coasting till retirement or have a "barely survive strategy". If you are about to invest your hard-earned dollars in a full court assault on your practice growth you need to be poised for growth: Right staff, great location, healthy, benchmarked numbers, good overhead, growing practice, and fully-engaged doctor who is

looking to make things happen. The entire office needs to be wearing T-shirts saying “Whatever It Takes” or as we like to say in the South: “Get ‘er Done”. It takes an overwhelming commitment to growth, excellence, time, money, and energy to make this happen. A practice management company, speaker, or book cannot motivate you, it can only train and guide you. Consulting is a partnership. Consultants don’t fix you, they come along beside you and you both must agree that each of you have to perform to make this work. There isn’t anything a consultant can do for you that you cannot undo before you meet again.

6. **Paralysis by analysis.** Our best clients operate on the premise of “ready, fire, aim”. They are not frozen by fear of failure. They realize that if everything has to be perfect before they act, nothing will ever get done. Part of a healthy practice/coach relationship hinges on trust that what is brought to the table is a “tried and true” strategy that will work with their situation. We have seen thousands of practices, and believe me, yours is not the worst situation we have seen. The worst thing a doctor and staff could do is to agree on a strategy with their coach, have an assigned job for each staff member and doctor, and then fail to follow thru. We like to refer to this as “Idea Overload with Execution Failure”. Failure to act has doomed many practices. Procrastination is overrated. Plan, and execute the plan.
7. **Thinking your job is doing Dentistry.** Successful practices realize that crowns, cleaning

teeth, sucking spit, making phone calls, dealing with insurance companies... are just things that you do while you're doing your real job. The key to a successful practice is, and always will be your ability to “inspire” your patients. It is counter-intuitive, but the best practices, most productive practices, practices with the lowest overhead, and greatest number of new patients hire for people skills and self-motivation, and train them to do everything else. People skills come with the person chosen for the job. It cannot be taught or trained. You either have it or you don't. Bonus systems or profit sharing will not motivate a marginal staff. You need to hire motivated staff. Keep in mind that Job #1 is INSPIRING your patients and staff. That, in a nutshell, is what your job is.

8. **Failure to incorporate “Consumerism” in all you do.** Dentistry is a small, consumer driven business. It is not just a science, a calling, or art form; it is foremost a business driven by the whims of a fickle public. Today there is a dentist on every corner. Patients vote with their feet, and if you are not getting your share, it is the consumer telling you that you are not competing in the business of dentistry. You are not viable with the business model you are currently using. You either change or struggle. Capitalism at its essence is the ability for anyone to sell anything anytime. The “fit”, survive. The noncompetitive, marginal practices that have no relevance with their clients will fail to exist. Not coming to accept the truth of consumerism will hold you back and drag you

down. If there is one thing that has been a constant in dentistry, it is change. To do well in coaching and life, you must embrace it.

9. **Financial Captivity.** I would have to say that putting off a change or not seeking help until the last minute is a common situation. By waiting, many doctors approach us in financial captivity. In other words, the margins are so close that there is little or no money to invest in coaching, marketing, or capital expenditures to correct blockages. Profit and a lot of it, allows you more choices in executing a strategy. Lack of it, often limits the options, scale of change, and speed at which it can take place. Learning to handle money is an essential skill that we try and teach each of our clients. One of the most common causes for financial captivity is “The Shiny Object Syndrome”: Where the doctor believes that buying every piece of new technology is the path to practice success. Nothing could be further from the truth, and nothing will sink you more quickly financially than over-spending. This could be true of “seminar addiction” where doctors attend every new clinical course only to bring it back home and never use it. It is not unusual to see these same doctors spending \$30,000 in a year for clinical courses but fail to produce \$40,000/month. If you find that you are in this category, we will encourage you to create a 100% moratorium on going to courses and buying toys. Let us show you how a profitable practice invests their profits.
10. **Holding a Limiting Belief.** I could spend 50 pages discussing this. I see it in myself and especially

with doctors who find that they are struggling with the many facets of practice and life. A limiting belief is a thought or process that you have held or performed so long that it has become truth to you. Most often the belief is patently untrue, but because it is the only thing you have experienced, you hold it as truth. It creates a filter through which you view and take action on all things. Consider this, if you are given false information, how can you possibly make the correct change or take the right action. This begins when you are young and it builds a stronger hold on you as you age. Practice makes perfect is a lie. Only perfect practice makes perfect. Repetition has minimal effect unless you are doing it right in the first place. A rut is just a grave with the ends kicked out. This is the hardest bond to break. A consultant cannot usually correct this problem. This is where we spend time creating strategic decisions with you and offer you correction in your course of action until you lose the limiting affect of this belief.

Imagine the effect of believing that: I'm terrible with finances, I can't be a good leader, patients just can't afford my dentistry, there are no good staff around here, I have never been able to save, Dentistry is stressful, I'm not lovable ..... It can go on and on. None of these are truths. If you hold the wrong limiting belief long enough to make it truth for you, your ability to be coachable, implement new ideas, and embrace change will fall by the wayside and limit your practice success.

As I write this, I keep thinking of a number 11 and 12, but I hope you get the idea. A mentor or coaching

relationship is a partnership. It requires effort, understanding, action, and knowledge to get a superior result. Regardless of the level of success you have in coaching, you will always be better off than the practice that has failed to try. This book is your introduction to a coaching relationship and action plan. You are being given information that works 100% of the time in every location you can think of. There is no exception. If you read it, embrace it, and apply it, it can double and triple your practice while guaranteeing your success in the future.

Let me interject another thought. More often than not, when I see a dentist struggle with his practice, I also find they have the same problem at home. Challenges are deep-seated and follow you everywhere you go. It's difficult to escape the reality of who you are and what you do: It's cause and effect. Whether it is finance, integrity, persistence, management or talent, it is almost impossible to separate work and home. Not so long ago, I heard a Pastor use this analogy. I want to take the liberty of paraphrasing it for you here.

## **AUTOBIOGRAPHY OF LIFE**

LIFE IN FIVE SHORT CHAPTERS: *A Consultant's view of the Doctors we work with.*

1. I walk down the street. There is a deep hole in the sidewalk. I fall in. I am lost. I am helpless. *It isn't my fault.* I can't believe I'm in this place. It takes me forever to find my way out.

2. I walk down the same street. There is a deep hole in the sidewalk. I pretend I didn't see it. I fall in again. I can't believe I'm in the same place, *but it isn't my fault*. It still takes a long time to get out.
3. I walk down the same street. There is a deep hole in the sidewalk. I see it is there. I still fall in. It is a habit. My eyes are open. *It is my fault*. I get out immediately.
4. I walk down the same street. There is a deep hole in the sidewalk. I walk around it.
5. ***I walk down another street.***

TODAY IS THE DAY TO WALK DOWN A DIFFERENT STREET! I did it at age forty, and you can do it at whatever age or situation you find yourself. It is never too late. Even if you are just starting a practice and your career, read the book, and use it as your map for a stress free, successful route to the practice you always wanted to have. You are reading this because you are searching. I am asking you for a commitment of change and engagement in the process. Like it or not, you, the dentist are the problem and the solution. You are your practice's greatest asset and its major stumbling block. By omission or commission, you are responsible for where you are and where you will go.

Why do doctors lament their situation, give lip service to change, but fail to act? There is not one practice out there that cannot change their course. Not enough patients, too high an overhead, not enough production,

make a change. The one constant in a small consumer-based business is this change we keep talking about. If the customer votes with their feet and you are not growing, something is wrong: Make a change. What if you make the wrong change? It's still better than waiting for the other shoe to fall. Make another change. The human default setting should be to move toward success. Fail. Make a change. Fall short the next time. Make another change. Each change brings you closer to the solution. Each change adds experience the hard way, but you learn. Each lesson gets you closer to the outcome you want. It is our job as coaches to help you move more quickly to the solution: To facilitate change, and minimize mistakes. The problem is that many of you won't change. It is as if you are self-sabotaging your own efforts by finding yourself paralyzed by the analysis of a problem that we run up against every day. You're like the guy/gal in the scenario above. You keep walking down the same street and falling in the same hole, but never consider taking a different path. It has become a habit, and a habit is just a grave with the ends kicked out. It is not the economy, the demographics, poor marketing or anything else but you.

My favorite author and motivational speaker is W. Clement Stone. Written half a century ago, he really nails it.

*Outcome Formula: From W. Clement Stone*

$$E + R = O$$

*Event + Response = Outcome*

*The basic idea is that every outcome you experience in life (whether it is success or failure, wealth or poverty,*

*health or illness, intimacy or estrangement, joy or frustration) is the result of how you have responded to an earlier event or events in your life.*

*If you don't like the outcomes you are currently getting, there are two basic choices you can make.*

- 1. You can blame the event (E) for your lack of results (O). No doubt factors exist, but if they were the deciding factor, nobody would ever succeed.*
- 2. You can instead simply change your responses to the events (E), or the way things are until you get the outcomes (O) you want. You can change your thinking, change your communication, change the pictures you hold in your head (your images of yourself and the world) and you can change your behavior or things you do. That is all you really have any control over anyway. Unfortunately, most of us are so run by our habits that we never change our behavior. We get stuck in our conditioned responses. Attitude isn't the only thing, but it is the main thing that gets us through.*

There are certain truths in life that for some, come with great difficulty. Getting older and looking back gives me a unique perspective of life's lessons. I encourage you to embrace these truths of life and move toward success.

### **Truths about Life:**

- 1. You will learn lessons.** I have always felt that nothing happens by accident. Situations are placed in our path by our own omissions or commission to test and refine our character. I will have to admit I probably put my hand on the hot stove four or five times before figuring out that I will get burned every time. At some point it is healthy to look at

every challenge as an opportunity. It is an opportunity to learn, re-focus, change course, and continue to improve.

2. **There are no mistakes—only lessons.** Too often I find doctors shucking the blame and putting all their circumstances on someone or something other than their own choices. This is a waste of time and an error in perspective. You are in what I call the “brown pasture syndrome”. You think you are worse off than anyone else.
3. **A lesson is repeated until it is learned.** Like the doctor we work with that has successfully ended 4 marriages and thinks that this is a wealth building strategy. Many of us get stuck in the “ground hog loop”. Every day problems end up repeating themselves because you failed to learn them. There is no learning without application. There are doctors that in this example tend to go from step 1, to 2, to 3, to 4, then 4 again, and again, and again. Your goal in life should be step 1, change and improve, step 1, change and improve....
4. **If you don’t learn the easy lessons, they get harder.** (Pain is one way the universe gets your attention). What does it take to get a doctor’s attention? If you are not getting the results you want, call us and let us help you change. What does it take for you to make a direction correction, or attitude change with an accompanying change in action? Don’t let bankruptcy, business failure, divorce, or mediocrity keep you from being the doctor you always knew you would be. Everyone needs a coach; give us a call.

What follows is a short response to several phone calls from doctors who just didn’t get it. They knew what I would say, they have the answers they need, but they still have failed to launch.

## *Your Cycle of Life*

It happened again. In spite of your best intentions, you forgot or postponed, or you put it on the back burner till later. But you are busy. You're just spending all your time planning that great vacation, or new house, or a new hobby. In fact, we statistically spend more time on planning a family vacation than we spend on setting and executing goals for our practices. We have prioritized the minor things to the top of our "to do lists" in order to postpone the uncomfortable task of planning for the future. Time spent on your practice translates into choices for the future. Saving money and expanding your profitability opens avenues that most doctors will never be able to enjoy. It's as if we believe that there is no hurry, we can always do it tomorrow. Guess what, tomorrow is today, and has been for every day you delay prioritizing your choices in life. No one graduated from dental school hoping and aspiring to be a mediocre dentist with a go nowhere practice of high stress, low productivity and no patients. The super-successful begin with the end in mind. They live today, but stay future-focused.

This may just be me, but it seems like the seasons or time of the year dictate our moods and in some ways our motivation. It always seems like the end of December or first of January brings thoughts of renewal. A desire for a fresh start pops to the top our minds. Don't you always think about losing weight at the first of the year and then by March you figure out some way to let your goal slide, or you demean its relevance to the point of unimportance. Your desire to lose weight turns into thinking that because you sweat less than any other fat person you know, that's

good enough. I think we can all think of things related to a birthday, vacation, month, or holiday that pushes our goals to the surface or pushes them to the back of the line while replacing them with some less important but more pressing topic that usually won't mean that much in the cycle of life.

So here we are again. Your overhead has gone up, staff is turning over, patients are not calling, productivity has waned, and you never did go to that course that would allow you to add implants, orthodontics, sedation, or whatever. All the grand plans we had at the first of every year for our practices have melted into the constant nag of responsibilities that life throws at us. Once again, we have modified our priority list to eliminate the squeaky wheel. Well, even the great practices and super successful doctor's deal with the same problems. We all just have 24 hours a day. We all deal with the same obligations and problems with the same set of talents and experience any other dentist has. So, what's the difference in the super achievers and the average doctor? The difference is systems.

The cycle for all of us begins with **Positive Expectancy** where we are excited about implementing change and looking forward to a better result. For a moment, we see ourselves the way we want to be. The way we thought we always would end up. That can quickly turn into a **Reality of Struggle**, where we forget that nothing important comes easily. We all struggle to change our momentum and our direction in order to improve our results. Success is not a matter of talent. Success is a matter of will and persistence. Time is the only variable. Sure, people with natural ability may arrive first, but they lost something by not having to struggle: Kind of like taking a trip by plane but arriving without any bags. You

drove, and it took longer, but you arrived safe and sound with everything you needed for the trip. Arriving first is just a matter of time. That's not the important part. The folks that were always the football star or the straight "A" student, where everything came so easily, may have missed out on the most important lesson of life. Focus, struggle, desire, and persistence is a legacy that only those who have experienced it learn to value what they have. That struggle created a joy and a sense of value and ownership of the process that can never be taken away. Yes, struggling can be good. This struggle can last months or even years until the "*average doctor*" enters the all too familiar area of decisions. This is where the average doctor begins his *slow death spiral into Negativity* and *Acceptance of Failure*. Right here, just a short distance from success, we find the *Mediocre Majority*. This is the road *most* traveled. Once you enter this area, you live with limiting beliefs that, while not true, become truth to you. For as long as you hold these limiting beliefs, you will struggle, fall short, and resign yourself by shifting the blame for your lack of success to the wrong location, too much competition, a public that doesn't appreciate your talents, terrible staff, and the wrong economy. This is blame shifted to anything but yourself and your lack of persistence. This *Shift of Blame* allows you to resign your life to mediocrity. The Shift of Blame is the number one reason for good people to never realize their potential.

Keep in mind that none of these mile markers are destinations. This would include even the super successful. *Goal attainment* is not a destination either. All of these are transient waypoints that we all encounter. It is part of a Journey. The problem with each of these is that at some

point during the year, we get the last of the cycle before it all starts again. This is ***Desperation Pain***. We are back at square one. The pain of realizing that you can't pay your bills, you will never be able to retire, that you once again failed to launch: Your goals never took off. This is the late November or December of your year or even life. Reality creates a pain that makes you seek change. This is about the time that you call a coach or make resolutions and formulate goals. You bail yourself out one last time with a credit card and a commitment to do better next year.

As you can see, and most of you have experienced, this does not work. So, what do we do? Let's take a lesson from professional football athletes. They have a diet, trainer, workout schedule, full contact practice, coaching, strategies, and then the actual game. They know everything is important, and while their season may only last 3-4 months, they know the cumulative effect of inactivity on the quality of their performance. Athletes train year-round. They cross train to avoid injuries, they study films and strategies of their opponents, and work with coaches to improve their mental state of readiness. They have a play book that is constantly changing each year in order to insure success on the field. Nothing is static and nothing is won by inactivity. It takes a person who is in great shape mentally and physically to win each year.

We've arrived. There needs to be a commitment on your part before you decide to read the rest of this short book. You need to somehow figure out that if you decide to take this journey, you will need to give something up. For every one of us, each minute of every day is dedicated to someone or something. If you are going to commit to doing something new, you have to lay down something you

are already doing to make the time to do the new thing. To go to another level of practice, you need to go to “different”. Isn’t one definition of insanity doing the same thing over and over expecting a different result? You can’t do the same thing over and over, harder or longer and expect that today everything will change. A happy motivated staff, production rising 15%-20% a year, profit hovering at 50%-60%, new patients beating a path to your door while saying yes to all of your treatment plans only occurs when you go to “different” first.

I realize that being asked to stop and make a commitment is counter intuitive, but without this, you won’t apply what you’re going to read. After all, this book was given to most of you. A gift, that if not unwrapped, will never be realized. Take the challenge, and become the dentist you always wanted to be. Lay down the limiting beliefs that got you where you are now, and create a new belief system with no limits or ceilings. Following what you are about to read will give you choices in your career and future.

## Chapter 5

### THE DO-OVER BUTTON

“G o l l y”! As Private Gomer Pyle would say, I have figured out why the profile of the average dentist is so poor. I have discovered why procrastination and blame shifting and mediocrity are rampant in dentistry in general. I have put my finger on why so many are struggling to be successful in their quest to make dentistry a viable business. *It's grief.*

Who could possibly be happy with overheads above 65%, but most are? Who could be happy knowing that they can't inspire enough new patients to grow their practice, but they're everywhere? No one could settle for just barely making it when there is help available, but I see it every day. No one could accept a dead-end future in dentistry struggling to keep their staffs and pay bills, but there many who do.

For this to occur they must have had something really bad happen early in their careers, and they have grieved about it for some time. Everyone knows there are 5 stages of grieving: Denial, anger, bargaining, depression and acceptance. That's it. 70% of the dentists out there have gotten to *acceptance*, and now they feel helpless. They're going to just accept a limiting belief that this is their place in life. Struggling with a mediocre business is the best they can hope for.

Wouldn't it be nice to be able to undo any mistake that you've made? Whenever you want, you would be able to take back any slip of the tongue or bad decision. How convenient would that be?

On the other hand, we often learn most effectively from our mistakes. Thinking back, you may have discovered some of the most potent life truths through your mistakes, and you would be a much different person without them.

So, what we really want is to keep all of the wisdom that we have gained from our mistakes, while at the same time being set free from the guilt or regret of the memory of those mistakes. You just need a “Do-Over Button”. Something like the Staples commercial with a big red EASY Button. Or the undo button on the upper left part of your computer screen, that allows you to go back to the previous screen before you made the erroneous change you are trying to correct. By reading this book you have taken the first step. You are searching. The problem is that unless you actually know where you are right now, it will be difficult to decide on the "direction" of change you need to make. So, let's talk about step two.

Hundreds of doctors have taken me up on my offer to analyze their practices. In almost every case the time spent going over the blockages and capacity problems they are encountering have made it possible for them to take charge of their future growth. For many, they finally have a clear idea of where they are and how to get to where they would like to go. It is like the fog has cleared, and the sun has come out. Over and over again the comments we hear say they wonder why they were not taught this in school, or why their last consultant couldn't have made it this clear. This book was written to transform your practice into the business you always wanted: A plan for what's next. ***The first step is to stop reading, and email me at [abernathy2004@yahoo.com](mailto:abernathy2004@yahoo.com), and ask for an analysis***

***spreadsheet to fill out. In addition, I will need to see the last 12 months P&L and a copy of one week's schedule.***

The minute I have all three things, I will email you to setup a 1-2-hour call that will point out any blockages that exist and help show you how to overcome these areas that are currently holding you back. For this book to work you have to know exactly where you are before you start the journey to “different”. Like a cruise ship, mall, or Disney World kiosk that lays out an overhead map with a little bubble pointing down to pinpoint your location saying “You are here”, I will use this information to customize this book to best help you get to where “you” want to go. Don’t skip this point. In fact, I wouldn’t go any further in your reading without knowing exactly where you are now. Knowing this will program your mind to automatically move to the chapters that will help you most, while always comparing where you are to where you need to go.

Before we close this chapter, I want to give you something out of order but so powerful that if you embrace it, you should be able to increase your productivity by 10% a month with just this one strategy.

How would you like a “works every time, everywhere, can’t miss, costs nothing, it’s like shooting dead fish in a barrel with a bazooka” strategy? If you study dentists the way I do, you will see a common thread in their practice strategies. They want to learn a new technique, or buy a new piece of equipment, or hire one more staff person. Their strategy always includes spending money, shifting blame, and wanting what you think the guy down the street has, and ultimately ignoring the real problem. They want to throw money at the problem, and that won’t

work. I'm going to share with you a very "simple" strategy that may just change your life.

The average dentist practices about 190 days a year, produces around \$650,000, and nets before tax about \$200,000. If you're reading this, you're not an average practice. If you actually do what I'm going to share, you should add over \$385,000 in profit this year. That's right; you each have the production of over half of an average office just sitting in your offices waiting to be had.

When you set goals for your practice with your staff, there is a danger that you could be forced to be realistic to avoid being seen as too overzealous. If your gross was \$600,000 last year, you may set an increase of 15% for this year's production. That sounds reasonable. On the other hand, an increase of \$90,000 (15%) sounds like a lot. Maybe \$25,000 would be more reasonable? For most staffs and doctors, these "box car" type numbers are a little hard to deal with. In our office, we prefer to whittle these goals down into smaller pieces. Let me give you an example of the "One More per Day" strategy.

PROCEEDURE	FEE	#DAYS	ADD'L \$\$\$/YR.
Adult Prophy	\$75	200	\$15,000
Simple Extraction	\$100	200	\$20,000
1 Surface CF	\$130	200	\$26,000
4 Sealants (\$30)	\$120	200	\$24,000
1 Quad SRP	\$200	200	\$40,000
1 Bleaching	\$300	200	\$60,000
1 Crown	\$1000	200	\$200,000
<b>TOTAL</b>	<b>\$1725</b>	<b>200</b>	<b>\$385,000</b>

If you could “work in” just one each of these very simple procedures a day, that \$650,000 practice could experience over a 50% increase with no more staff and no new technique or cost. On the surface this seems very simplistic. Let me show how this one strategy could help you grow in almost every area of your practice.

#### ONE MORE PER DAY:

- Forces you to start asking the right questions. If you could do this for just one day or one week, why haven’t you been this productive in the past? What was holding you back? How do you fix it? **Remember: Your systems are precisely designed to give you the results you are getting. If you are not where you want to be, CHANGE IT.**
- Forces you to deal with capacity problems. You and your staff will deal with peak demand scheduling (the times patients want to be seen). How do I see more patients when they want to be

seen, not when I want to work? Great question but most of you don't have a clue. Do I have enough staff or too many (you should produce about \$20,000/month per staff person)? Do I have one more operatory than I use so I have the physical capacity to seat and deliver that extra procedure a day? You should produce about \$25-30,000 per operatory per month. **ARE YOU CARING AND CONVENIENT TO YOUR PATIENTS? (Remember that only the patient gets to vote here)**

- *Forces you to delegate.* You'll notice that half of the procedures on our "One More Per Day" are performed entirely by staff. Doctor: Work Smarter, Not Harder. Your confidence and delegation will lift your staff to a whole new level. Delegation shows trust and empowers your staff.
- *Creates a cohesive motivated staff.* Reward them with some of the profit. Give me a call about our bonus system that has been in place over 30 years. Find out who is with you. You may have to "free up someone's future" to create this lean and mean staff.
- *Creates a consumer driven practice.* Dentistry is a small business dictated by our customers. It forces you to refine your systems in order to give patients what they want, when they want it, in a way to fit their budgets. **REMEMBER: YOU CAN'T GET BETTER AT GIVING PEOPLE WHAT THEY DON'T WANT.**
- *Decreases your cancellation and no-show percentage.* The Hawthorne Effect states that "what gets measured gets done". The very fact you are setting the "one more per day" strategy and measuring your progress creates forces that move you in that direction. Everyone in the office will be on the alert to get that one more patient in. Take one staff meeting and look at the "One More"

strategy as a “One Less” strategy. Imagine if you had one less crown a day leading to a \$160,000 loss for the year. You never get a second chance at making today productive.

- Improves the doctor’s work ethic. You show up on time, ready to work, in a productive mood. Like it or not, motivation and leadership filters down from the top. You lead by example. If you’re not motivated, no one will be motivated.
- Makes you sensitive to “intake readiness”. The first and last contact many of your potential patients have with you is on the phone. If you don’t sound caring and compassionate, don’t have consumer hours, or put them off for weeks before getting an appointment, you will become the local “donor” dental practice. You won’t even know you’re the best referral source the guy down the street has.
- Without even trying, your clinical speed and quality will increase. You are forced out of your comfort zone. You may only decrease the time it takes you to do a crown by 10 minutes, but every step of that procedure will improve. You will never go back to your one patient an hour. You will engineer that appointment schedule to make yourself as productive as possible.

I could go on and on, but you see the ‘ripple effect’ of adding the one more per day strategy. The reason I spent all this time going through this simplistic exercise is that you first have to believe you can do it. Napoleon Hill said, “What the mind can conceive and believe, it can achieve.” You cannot go directly from conceive to achieve. You’ve got to believe you can do it first. Then, you can achieve it. Very few people with a \$600,000 practice would believe they can add \$340,000 in one year.

Most people can believe that they could add one more procedure every day. Once you believe you can, you are on your way to achieving your goal

In summary, I suggest you have a “Just One More” campaign. Just one more from every single person in your office will lead to awesome results this year.

## Chapter 6

### ACTION STEPS

#### ACT 1: THE CAT STRING THEORY

Ever notice that if you dangle a string in front of a cat, they quickly tire of it and won't attack again while the string remains still. It only shows renewed interest when you try to take it away from them. It is as if there is an enhanced value for the string when the cat thinks that it is about to disappear. This same theory is true in every aspect of life. It is the law of scarcity. You've seen the ads where they say, "*supplies limited or the offer expires soon*". In dentistry the danger is accepting or giving way to the complacency of being relegated to a perceived outcome. You become the type of owner that is OK with average or just good or good enough. The idea of striving has been eroded by years of failed goals, and a practice that fails to meet your expectations. In a way, we as "*sheeple*" follow the pack and settle for what is left over instead of striving for what is possible.

Today, the large corporations, insurance companies, and national dental supply companies have decided that they make the rules and decide the future of Dentistry. Insurance companies give corporations with multiple offices an increase in insurance reimbursement over the independent dental practitioner, giving them a profitability head start on you and me. Dental supply companies sell supplies, equipment, and services out the back door to large corporations at 40-60% discounts over what they insist on charging the independent dental practice. Finally,

corporations are able to take advantage of both of these while also being able to negotiate lower costs with lab work while having deep pockets to market, and well thought out systems and protocols for the “*business*” of dentistry.

This climate change in Dentistry has altered our profession and leaves very little room for error in the actions we take to preserve our profession before the large corporations and insurance companies take over everything. I can’t say this enough, we are a vulnerable profession where time is short, and the “*string*” is about to be taken away. Now is the time to act. Now is the time to stand up. Now is your opportunity to have a voice in your future. Complacency and procrastination are over-rated. I am reminded that the Chinese character for crisis has two components. The symbol looks a little like someone perched on a cliff. The combination of these two characters to make one word come from the words “*danger*” and “*opportunity*”: In every crisis lies opportunity.

Most of you have been reading or listening to me for years. Most of you have followed my logic and thoughts, but fewer have stepped up and created the practice that you always thought you would have. I have to apologize to those who still languish or have failed to heed the call to action in my writings. I was hoping that I would be so profound in my wisdom and so accurately concise in my explanations that it would only take a paragraph to transfer a life altering thought or action. Clearly, I was mistaken. In my inadequacy to encourage you to act, I find myself grasping at straws to reignite that enthusiasm in you for your profession. Another year has passed and another

one is before us. What could you do to make a difference in your life? What would you be willing to do to grow 15-20% a year? Can you step out in faith and commit to the changes that can help the independent practice of Dentistry thrive?

Currently, more and more consumers are deciding on the business model and type of practice that they will pay for our products and services. Consider this: You are where you want to be because if you wanted something different, you would already be doing something about it. I know that everything worthwhile is up hill. I also know that I have never seen a practice that couldn't improve their production by 20%, lower their overhead by 7%, or double their new patients in less than 12 months. So, the challenge is before you. You are reading this book but will you actually take the next step?

**ACT 1:** Join **BEST** for Dentistry ([www.bestfordentistry.com](http://www.bestfordentistry.com)) and use them for services and products to begin to lower your overhead. Simple, no cost, and just a slight detour in the way you control your spending. It is the first step in becoming the person it takes to lower your overhead and preserve the independent practice of Dentistry. Checking this off of your list should prove that you are serious about change.

## **ACT 2: TEN THINGS THAT REQUIRE ZERO TALENT**

When we come up a little bit short, we all have our pat excuses. I heard one the other day from a doctor who called me. *"I agree with what you said last week but I don't think I have the talent to be a dentist or have a successful*

*business*”. I just don’t see that. Dentistry is pretty straightforward and predictable, if you just pay attention to the game. Here are 10 things that you don’t have to throw money at and require little or no talent to do.

1. **Being on time:** Patients rate this as the number one consternation that they have with their doctors. Not being on time is like saying we don’t care about you. It is the culmination of a poor diagnosis, poor scheduling, and poor execution. Anyone can stay on time if they make it a priority. Take the time to diagnose aggressively to eliminate unforeseen changes in your treatment. Schedule, or better yet, engineer your schedule to fit your ability and clinical speed. Stop changing the treatment plan or adding additional work if you can’t stay on schedule. Finally, stop taking calls or walking away from the op for any reason other than lunch and the end of the day.
2. **Work ethic:** Everyone in your office is watching you to take a cue as to what you want and what is the culture of the office. You need to model the behavior, dedication, and excellence you want in your staff. Work ethic drips down from the top, not up from the bottom.
3. **Effort:** Sometimes when I speak with doctors, I am thinking that they are just not putting out. They are disengaged and just coasting. If it is worth doing, make the effort to do it well. Walt Disney said: *“Do what you do so well that people can’t help but tell everyone they know about you.”*
4. **Body Language:** This is the physical manifestation of “modeling” what you want from your staff.

There is an old saying that goes like this: *“I can’t hear what you are saying because what you do is so loud.”* Your demeanor and body language will always say volumes about your attitude. People are watching.

5. **Energy:** I may be in the minority here, but I think you have to be in shape to run a dental practice well. Exercise, eating well, and getting 7-8 hours of sleep a night allows you to have the energy you need all day long. This is like a sports game: You can’t win if you run out of steam half way through the day. It’s show time all day long.
6. **Attitude:** This is the psychological part of the game. I can’t tell you how many times I have pulled my tush out of the fire by having a good attitude. A great attitude trumps poor circumstances every time. If you are positive, energetic and enthusiastic your staff and patients will be, too. A great attitude doesn’t just happen. It takes planning, execution, and follow-through for a successful result.
7. **Passion:** One of the most frustrating things I see is a doctor who is just marking time until they retire or die. I realize that most of us had no idea of what it would take to run a successful office, but it is time for you to rekindle that passion and embrace a new attitude of “whatever it takes”. The neat thing about passionate doctors is that they attract and keep passionate staff.
8. **Being coachable:** No one is good at everything, and certainly a dental education was nowhere near the degree that we need to run a successful business. Being coachable, learning from your mistakes, and

partnering with a mentor will define your success. No one does this alone. Learn how to learn and the right teacher will appear.

9. **Doing extra:** The ordinary doctor who settles for whatever comes around will never become the extraordinary owner that will have 15-20% growth every year. Parents don't just do whatever they do to just get by, they go the extra mile to insure their kids have as good or better head start as they did. It is the same way with ownership. You should be the first one there and the last to leave every day. Remember modeling what you want in your staff. Do this little bit extra and see how it changes the Esprit-de-corps of your office.
10. **Being prepared:** This takes the form of more education, more engagement in the process, excellent goal planning that challenges you and your staff, and always finishing the job. You show up early, ready to work, and looking for good things to happen every day you work.

Act 2 is a little bit counter intuitive: It has nothing and everything to do with your business. As Zig Ziglar liked to say: *"We need to get rid of your stinking thinking, by giving you a check-up from the neck up"*. I want to help you change your attitude by changing what you feed your mind. I want each and every one of you to take the time to Google "the most popular Ted Talks" and click on the talk by *Simon Sinek: How Great Leaders Inspire Action*. Every talk is 18 minutes and regardless of the talk, you will be inspired. I think we all need a cheerleader to spur us on when we slow down. I try to listen to a Ted Talk every week, as a vitamin to ensure that I am engaged and inspired

to do my best and model the behavior I need from my family and staff. While there is no monetary cost in pursuing this list, you certainly need to dedicate your mind and time to it. This is how you Summit.

### **ACT 3: BUSINESS SELF-AWARENESS**

One of the greatest traits you can develop is the ability to take stock of where you are, where you want to go, and the blockages you have to break through to get there. We call this business self-awareness. Your ability to know what questions to ask, and what numbers to follow is invaluable to keeping you on track to have the best year ever. It is this discovery process that will refocus your efforts and insure your engagement. Many times, I will refer to the Growth Analysis Spreadsheet from the initial chapters in this book. If you have not already emailed me for this document, take a few moments do this now. ([abernathy2004@yahoo.com](mailto:abernathy2004@yahoo.com)) In the subsequent Acts in this chapter, I will go back and refer to your numbers and what they mean, and how to correct them if you are off course. The spreadsheet has three pages: The first page is pretty straightforward with hours, rooms and staff numbers. (You can use fractions like 2.5 assistants, etc.) The main thing is that you have to fill this out on your computer. There are formulas embedded in the spreadsheet that allow it to draw conclusions based on other practices with similar statistics. The second reason is so that you can use this sheet to continue to monitor you progress. So, fill in the entire first page, and then click the second tab at the bottom of the page and do the same for page two. You are supplying numbers for the last twelve months. Don't leave anything blank. Once the first two pages are completely filled in,

you are done. The third page will automatically populate based on the first two pages of entries. This is super simple, but incredibly revealing. It literally tips a mirror up so that you can see your practice in a different light.

By this point you should be fully engaged in taking on these small Acts. You are about to embark on the most important journey of your career. Should you choose not to, I assure you that you'll come to regret that decision because nothing is more expensive than a missed opportunity.

I want to take just a moment to give you a short overview of the key points that the Growth Analysis Spreadsheet will reveal.

- You should strive to achieve \$20,000-\$25,000 of production a month from each operatory.
- You should see \$20,000-\$25,000 of production from each employee per month. Fail at either of these first two bullet points and your overhead suffers.
- Your domain name should be designed to take advantage of the fact that women make most of the appointments and all of the decisions of where they and their family will go. Knowing that 46% of all organic searches for a dentist are the word “dentist” and a location, having your name as your website URL is a foolish endeavor.
- The days worked should reflect the demographic of your area. Go to [www.zipwho.com](http://www.zipwho.com), type in your zip code and compare your area to the actual patients you attract (any demographic website can do this). This will define how you should be

marketing. You cannot escape the pull of consumerism: Giving people what they want, when they want it, at a price they can afford.

- Total number of new patients. The average practice will have 25-30 new patients per dentist. The problem with this is that it really takes 40-70 per doctor to consistently grow 20% a year. Secondly, you need to determine where these patients come from and why.
- Number of direct referrals from your existing patient base. It needs to be over 50%. That percentage is the best indicator of whether you are doing things well: Great systems, protocols, marketing, inspiring the patient, consumerism, etc.
- Adjustments are usually about 25%-35% in a practice that has three quarters of their patients coming from PPO's. Great clinical skills are just the price of admission to a successful dental practice, learning the business of dentistry, and being able to deliver the product and service that your patients demand 25% faster is what will make you successful financially.
- Production for doctors should be in the \$600-\$800 an hour range where the average dentist will be between \$350-\$450 an hour. Low hourly production means poor case acceptance, limited understanding of a successful business model, and perhaps a clinical blockage.
- Collections should be over 100%. One percent over the life of an average dental practice is over \$2,000,000. Just take your adjusted production per year and divide it by 100 and you get the exact price of 1%. This can show up as hundreds of thousands

of dollars a year when we fail to collect or produce that percentage.

- Hygiene production needs to be in the realm of 33% of your entire office production: If you do \$100,000 a month then the hygiene department should contribute about \$33,000.

So, fill out the spreadsheet, and as each month's statistics are posted, just add them to the first of the spreadsheet to create a rolling analysis of the entire year. This is how you Summit. You can't hit a target you can't see. This Act will define that goal or benchmark.

#### **ACT 4: MONEY SMART**

I hope you are caught up by now and have your Growth Analysis Spreadsheet filled out and understand where you are doing great and where you come up a little short. In any eventuality, you have a clear picture of the benchmarks and goals that you will ultimately need to address. Next, I want to add one more level of understanding of where you are. Have you ever been lost in a mall or at Disney World, and happen upon a sign that has the entire layout of the area with a huge pointer showing you where you are? Without knowing where you are, how would you know which way to go? You wouldn't, and the spreadsheet you filled out last week, along with this week's Act, will insure that you know exactly where you are. This creates the perfect opportunity to make the changes to either accelerate or change the direction and speed of your success.

The second part is your overhead. I want to take a moment and remind you that you need a template of overhead numbers that allows you to manage your expenses while being able to access this information in a timely fashion in order to make course corrections based on facts, not feelings. Most of us use a CPA to help us with payroll, taxes, etc., and provide this in the form of a Profit and Loss Statement. This is probably the worst protocol for active manipulation of your financial circumstance because you don't get the numbers in a timely fashion (usually get them a month or two after you needed them), and this format for expenses is not laid out in a way that you could effectively use to manage your practice. Finally, it does not usually even include all of your expenses.

I want to give you a quick and easy way to reformat your Profit and Loss Statement, or your Quickbooks, so that you can have your fingers on the pulse of your practice. Summit uses an abbreviated format to make keeping up with your key practice indicators much easier. The following is a list of categories of expenses that will allow you to take all of the headings for your Profit and Loss Statement into a simpler, more intuitive form. In a later chapter I will go into these numbers with more explanation and depth. These are the categories and percentages.

• Staff Compensation	24-25%
• Facility	7-9%
• Lab	8-10%
• Marketing	3-5%
• Office Supplies	2%
• Dental Supplies	6%
<hr/>	
TOTAL	50-57%

These are challenging benchmarks that are obtainable and can be achieved over the next 12 months with a new engagement in your business and the fortitude to make some tough decisions.

Just like the Growth Analysis Spreadsheet, this reformatted profit and loss statement can be used from now on and I will reference different Acts to these numbers. Don't try to read and apply these Acts without having the targets and your existing situation right in front of you. It is called the Hawthorne Effect: What gets measured gets done. Just going through the process of gathering and collating this information will make it improve. Add to that the intentional living that you are embarking on and you will see huge changes for the better.

## **ACT 5: MISSES OPPORTUNITIES**

I believe in telling you what I am going to say, saying it, and telling you again what I said. You should have already joined [www.bestfordentistry.com](http://www.bestfordentistry.com), and began to engage in the *10 things that take no talent*. You have

used our Growth Analysis sheet to determine where you are, and reformatted your Profit and Loss statements. In this Act, I am wondering how I might inspire you to start fast and make some serious progress. Most of us like to think of a new year as a starting point for new commitment. Don't wait for a date on a calendar or the first of a new year to provide you with a one-shot window of opportunity to blast out of the gate fast, focused, and fired up. There will never be a perfect time and there is no time like today to start.

*“Most organizations have developed a functional blindness to their own defects. They are not suffering because they cannot resolve their problems, but because they cannot see their problems.” John Gardner*

I truly believe that the doctors and staff members reading this are going to work hard to achieve success, so, you owe it to yourself to find the fastest way to do it. Why on earth should it be a long, drawn out process? We are giving you a simple, proven formula for driving radical results fast so that you will change your life immediately. When I listen to doctors and observe dental offices, I have found that attitude is the most important choice any of us will make. You made it yesterday and you get another choice to make it today, and then tomorrow.

Here is a quote from author Seth Godin from his daily Blog.

- *“You have the choice to participate.*
- *To be optimistic.*
- *To intentionally bring out the best in other people.*
- *To give people the benefit of the doubt.*
- *To find hope instead of fear in the face of uncertainty.*

*Of course, they are a choice. NO one does these things for us. We choose them and do the work (and find the benefits) that come with them.”*

Now that you understand where you are, your challenges, and the direction you need to go, we need to set some plans for the year. Goal setting is one of those ACTS that everyone knows they should do, everyone has heard that it works, yet few of us follow through. In fact, most doctors spend more time planning their vacation than their avocation. It is like night and day when we look at recidivistic goal setters versus those that don't. Those consistent goal setters will outperform the non-goal setters 10 to 1. This ACT is in the form of a goal setting protocol that I have used for decades and it has proven to be invaluable to the process of success.



My suggestion, as with any change in your practice, is that this ACT needs to begin with you. While this formatted protocol for goal setting is designed for the entire staff, I am asking you to limit your first try to setting goals for yourself and the business culture you want in your office. This goal setting document makes it easy and you should find that it orders your mind to make the right decisions for your practice. Be sure to fill out 3-4 goals for yourself and office within the next week. It has to be written, have a time limit, and be detailed. This tool allows you to analyze the challenges you will need to overcome to be successful. Really try to challenge yourself in areas that you can become compulsively passionate about: Real BHAGS: **Big Hairy Audacious Goal Setting**. Later on, we will come back to this when we add the staff to the ACT. This is how you Summit.

## **ACT 6: THE PROXIMITY FACTOR**

I realize that goal setting is difficult and a little time consuming. But for it to be successful, you need to dedicate the time and effort it requires to make the process worthwhile. Let me give you another way at looking at goals. Here is the breakdown of a **SMART** goal:

- **S**-Specific, significant
- **M**-Measurable, meaningful, motivational
- **A**-Attainable, agreed upon, action oriented
- **R**-Realistic, reasonable, reliable, rewarding
- **T**-Trackable, Tangible, Time bound

Take the time to go back over your written goals and refine each and every one to meet these requirements.

Next on our list for ACT 6 is the proximity effect. Jim Rohn's quote is great: "*You are the average of the five (5) people you spend the most time with.*" This is the best definition of the proximity effect I can think of. He also said that "*You don't get better by chance, you get better by change*". Basically, if you want to get a better result, all you need to do is surround yourself with the mentors and the kind of doctors that are already doing what you want to do. Secondly, you need to embrace change and act.

When I first started out, I spent an entire year visiting offices that were doing at least a million dollars a year. Now keep in mind that this was 1975. Yes, I am either real old or I am the Doogie Howser of Dentistry (if you are too young to remember Doogie, you can Google it). There were few if any speakers, no dental newsletters, and no online courses to learn from (no Internet). It was the very year that Bob Levoy came out with a book titled: *The \$100,000 Dollar Dental Practice*. This was a time where \$100,000 a year was huge when you consider that the average practice was doing \$40,000-\$60,000. Imagine a time where the best of the best was doing \$100,000 and you got to visit 39 practices that produced at least a million. This is a huge culture change for a new doctor starting out. The neat thing about these visits was the fact that their location, dentistry, facility, and staff were no better than mine. Sure, I got glimpses of cool systems and protocols. But overall, I came to realize that I was the one thing holding my practice back. With this came a commitment to change to do whatever it took to excel at my profession. I returned home invigorated with a new sense of purpose and a matrix for taking me there. I also set aside my past, put away my excuses, and began the journey to do that million-

dollar year. My goals, energy, engagement, and staff were so committed that 14 months later we were working at a pace to ensure that we did a million that year.

ACT 6 consists of you visiting at least 2 practices (or more) that are doing better than you are. Take the time to absorb the culture, systems, and overall feeling of offices doing a couple of times what you are currently doing. This will drastically change your perspective on how far off you are from being successful. Most will be surprised that productive offices with great overheads are less stressful than a practice that just barely makes average. I know how difficult it will be to achieve during the next month, so I am asking you to “contact” at least two offices and set up a time to visit for about an hour over the next few weeks and then visit as soon as you can. Not all day, just enough time to smell and see the differences in your practice and theirs. This will take courage and maybe a dose of humility, but you will be pleasantly surprised at how much other doctors will want to help. This will take a new commitment to not let this go by the wayside. This is about the time that the *average dentist* will start to rationalize that they don’t need to do each ACT that we have described. That they can just cherry pick them or assume that they already have a handle on this one or that one. This is the same habit that put you behind the better practices. You can’t get better without a different commitment to do whatever it takes. This is your first test. Don’t fail to follow through. Procrastination is the first step toward failure. Remember: “*There’s a difference between interest and commitment. When you’re interested in doing something, you do it only when it’s convenient. When you’re committed to something, you accept no excuses - only results*” Kenneth Blanchard

## ACT 7: THE THREE DEADLY SINS

It sounds pretty ominous doesn't it? You have probably heard me say many times that great leaders ask the "*right*" questions. Your ability to ask questions can catapult you to new levels of productivity if you act quickly on the answers that you get. There is another layer of asking the "*right*" questions and the amount of time you dedicate to the answers. Always start with questions about problems. Identify the most pressing problems with the highest return on your time for a starting point.

Make sure you are dealing with a problem and not just a symptom. It would probably be an error to think that just working on a symptom would ever fix the real problem. It would be like trying to get rid of a fire by eliminating the smoke rather than actually fighting the fire: A lot of wasted effort while the real problem consumes your business.

There seems to be a challenge in understanding the relationships that various practice management areas have with one another. For every action there is a reaction, or "*ripple*" effect, on the process you are trying to perfect. The three deadly sins are prime examples of how this works. They are thinking that **Collections, Reactivation, and Cancellations and No-Shows** are "*problems*" instead of "*symptoms*". Think about it. Every day I receive calls asking for help fixing one of these three "*symptoms*", when the problem is somewhere else.

The three deadly sins are allowing each of these to occur.

1. **Allowing Collection Problems:** It isn't a problem but a symptom of poor financial arrangements with

a willing patient to help them fit what they need into their budget. Generally, your accounts receivable is divided into current, 30 days, 60 days, and 90 days and over. 70% should be in the current, maybe 12% or so in the 30 days, another 8-10% in the 60 days column, and less than 6% in the over 90 days. The ACT here is for you, the doctor, to take a look at the accounts receivable summary and make sure these benchmarks are in place. If not, go back to the protocol for financial arrangements and the staff that are responsible for carrying it out and modify what they are doing/not doing this week. Additional note: Most practice management software will give you a “net” account receivable total (debit and credit balances). The trouble is that if you do it this way, you are not seeing the true accounts receivable. Be sure you run it without the credit balances or run it and subtract the total credit balance to actually get the correct totals.

**2. Allowing Cancellations and No-Shows:** The creeping death for most of your schedules. Often times the reason for missing your goals and watching your overhead climb. You will always have some cancellations and no shows but with the right strategies you can lower it below 10% and even that percentage can be replaced with another patient. The national average for CA/NS hovers around 15%-20%. You can do better than that, so your ACT for this week means determining the “why” of this system. Here are the reasons people cancel:

- a. Confirming too soon. It is best to do it the 24 hours before the appointment

- b. Scheduling a patient that is past due on their account. People that owe you money will not show up, refer, and are the most likely to sue when you try to collect what they said they would pay.
- c. Scheduling too far in advance. You must be able to get people in within 4-10 days (not working days, total days). Fail in this and the CA/NS numbers will soar
- d. Not confirming unless you actually speak with the patient. Leaving a message is not good enough.
- e. You have not addressed the patient's chief concerns.
- f. Time: Inconvenient hours for the patient's appointment.
- g. Fear: Pain.
- h. Money: If you are not able to fit the cost into their budget, they will cancel or no show.
- i. Apathy or a lack of trust: This may be the number one reason. If you do not inspire your patients as you help them want what they need, you will find yourself with a lot of holes in the schedule.

**3. Needing to spend too much time on Reactivation:**

If you find that you are not getting an 80%+ recall, or find that more and more patients just don't come back, yours is a donor practice. Reactivation is a symptom of not inspiring. In other words, they don't like something about your staff or office protocols. Something was missing, and this is one of the more crucial areas to attack. Your ACT is to

look at the management report for your practice and share the statistic of the number of active patients without an appointment vs. the number of active patients with an appointment. Take the number and sit down with your staff and find out why patients are voting with their feet and leaving your practice. This is a sucking chest wound that needs immediate attention.

## **ACT 8: WHAT'S YOUR REPUTATION?**

I think most of us try to keep our noses clean, do the right thing, and show up every day. There was a time when this would secure your good reputation. Kind of like the Old West where good guys didn't lie, steal, or cheat anyone. Today, a good reputation is a little harder to come by. We are judged not by our actions, but by the perceptions of our patients. You could do a good job with what you had, at a fair price for your area, and still be thought of as having a poor reputation. I am constantly asked "*How can my practice can get more new patients?*" A better question is "*How do I improve my reputation?*" In a five-star rating system, if you are a three, you are never going to have many new patients.

The scary part is that when I have the occasion to speak with a doctor about their practice, they are always surprised that I would take the time to look at all of their reviews (they never do). They are even more surprised when they ask how they can get more new patients and I answer, "You can't". Once they see the scathing reviews on Yelp, Healthgrades, Google, etc., they are flabbergasted. They had no idea what others were saying about them.

Ignorance may be bliss, but not knowing at what level the public rates your practice can spell out a poor future for you and your office.

The shame here is that you can control this with a little vigilance and persistence to guarantee that when the public checks you out on social media and review sites, they will find a glowing endorsement from most of your patients. Reviews of 4's and 5's secure your new patient future. In an area with doctors who actively stage their reputation, 4's and 5's may just be the minimum for getting into the game. Fall short of that and you can count on them voting you off the island as they pass your front office door and head for the competition.

Your Act today, is to go to the Internet and type in "reviews for Dr. (your name) in (your city)" and then read it and weep. They are what they are. If you come up a little short then invite your staff, their spouses, and any close friends to post a review on that site. Spread it out a bit but get them out there so that you can mitigate the damage, while pushing the poor reviews off of the front page of a review site. Secondly, set a goal to ask every patient to post a review for you. You will need a hundred reviews on multiple sites to really have an overwhelming effect on attracting new patients. Keep in mind that non-organic reviews like Demandforce, Lighthouse 360, or Solutionreach don't really have the impact of an impartial site. Do it and don't delay or even think about going to the next chapter. Actually, step up and be accountable today for the actions you know you should be taking.

## Chapter 7

### STOP THINKING LIKE A DENTIST (BAD)

The title embodies everything that represents getting off track in dentistry. This is step number two (hopefully you are filling out and sending me the Growth Analysis Spread Sheet, Profit & Loss statement for the last 12 months, and a copy of one week's schedule so we can schedule a call so you will know exactly where you are) that you need to make to start the journey towards the practice you always wanted to have. I want you to consider that the phrase: "*Thinking Like a Dentist*" for all our purposes, means something bad. As the dental and economic climate of the US changes, we are seeing dentists reverting back to a mindset that could only be described as the strategy of a "*dental academic that was out of touch with the reality of the business of dentistry and in denial as to the new dental climate that large corporations, insurance companies, the commoditization of health care, and an educated consumer have forced us into*". Basically, an individual that is ill suited to compete in the marketplace we call dentistry. The risk here is that the average dentist will not survive the purge. We won't adapt quickly enough to maintain a great dental culture that also insures a secure financial future. Change is so rampant in the healthcare field that most of us base our decisions not on a thorough assessment of our situation, trends, and the probable future of dentistry, but on an outdated operating system in dentistry that didn't even work three decades ago. It's as if we have evolved, if you can call it that, from just sticking our heads in the sand and hoping all of this change will blow over, to taking action that is rooted in 1970-1980's business strategy. In this chapter I want to

introduce the first problem created by “*thinking like a dentist*” (bad) and what we need to do to turn it around.

I have found that a majority of dentists have a foundation for their goals of graduating from dental school and owning and operating a “*successful solo dental practice*”. This one assumption or perspective, that “*success*” in dentistry is defined by owning a successful “*solo*” practice, can only be considered a brief milestone on the road to a successful life-long career in dentistry.

We have to first break this down. Success probably means something different to each of us, but in the business of dentistry there are some tried and true benchmarks that we can all agree would be ideal in a “*successful dental practice*”.

- Consistent growth throughout our career.
- Continued education while offering a wider range of services to our clients.
- Having at least 50% of our new patients coming from direct referrals from our existing patients.
- Better than average number of new patients: Average being 25-30 per month. Opening the front door.
- Recall of 80% or greater: Closing the back door.
- A facility that reflects our culture and standards of treatment that would appeal to our patients.
- Very low staff turnover.
- Having all of our key practice indicators be better than just average.
- An overhead that was better than average: Average being 67%-75%.

We could go on and on, but in anyone's definition of "success" just barely being average should never be your goal. In fact, I would wager that none of us walked across that stage to collect our dental diplomas hoping to have an average practice.

So why is the desire to have a successful solo dental practice "*thinking like a dentist*" ("stinkin thinkin")? Let's look at the second point, the word "*solo*". I think that if we can agree that we want to do better than average, at some point we will need a second hygienist, and then a third, we would go from the average of 25-30 new patients a month to 32, 40, 47, etc., but then you would need another doctor. That means more staff, expanded hours, improved insurance protocols, and marketing expertise. In other words, if you were really inspiring the patients you already have, you couldn't help but grow every month of your career. Good practices never remain solo practices. Great practices just don't think that "solo" is a destination, rather it is just part of the journey.

Meeting and exceeding your patient's expectations will seal your future and it will not be a solo practice. The facts are that multi-doctor practices are increasing 20% a year, while solo practices are decreasing 7% a year. It doesn't take a math wizard to figure out that the future will have mostly multi-doctor offices and solo practitioners will struggle to survive. We need to give you a check-up from the neck up and get rid of that "stinkin thinkin" (Zig Ziglar). It is time to dial up your "deserve meter" while overcoming any limiting belief that you use as an operating guideline. I am asking you to logically look at my assessment and come up with the fact that, yes, a solo practice is not my destination, but just a waypoint during

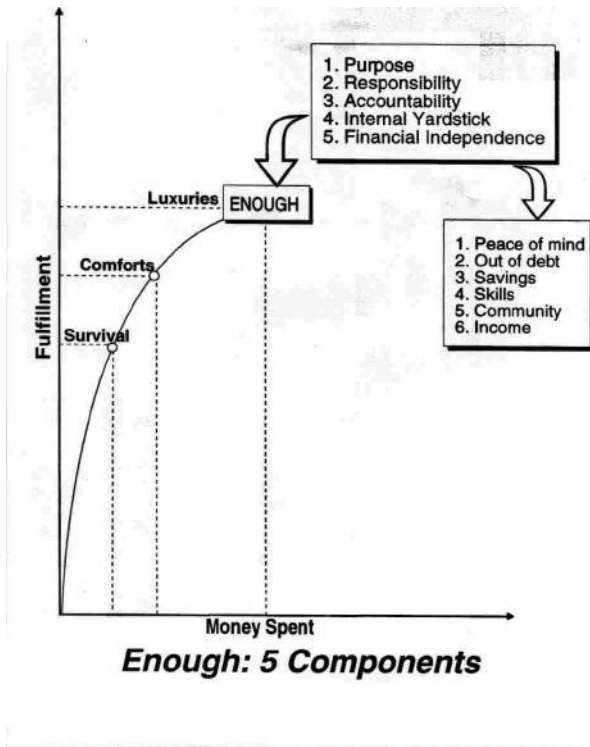
my career. If you are not growing you are not inspiring your patients. Once you have decided to get on the bus and move past a solo practice mentality, the future will open up and take you to the next level for your practice and business. The logic is that there are no great solo dental practices because to remain solo you would have to fall short of continued growth and successfully inspiring the people you treat. Success means continued improvement and unlimited growth. Growth would, with time, force you to add additional staff and doctors. Doing things right in the business of dentistry makes it impossible to end your career as great solo dental practice. Changing your perception of what you deserve and chasing that goal drastically changes the outcome of your daily effort.

In part two of “*stop thinking like a dentist*” I want to discuss the mindset towards money and the accumulation of things for the average doctor that “*thinks like a dentist*”. It is common practice to see doctors move toward a distorted consumer pattern of constantly increasing debt to fulfill their need for entitlement. They justify this by thinking back at the sacrifice they made to go to dental school and the years of practice and work to arrive at: “*I deserve the nice things in life*”, which means you will end up spending just a little more than you make while increasing debt and postponing savings. This is only compounded by the spouses who, like a cheerleader, urge us on to an unrealistic vision of the future and mistaken idea of what success looks like.

We are raising generations infected with entitlement: Older dentists want and expect to see dentistry the way it was, while young dentists want it the way they thought it would be. All the while, corporations are reaping

dental profits at the expense of the independent dentists because we are ill prepared to compete in this new dental climate change. We find ourselves in a profession where most have checked out and there are fewer and fewer dentists taking on ownership. One of the growth-limiting barriers to a great dental practice is debt and financial captivity. Central to that situation is running your businesses with an entitlement mentality. I love the signs at Gold's Gym: "*Pick up your own weights, your mom doesn't work here*".

When working with dentists to help guide them on the road to the next level of practice, I always ask: *How much is enough and how long you plan to practice?* Surprisingly, few doctors have ever thought about or actually set those numbers as goals and benchmarks. Understanding how much is enough and the term or time you are willing to make this happen is key to living out a sound financial future for your practices. Knowing these two numbers makes almost every other decision basically black and white. The answer either brings you closer to your goal or holds you back. Below you will find an excerpt from the book, *Your Money or Your Life*. In this graph you can see the apex of the curve indicates the "how much is enough" by going from survival, to comforts and finally some luxuries.



Knowing this point is key in staging a significant life. At this point you will have found your purpose, how to be responsible, an internal yardstick that guides every decision you make, and financial independence. Financial independence means a level of peace of mind: You are out of debt, you have sufficient savings, you have skills, community, and sufficient income to make choices.

I love this quote from Seth Godin called:

**DELIGHTING IN SACRIFICE IN THE FACE OF INSTANT GRATIFICATION**

*“In an instant-on, one-click shopping universe, the idea of sacrifice is pretty alien. When the world might end tomorrow, when you can get what you want now, when debt is easier than ever to go into, why even consider sacrifice?”*

*Because it's the single best way to achieve your goals. Satisfaction now almost always decreases the reserves we have to build an asset for later. Investing in something worth building always requires you to avoid getting what you want today. Sacrifice might mean giving up an expenditure, but it can also be the bold step of having a difficult conversation now instead of later. Regardless of the goal, sacrifices make it more likely that you'll get there.*

*The journey toward that worthy goal, though, is a key part of the goal itself. We are never certain we'll reach our goal, one significant reason that so few people persist. But if the journey involves sacrifice, we're paying for that goal, the goal we're never sure to reach, every day. Hence delight. The act of sacrifice, of foregoing one thing in our journey toward another one, one more generous, virtuous and useful, is actually a little piece of the satisfaction of the goal itself. If it comes easy, it's not the same.”*

The third part of “*stop thinking like a dentist*” revolves around the myth of “the one”. In a roundabout way, I think we all suffer from having a great self-image for no apparent reason. The myth of being the one, states that you will be the exception from the norm or average (that you will be the one that escapes catastrophe or you will be the one that finishes on top in life). You won't be the average practice or you won't go through a divorce, drug addiction, bankruptcy, terminal illness, etc. You get the idea. There is this human nature of thinking that what

you see on TV or hear from some other source could never happen to you. On the other hand, we tend to do the opposite thing when we hear of some supposed success in real estate, investments, acting, politics, or whatever. You think that some huge success will be part of your future. Now I'm not trying to be a "Debbie downer". I just want to introduce some modicum of realism to the circumstances. Sure, people win the lottery. But the statistics point to the fact that it probably won't be you. Great futures, awesome legacies, financial security, stable home life, and great kids don't happen by accident. It takes an enormous level of engagement, continued study, and application to pull this off.

This leads me to the second part of this attitude, in seeing doctors overlay the myth of "the one" with an unrealistic expectation of what or how you can practice and still find success. It is almost laughable when I hear doctors tell me that they *"don't want to deal with these crazy patients or deal with staff and business issues, I just want to do the dentistry."* Boy, are you going to have skinny kids and a disappointing life because your career will not be financially successful. Those very things and your ability to do them well are key to success in any business.

So, let's step back and take a look at this as if we all had a "do over button".

- **What do I need to reengage in my practice?** Each of us needs to take three times the continuing education than required to for our licensure. With this said, we need to make sure that we also educate ourselves about leadership, sound business

practices, and different ranges of clinical services that we might add to our practice. It is not enough to just show up at work. You have to become as passionate about dentistry as you are about your hobbies.

- **Where or who should I go to in order to get advice?** Tough one. There seems to be a financial advisor, practice management expert, and marketing guru on every corner. Like most professions, 80%-90% of them are not people you should do business with. Go to a friend or colleague that has a stellar track record and great understanding of the area you are researching. Then find another one until a clear direction appears. Do some reading and take an online course to make yourself an educated consumer before partnering with any professional for practice advice.
- **How do I get my employees on board?** Most of us fall woefully short of even average to good leadership. While this is probably a topic for another chapter, the nice thing about leadership is it can be learned. In fact, often times the leader is not necessarily the smartest person in the room. Great leaders are voracious learners with excellent people skills. They have an attitude of giving, trust, and respect for those who follow them. The first step of this journey is to involve your staff from the start of your journey to reconnect with them and your practice. Not only will they be supportive, but it gives you the opportunity to partner with the very people that can decrease your stress, increase your practice, and create a culture of staff ownership in the future of your practice.

- **Stop thinking your job is doing dentistry:** You are the owner, and also an employee, of a complex business which, when jelled down to its essential element, is just a consumer driven small business. Thinking that just doing the dentistry will lead to success is a short-sighted strategy that always fails.

There is a rhetoric-reality gap for almost every dentist I know. There is a huge difference in what you say (rhetoric), and what you actually do (reality). Job one, taken from this chapter, is to minimize or eliminate this gap. It is not just saying the right things. It is doing the right things. Nothing is more self-defeating that saying one thing and doing another. You constantly need to understand that everything you say and do models the culture and quality of your practice and staff.

When it comes to successful businesses, of course timing, location, and demographics are super important. But when I see doctors “*thinking like a dentist*” I often see a disconnect in understanding, assembling, training, and keeping great staff. Through the years I have felt more and more like you should never hire “employees”. Rather, you should develop owners in your practice. My practice was based on a Purpose Driven, Doctor Led, Staff Owned philosophy and culture. In essence you are partnering with skilled people that have an ownership mentality. Any success that I had hinged on my ability to hire the right person and make sure they developed that ownership mentality. It was this one strategy that created a winning culture and sustainable growth with little or no turnover in staff. The average staff member stayed 14.7 years.

The “*thinking like a dentist*” point here is where we look down on our staff and treat them like minions. Don’t stop reading thinking that you would never have that attitude or act in that way because a majority of offices I have seen never intended to have high staff turnover and poor performance from their teams, but there they were. Allow me to quote Seth Godin’s blog: But what about the people who don’t care?

*“How do we work with someone who doesn’t seem to care? I have a hard time believing that people can’t care. I think that they often don’t see. They don’t see what we see, or they interpret it differently. Or, if they see, they see something you don’t see. But if they saw what you saw, and it was related to how they saw themselves, they’d act differently. The gap is usually in the difficulty of getting the non-owner to see a path to happiness that comes as a result of acting like an owner. Most people are taught to avoid that feeling because it always comes with another feeling—the dread of responsibility.”*

Being short sighted on this one issue of partnering with your staff members is the quickest way to sub-par performance in your office.

The biggest failure that I see in leadership and management revolves around the owner demotivating his or her team. Vince Lombardi, when asked how he motivated his players, replied: “My job isn’t motivating my players; my job is keeping 11 motivated players on the field at all times”. From doctors, I constantly hear that they can’t find or keep good staff. From staff, I hear all of the complaints about the doctor and their lack of focus on leadership and on improving the practice. Two different

perspectives, yet one common symptom: High staff turnover in a practice with poor systems and a lot of stress. It's time to stop demotivating your staff.

Most often, when you read anything about staffing, you hear how the doctor feels about this or that shortcoming from their employees. I want to take a little different perspective. Let's see how the employees feel about their bosses. One recent survey showed that 65% of workers would prefer a new boss over a raise. If your team is underperforming, take a close look in the mirror. The problem is probably staring you in the face. Do you know how to coach and lead your employees so that they can excel, or do you make the people around you feel alienated and stupid?

Author and speaker Jim Collins has pointed out that if you're asking: "How do I motivate employees?" you're going down the wrong path. The right question to ask is, "How do I stop demotivating them?" When it comes to management, I see 6 mistakes we all make in leadership.

1. *Not enough guidance.* All employees need to know where he or she stands in the performance of their jobs. There should be a policy manual, job descriptions, and graphs to measure performance, and personal guidance from you the doctor. No one has ever taken a job just to do it poorly. If you have staff that perform poorly, you or your lack of systems are to blame. Every staff member *wants* to know when they do well and *needs* to know when they fall short.

2. *Too much guidance.* Micro-management is your effort to control every job in the office. Do this and count on a practice-wide mutiny. You have to hire talented staff, train them, and then you need to let go. All high producing offices have learned how to help their staff grow in knowledge and application. Micro-management robs your people of the opportunity to grow. No one can do every job well, much less while being the owner. You will find that your patients will bond to the practice and refer more often when you let go and partner with your staff through trust to deliver the best possible service.
3. *Overly negative feedback.* Too much correction steals the spirit from your staff. If all you hear is how poorly you perform, is it any surprise that you cannot keep staff. If you consistently have staff turnover, you will find it impossible to deliver consistent service to your patients. What do you think your patients think when they see another new face every time they come in? They notice, and they think something is wrong in this office. Next will come a spiral of diminishing new patients and few if any direct referrals. Leadership and management show in every practice benchmark there is.
4. *Misinformed feedback.* Failing to be correctly informed will cause you to go off and thump someone that had nothing to do with the problem you were trying to solve. We have all done this at least once with our own kids. How did that work for you? You have to make the time to be a well-

informed leader who is willing to make the right choices as well as the difficult ones.

5. Vague feedback. Nothing is worse than not being crystal clear in your feedback and directions with staff. We need to consider with larger staffs we will need to teach in different ways with different staff members. Everyone learns differently. Don't beat around the bush. Clearly let staff know exactly what you want and be sure they have the training to give it to you. One bit of homework would be reading or re-reading Ken Blanchard's "One Minute Manager".
6. Delayed feedback. Yes, I am guilty here. We non-confrontational doctors tend to put off giving feedback for fear of rejection from the staff. We want to be liked, but we need to know that we cannot be our staff's best friend. We have to be the boss and leader. This requires letting staff know precisely what we want and then acting quickly to correct any short fall in performance. If you think about it, the sooner we confront an offence the less pressure there is. If you wait for a month or for multiple problems to occur, it is almost an insurmountable obstacle to fix.

Short and sweet: You have to be a good leader. At Summit we pride ourselves on helping you grow as a leader and your staff to grow beside you.

If you are still "Thinking Like a Dentist", this last area can be a fatal flaw. I find that doctors who think like a dentist (bad) have almost no situational awareness. These doctors are vulnerable to any Tom, Dick, or Harry who hangs out their shingle and becomes "*a consultant to the*

*dental industry*”, obsessively clinging to outdated practice strategies of 20-30 years ago while mistakenly thinking that the current dental climate change will pass by and things will return to “normal”. IT WILL NOT. These same doctors fail to see the obvious: Great clinical skills are only the entry fee to compete. A nice office is just the entry fee into the market of Dentistry. Marketing is a requirement and understanding the consumer a necessity. Ultimately your patients have to like you and your office and that means studying your consumers and finding out what they want, when they want it, and what price they will pay for it.

A lack of situational awareness can take many forms. Here is the short list.

1. **The Shiny Object Syndrome:** Thinking that buying a 3D imaging system, offering implants, and being a fee for service practice will differentiate your office from the crowd. There is a time and place for everything, but thinking that just some particular clinical skill, piece of equipment, or not being in-network for insurance will make your practice solvent is a pipe dream. Dentistry has and always will be a small, consumer oriented business driven by forming relationships with your patients. It is essential that you are likable and marketable. Both of these areas are determined not by you, but by your potential clients. The consumer is the only one that gets to vote. The biggest mistake you could make is thinking that people want what you have to sell. The secret is finding out what they want and giving it to them so that at some time in the future you will have the opportunity to do all that they need.

2. **Lack of leadership and purpose:** At the end of your career you will recognize how important the staff you chose was to your success and overcoming challenges. It is the fundamental need of each office to have a leader that is engaged with the standard of “why” we do what we do, and a person that will embrace change while guarding your vision and core. My success was due part and parcel to the people I hired and partnered with: My staff. Your job is to create and act on an intentional practice strategy of adaptation and reflection, while being quick to act. Things don’t remain the same and you are either improving or getting worse. There is never a time when you can coast without negative consequences. Far too many doctors are disengaged, disenfranchised, and struggling with running their office. Learn how to find and train up a self-motivated staff with people skills and partner with them by casting a vision that is inspiring to the point of commitment from your entire staff.
3. **Not schooling yourself on consumerism:** Look up your demographics on [www.zipwho.com](http://www.zipwho.com) and pull your practice management report that tells you the ages, zip codes, male or female, insurance or no insurance, and recall status for every patient in your practice. Commit to understanding the people that live around you and modify your practice to give them more of what they want: Hours, services, ages of patients, insurance, and financing.
4. **Not accepting the new dental climate and supply and demand economics of the dental industry:** Four decades ago the average adult had 12.3 decayed, missing or filled teeth. At that time, it was

a needs-based business model and everyone was busy. Today, the average middle-class adult only has about 3 decayed, missing, and filled teeth. This year we will graduate another 6,500+ dentists, another record-breaking year for dental graduates. The oversupply of doctors, and the lessening need for what we have to sell is supply/demand economics. We are seeing a new era of diminished need for our services, yet we continue to graduate more and more doctors. The multi-doctor office is increasing 20% a year and the solo practice is decreasing 7% a year. Even I can do the math.

The future of Dentistry can be great, but it will not be great for the many. It will be great for the few who adapt, embrace change, and act quickly to this new dental economy and climate. My prediction is that the doctor who clings to the practice models of 10 to 15 years ago, will struggle most and fail to obtain their dream of success.

## Chapter 8

### “DONOR AND RECIPIENT PRACTICES”

I'm going to assume that we have now met on the phone (because you sent all of your information to me and we set up a call to go over it) and good or bad, you have a better idea of exactly where you are, where you have fallen short, and what it will take in order to the next level. The next two chapters will look at identifying how to push your practice to a “different” place, and how to measure that change through a statistical analysis of the important numbers that define your practice. Just a note: Everything you read and learn needs to be given to your staff. It is time for you to partner with them to insure their growth while you formulate your vision of where you want to go. One of the poorest strategies I see is thinking that you can filter this information and give it to your staff. Big mistake. Every staff member has a different look at and responsibility in your office. Let them take the information, and run with it. You will be surprised at the synergistic affect on your office.

Early in my career, I realized my best referral source wasn't the direct response mailers, new resident programs, care-to-share programs, signage, or even location. To my surprise, it was the Orthodontist and two other GP Dental practices down the street. In a town of 19,000 people, 35 miles north of Dallas, we were getting 15-20 new patients per month from our competitors. How could that be? Why would so many patients in a town where everyone knew one another decide to leave their long-time dental practice to come to the new kid on the block. Maybe what I had been taught in dental school

wasn't true: "Patients will bond to dental practice for life". In fact, Fortune magazine found that 87% of patients will change their Physician (MD) for a \$5 difference in co-pay. Is it any surprise that they would leave a dentist for money, lack of concern, poor hours, location, lack of competence, or a single bad experience? Welcome to the era of Donor and Recipient Dental Practices. Fail to inspire your patients, and you will see them seek treatment elsewhere. Make every step of the patient experience perfect except for the last one, and they're gone. Patients today vote with their feet. If you are seeing the back of their heads, you're doing it wrong.

**Dental Truth #1: There is no way to get better at giving patients what they don't want.**

The worst thing you could ever do is push treatment on patients without happily giving them what they want. Let that small fact elude you (giving patients what they want), and you will find yourself on the fast track to a mediocre, unfulfilling career. Fact: **If you are not growing, then you are not meeting your patient's needs.** If you can't inspire your patients, or if you are not growing, then you have become the Donor practice for your area. Take a moment, and see if you can name a practice in your area that is a "Donor Practice". If you can't think of one, then it's **you**. The Donor practice has no idea that they have this effect on their patients. They are usually clueless. The donor practices always attribute their short-comings to the poor economy, terrible location, poor dental IQ of patients, and inability to find quality staff. At Summit Practice Solutions, we expect our client's practices to grow regardless of the economy, and they do. The "Recipient

Practice” quietly grows, inspiring their patients to refer everyone they know.

Here are the symptoms of a Donor practice.

- Increase in **Cancellations and No-Shows** (Your goal should be less than 10%). You are not convenient, and did not sound caring and compassionate over the phone. Poor hours, days and fees (Consumerism) create such a hassle to get into your practices that patients make an appointment never intending to keep it. We call this the **“Threshold Test”**: What do you have to do to get into your practice. Your goal should be to make it as easy as possible.
- Few or **no Direct Referrals** (Goal: 60% minimally). This is the one black or white symptom. Few referrals spell disaster. Patients are shouting at the top of their voice when you have fewer than 60% direct referrals, and they are saying they don't like what you have to offer. If you find this to be the case (less than a 60% referral rate), you have to stop everything, and figure out what is wrong. You have to realize that you have a majority of the people that you interact with going out and telling everyone they know not to frequent your practice.
- Patient’s want **second opinions**. Usually the result of being too assertive, instead of a balanced case presentation. If you want the treatment more than the patient, you have crossed the line. There should

be no selling in dentistry. Give them what they want, and tell them what they need.

- **Marketing Driven:** You spend a greater and greater portion of your income on external marketing in order to maintain your numbers. Good practices (Recipient) do not need to market and poor practices (Donor) should not market. Spending money and time on marketing when you have few internal referrals spells disaster. You will just have more clients leaving faster telling everyone they know to stay away. Don't look for an external solution for an internal problem. Close your back door while opening the front.
- Patients say they **cannot afford your treatment plans**. You must keep "comparables" comparable when it comes to fees. Stay in the 80-90% for your area. If you have not done a fee survey in the last year, please email me and I will be glad to send you one for your zip code. Always give the patient what they want first, then, work at giving them what they need. Bundling your fees and treatment plan incorrectly make you look like a Dentist turned time-share salesman. When this happens, it is an indication that you have stopped listening to your patients and don't have a clue about "consumerism".
- **High staff turnover.** Our office was fortunate to average over 14.7 years for each employee. High turn-over is a symptom of lack of leadership and systems. Get it right, and the patients and staff will stay. If your patients see a different face every 6

months, they will wonder why, and they will be right.

- **Assisted Hygiene.** Assisted hygiene does work to ramp up the hygiene department, but make sure you have the right assistant in that role. It should be the best assistant in the office. Maybe even the one you can't work without. If done incorrectly, and this happens about 90% of the time, you will see fewer patients following through with treatment plans because of a lack of trust that was once created by your hygienist spending the time to adequately explain treatment and listen to what the patient came in for. I have seen few offices that do this correctly.
- **Poor financial Arrangements.** The largest and most-used health care patient financing company is not the best just because they pay the ADA hundreds of thousands of dollars a year to receive their endorsement. Every office needs to have at least two outside options on patient financing. We need to help patients fit this dentistry into their budget. If you need some suggestions, just give me a call.

### **How to Fix Donor Practices**

1. **Routing slips:** These can be produced by most dental software and allow you to follow each patient through the office. Patients may first contact you by phone and then arrive at the office for the first time, hygiene, diagnosis, case presentation,

financial, scheduling.... The routing slip follows them through your office. At some point, you will find a point at which they do not go to the next step. Identify this point, and you can correct the system or staff member, and eliminate the blockage. Don't, and it is "Donor Doomsday". Identifying this person or system will go a long way towards increasing your number or percentage of referred patients by eliminating the very reason they fail to refer or follow through.

2. **Exit Interviews:** Whether it is with a staff member that does not work out, or a patient who goes down the street, you can benefit by taking the time to call and find out why. Great leaders find the problem, and deal with it immediately.
3. **Comment Cards:** These anonymous cards allow you to learn of potential problems on every patient you see. Email me, ([abernathy2004@yahoo.com](mailto:abernathy2004@yahoo.com)) and I will send you one. Assume that if one patient mentions a problem, there are 100 more patients who were silent and felt the same way. 96% of patients will leave without saying a thing if dissatisfied. Finding out the "why" and dealing with the problem will insure that almost all of your disgruntled patients will stay and continue to refer to the office.
4. **Create a system for CA/NS:** Email me, and I will send you our cancellation and no-show system we used for over 30 years. We will include a call sheet and purge sheet to bump up your daily production goals and lower your overhead. We normally sell

this, but I want to offer this as an add-on to the book.

5. **Record and monitor your calls** in and out of the office. The most important piece of technology in your office is the phone. If your staff does not come across as caring and compassionate, the patient will never show up to let the doctor mess up the relationship.

Spend the time to create great systems and inspire your patients and staff, and there will never be any limit to your practice growth.

## Chapter 9

### Caught by Capacity: Why We Stop Growing

I just got off the phone with a doctor who had too much experience, too little situational awareness, and a complete aversion to implementing change. This was the good part of the call. He had contacted me to go over his numbers, P&L, and schedule and asked that I offer some insight to the “state of the union” for his practice. (Remember I asked you to do the same.) Seemed like a very nice doctor who was open to hearing what I had gleaned from the numbers. By the time we finished a two-hour conversation I apparently had completely alienated and misread him. As far as I can remember this is the first time this has ever happened. After discovering this I was so depressed that I called my business partner, Max, to talk to him. If you’re looking for sympathy after something like this don’t call Max. He has been there, done that. I really felt that I had given this doctor a fair assessment of his practice along with what it would take to create a potential for growth, and in this case I even sugar coated some of the conclusions. It was really worse than I shared with him. He commented that before the call he felt great about his practice, and now it would take him some time to get over the call. He added that while my analysis had some valid points, he felt that he could make any change necessary. He said that I was far too negative and that he felt wounded by my comments.

Here are his practice facts:

- DDS is age 50.
- Minor savings.

- Has successfully ended two marriages and just married his mid-twenty-year old assistant and she is pregnant with twins. (I kid you not, you just can't make this stuff up.)
- Four children from the previous marriages.
- He desires to retire by age 60 or within 10 years.
- He wishes to be debt free and have a lump sum of \$4,000,000 or greater. His debt is close to a million dollars in his practice plus another \$600,000 in his new home. (His previous wife got the previous home).
- The total amount of possible inheritance would be less than \$200,000. **(If he is going to accumulate the money, it will have to come from the practice.)**
- He worked 22 hours a week: Monday, Tuesday, and ½ day on Thursday (Less than 3 peak demand times a week)
- Produces \$75,000/month.
- He does produce over \$7,500/new patient.
- Averages 13.2 new patients a month. (Less than 25% were direct referrals and therefore he is not inspiring the meager number of patients he is getting.)
- His overhead exceeds 72%.
- Hygiene only produces 18% of the total practice revenue. (It should be 33%.)
- Ratio of DDS/population in his zip code was 1/438 (It needs to be at least 1/2000. This is a very competitive area.)
- Average household income in his area was \$31,000.
- He lives in one of the most competitive areas in the Northeast US, most expensive economies in the US,

and a very low economic earning capacity with diminished education levels.

- He is waiting for the down turn to blow over. *It will not.*

He commented that if he could just produce \$125,000/month everything would fall into place. He added that: “I know that my practice is in the top 1% of all the dental practices in the United States”. He feels he just needs some coaching to put him on the right road.

At this point I almost fell out of the chair. In the face of terrible numbers and a questionable dental economy and demographics for his area, he felt he was in the top 1% (maybe the lower 50%, but definitely not the top 1%). Once again, I felt like I was playing “Truth or Consequences”. In a case like this I try to ask myself what Max would do in this situation: Tell him the truth or save it for another day. I chose wrong. He could not handle the truth. I pointed out the difficulties in increasing new patients in the most competitive areas for dentistry in the US. In fact, I offered to send him an article about donor practices and recipient practices. While I tried to sugar coat the bad news, he was indignant when I told him that most general practices need 40-60 new patients a month, that their hygiene departments will generate 33% of the total production, the office was open at least 32 hours a week during peak demand times, that we try to push our clients to have a 50-60% overhead, and that even a recent graduate can produce over \$75,000/month by the end of 12-15 months with the right location and proper coaching.

That just about did it. There was nothing but silence from the other end of the phone. He asked if I

thought he would be able to make the changes that would give him the goals of retirement in ten years, all debt paid, and \$4,000,000 in hand. I replied that while anything is possible, I doubted that most doctors in his situation would be willing to do what it would take to make this happen. That to accomplish this feat, there would need to be a *full court press, whatever it takes, no do-over* approach to his practice growth. Most doctors are just not willing to make a commitment like that. It was as if I had called him a bad name. I just wanted him to understand how difficult the task would be. He ended the call and even though I offered to help him at no charge and even sent him more information on his situation, he was sure that I would not be able to help him. I was left scratching my head and wondering how I could have done better. I assume that I did this doctor an injustice by not making the information more digestible. Bad news is that I really never got around to the real reason I felt that he would struggle to improve his situation and be able to retire with \$4,000,000 at age 60. All this to say: Every practice is working at capacity. This practice **IS** a 70%+ overhead practice that inspires less than thirteen new patients a month, owned and led by a doctor who never learned how to save for the future, or strategically run a small consumer driven business. His numbers or statistics are the result of how he operates every day: Hours, systems, staff, personality, fees, overhead, location, etc. If you want to grow, you have to embrace change, inspire your patients, and act. Doing what he does, when and where he does it will not change the numbers. If he wants to take his practice to the next level, he has to get there first. Sometimes a change in circumstance requires a change in direction. A change in direction requires overcoming the momentum of what you created in the past.

It is this momentum that creates the “capacity” of your practice. That momentum, if you are doing well, makes it even easier to continue your winning ways. If the momentum is in the wrong direction, you are faced with a difficult task of turning the practice around. You basically will expend almost all of your energy fighting that momentum just to stop the bleeding. Once the bleeding is under control, you have to come up with another burst of energy to make the changes necessary to start all over again in the right direction. Everything counts. Everything matters.

So, what is capacity? *It is delivering a service that a patient wants, when they want it, in a way that they can afford.* If you think about it, we all have a “General Practice”. I know that some of you promote yourself as a “cosmetic” dentist, sedation dentist, or implant specialist, but you all started as general practitioners. For most of us, the longer we practice, the larger percentage of our income is derived from crown and bridge and higher end elective cases. You could even say that everything but an extraction is elective. As we age, our competence and confidence should increase. With this increase in knowledge and comfort discussing treatment, we should become more profitable. This is where it all breaks down. We do not all progress in our careers. We do not all have choices. We forgot to factor in down economies, poor habits, lack of learning (and even less application of what we learn), and even successfully ending two or three marriages prior to finding that right spouse some 20 years our junior (just kidding). We begin to coast. This leads to drifting, and drifting leads to finding ourselves in places we never wanted to go. We find ourselves a statistic. We

made the curve. We became that average dentist. The statistic with no choices at the end of a career of affluence lived beyond our means. We face dying in our practices because we never learned to save. We stopped a long time ago living a purpose driven intentional life filled with goals and accomplishments. We forgot why we got into the profession and where we wanted to carry our practice from day one.

Well, I have a solution. A plan. A life strategy. It is never too late, it has always worked, and it will work for you if you will embrace it. It is the chip I wear on my shoulder and I call it “the little guy attitude”.

In football it’s size and speed that matters. It’s speed and hand-eye coordination in baseball and tennis. Add the blessing of perfect genes and early childhood training and you have the making of a super athlete. It was not meant to be for me. I must have been about 13 years of age while weighing 80 lbs. and standing 4 foot nothing when some brilliant coach lined me up against another 7<sup>th</sup> grader who was 6 ft. tall, with a receding hair line, and a day’s growth of beard, that I realized I was not gifted with “natural” ability for sports. I guess I still resent the A-team guys who seemed to always be in the limelight and got to date the cheerleader. Every one of us comes up short on something. We were not quite as big, as smart, or as good looking. That’s why I have “the little guy attitude”. I am always looking for a head start or an edge to compensate for my shortcomings. I embrace author Jim Rhone’s “Ant Philosophy”.

- **Ants never give up.** They come up against an obstacle: They go over it, around it, or under it. They

never give up. Ants think winter all summer. You can't think summer all summer. You need to save and plan for the future. Ants think summer all winter. **Always optimistic.** The first sunny day, they are out working and thinking summer all winter. Weather changes, they are back under ground. We could all benefit by being more like ants. Persistence and foresight win over sheer talent any day.

(What could this possibly have to do with dentistry? Everything. My fear of failure coupled with an obsession to do better than anyone else, drove me to excellence in my chosen profession. Lessons from a life of wanting to do better can be helpful to everyone. Read and embrace these bullet points to become the dentist you always knew you would be.)

- **Situational awareness.** Stop denying the facts. They are what they are. If you have been in the same location for 15 years you may be in the wrong location. Demographics, economy, race, and income levels change. You need to also change. On a golf course you don't play the entire game with a putter. There are different clubs for different lies, wind, and distance. Be flexible. Be proactive. Adapt.
- **Fail forward.** Everyone fails. You only really fail if you don't get up. Want to succeed? Double your failure rate. Do something. Act. I find too many doctors demonstrating paralysis through analysis. Even with what you guys pay a coach, you fail to act on strategies that are proven to get results. You only give lip service to change and action. Act now. Waiting is over-rated.

- **Never give up.** It is never too late to change your circumstances. We have all had hiccups. Each of us has a story. You can change the ending to anything you want.
- **Embrace change.** When you are done with change, you are done. Over the last thirty years the one constant in dentistry and every small consumer drive business has been change. In addition to yourself, you need to surround yourself with employees who also embrace change with positive expectancy.
- **Every practice works at capacity.** If you do not like your results, start increasing the rate of change. We have all heard that doing the same thing over and over again and expecting a different result is a symptom of insanity. It is not going to get better by itself. You have to take the steps to insure a positive result.
- **The strength of your practice systems will ultimately determine the range of patients that you can inspire.** A practice based solely on the personality and charisma of the doctor cannot be sold. Remove the doctor and the practice fails. Only systems make your practice reproducible. One based on systems, leadership, staff, and purpose is reproducible and extremely valuable
- **The only limits to practice growth are those you have consciously or unconsciously imposed on yourself.** Most practices that struggle are held captive by the expectations of the doctor. If you want more, you have to be more. Nothing happens by accident. Million-dollar practices are created, they don't just happen
- **Balance.** We all have our dance cards full. You begin something new, and you have to give up something to

fit it in. We all cheat and steal. You will either steal from your family, faith, or business. Choose wisely. We all have the same amount of time. Keep in mind that on every gravestone is a born-on date, a dash, and a use before date. We spend our entire lives working on the “dash”. What will your dash say about your life? If you would like to see a preview, pull out your checkbooks and look at what you spend your money on. Your money will be where your heart lies.

- **Give back.** Part of learning life’s lessons is teaching life’s lessons. Take the time to mentor someone.
- **Don’t believe your own press or what others say about you.** This was a hard one for me. Always be able to look in the mirror and see the real you.
- **Every practice has a range of patients it can inspire.** If you are not growing, you are not inspiring your patients. Inspiration means referrals and unlimited growth. You can’t get better at giving patients what they don’t want. Never get caught thinking that patients only want what you have to sell them. Listen and happily give them what they want, and tell them what they need.
- **Say “thank you” to those who helped you.** The first job of a leader is to define what is core. To cast the vision. The last job of a leader is to say thank you to all those who got you where you are.
- **Become a leader.** Everyone needs to be the leader in his or her practice. Enthusiasm filters down from the top. Your staff and business needs direction. Step up and become the dentist you always wanted to be.

Practice growth and profitability can be very predictable. That’s why you have chosen to take the time

to read this book and commit to the action it takes to grow your office into the practice you always thought you would have.

## Chapter 10

### POISON PATTERNS

This chapter is a response to the new graduates and those of us who are aging not so gracefully. While these two age groups seem to exhibit poison pattern traits more often than not, it seems that any age is susceptible.

A “Poison Pattern” will almost guarantee failure in any business venture. It is a specific habit or action that is completely contrary to any positive consumer strategy for practice growth. I would have to say that Dentists and their staffs seem to be the most susceptible and therefore, the most likely to fall victim from these poison patterns. These patterns or characteristics highlight the personalities and operating traits of every marginal dental practice we have ever met. So common are these patterns, that once identified and corrected, we can almost assure an increase in profitability, new patients, and satisfaction in practicing dentistry from the doctor and staffs. Read and study the list carefully. Understand that infected parties are the last ones to know their own symptoms. It is contagious so if you see these patterns in other doctors or offices, make sure that you understand the proximity effect of talking to or associating with these practices. You will begin to embrace the negativism of their offices, and it will seem logical. These patterns are so devious and sinister as to seem logical and of little importance for the infected doctor and staff. Oftentimes, the worst offenders feel like they are symptom free, when in fact they infect everyone they know. In order for you not to miss the significance of even a couple of symptoms from the list, make sure that you have contacted me and filled out the Spread Sheet that will allow us to

diagnose any blockages and patterns that may be holding you back. Fill it out, email it back in, and I will spend an hour or so with you on the phone diagnosing why you are not having a banner year. Correct the areas that we diagnose, and you will be on your way to at least a 15% increase in profitability and a decrease in stress and overhead.

## **THE POISON PATTERNS:**

1. **Entitlement:** Feeling like you have put in the time and effort through years of school and/or practice that should guarantee you a 50% overhead, limitless number of new patients, and stress free life? I even see new graduates exhibiting entitlement by thinking that they are owed an income level or cushy job because they graduated from dental school. As you know, a new graduate is “just barely not dangerous”. That new license is just a learner’s permit. The fact is, if you have been in the same location more than 10-15 years you are probably in the wrong location for growth. If you have been practicing pretty much the same way for more than ten years, you are probably not even in touch with the reality of running a small consumer driven practice. Demographics, competition, median household incomes, race, and educational levels always change with time. Fail to meet these changes creates a plateau, an increase in cancelations and no-shows, lower productivity, and fewer new patients. It is time to get back to the mantra we all used when we first started practicing: **Whatever it takes.** Gone are the times of no competition, work whenever we want, and charge

whatever we think we can get away with. Welcome to the new dental economy: Change or die. If you are thinking that you can coast or just stick it out until the economy turns around, you are guilty of entitlement. When you are done with CHANGE, you are DONE.

2. **Fear of setting prosperity goals (fear of failure):** We all know that goal setting works, yet most of us are guilty of spending more time planning a vacation than engineering goals for our practices. If you are too tired, worn out, or your gitty-up has gotten up and gone, you need to remember that the guy down the street still has something to prove, and he or she is willing to do whatever it takes to survive and become a success. To set a goal, you need a benchmark, a target at which to aim. Waiting to see what happens is over-rated. Start today, find out where you are, create some challenging goals, and begin moving forward to that next, prosperous stage of practice.
3. **No Promotional Consistency:** Doing marketing on a hit and miss pattern only guarantees a miss in results. Marketing grows through the consistency of a well-engineered marketing plan. It requires dedicating at least 3-5% of your income to a systematic outreach program that is dictated by your area demographics with a significant offer and urgency to act in order to meet our benchmark of 50-70 new patients per doctor. A result like this is predictable and will assure a steady growth rate of 15% per year, along with the cushion of knowing that you are recession proof. Add to this, consumer

hours, a great telephone strategy, and comparable fees, and you can't miss. Don't settle for just getting by while blaming a poor economy that might or might not correct. Recessions separate the marginal from the great. Business failures are nature's way of saying: You are doing it wrong. Great marketing is when your message and your methods consistently inspire your patients. Give us a call, and let us put you on the path of strategic marketing with a predictable return on your investment.

4. **Capacity:** Capacity is the ability to deliver dental services when the patient wants them and at a price, they are willing to pay. How do you know that you have the perfect capacity? Are you growing? If not, you have a capacity problem. Lack of capacity could include poor consumer hours or convenience (not being there when the patient wants the work done). Poor pricing by not keeping "comparables" comparable will insure a lack of growth and internal referrals. Not having enough chairs or staff or even too many (Your staff should be producing about \$20,000-25,000/staff person/month, and produce about \$25-30,000/month/operator). Generally inadequate capacity can be diagnosed and fixed in a matter of days by changing systems or purchasing equipment at the right time. Excess staff or chairs means having too high an overhead (Facility cost goal would be 7-9% of collections, and Staff overhead should be 25% including associates and any other expenses dedicated to staff). You must have peak demand times (7-10am, and 3-6pm each

day and all-day Saturday) in order to grow. Being overbooked or not having sufficient peak demand times open for productive cases and new patients is a killer of growth (you must be able to get cleaning in within 5 days, exam 48 hours, emergency same day, and hygiene follow through on soft tissue within 10 days). Capacity is time and efficiency in motion. If you have and use capacity properly, you will maximize effectiveness and efficiency.

5. **Target fixation:** Dwelling on a single problem like the economy is “negative goal setting”. The Bible says: Worry about nothing, pray about everything. I am not saying to not be aware of your circumstances, but when you get fixated to the point of everything is the poor economy, competition, poor staff, lack of clinical skills, etc., you are wasting your personal resources. You have become like a deer caught in the headlights of an on-coming car. Acknowledge your circumstances, but then make a conscious decision to not have your circumstances dictate your response, and certainly not your outcome. We see practices that are having a twenty to thirty percent increase in business this year over last. Are they working harder? Yes. Are they doing the practice of dentistry differently? Yes. Are they succeeding in spite of what others wallow in? Absolutely. From now on, decide you are not participating in negative talk or thinking. You will set prosperity goals and act in such a way as to not be drawn into a marginal practice. Your goal is a 15% increase for the rest of the year.

6. **Financial Captivity:** Not learning how to balance your life and your money will only bring stress and disappointment. If you will email me, I will be glad to make sure you get a copy of our monthly newsletter and the archives of hundreds of clinical and practice management articles we write. With every copy of our newsletter, you have the ability to go back and read or reread a past article. It will change your life. I practiced with a great dentist as a partner for 15 years. He was great with the patients, a great clinician, and good producer. His dark side was his complete inability to plan and hold on to his money. He always found a way to spend more than he made. He has always struggled to spend less and plan for the future. Too often, we find this trait in Dentists that we mentor. It seems to be tied to a type of entitlement that they feel when stressed. They work hard and feel that they are justified in spending to offset the stress associated with their practice. This is a self-destructive habit that will drag you down.
  
7. **Lack of Consumerism:** We have touched on this in the previous 6 categories or poison patters. In today's economy, potential patients vote with their feet. If you have an increased no show ratio, fewer new patients, and even fewer direct referrals, and even when they actually come in you keep seeing the back of their neck as they walk out the door to get a second opinion (donor vs. recipient practice), then you are not taking into consideration that nothing happens until the patient (consumer) says yes. Fail to meet the expectation of the consumer

(being caring, compassionate, comparable in pricing, competent, confident, convenient, and able to do what they “want” rather than just what you think they “need”), and you are destined to have your practice fail. Never, never be caught trying to sell the consumer something they do not want. If you are not growing, you are not inspiring the patient and are not meeting their needs. Stop. Look. Listen. What type of relationship do you search out in small consumer businesses that you frequent? This is what your patients and the public want from you. Stop practicing like you are doing them a favor by being there. The patient is not the problem. The patient is your job.

If anything resonated here both about poison patterns and donor vs. recipient practices, you have your work cut out for you. Take the time to fill out the information about your practice, and send it back. You have nothing to lose. It is easy to put it off till next month. The problem is that next month turns into next year and your career ends up never really being what you always wanted.

## Chapter 11

### PROXIMITY FACTORS

You have probably noticed that certain things, people, and actions tend to have a negative or positive affect on you. The rate or level of this affect is directly related to how close you are and the amount of time you are exposed to them. If you are on a mission trip or in church, you would never tell an off-color joke or use certain words. Fast forward to the last time you went hunting or camping with the guys, and you probably had a completely different operating standard. Proximity or the closer you are to a certain situation will oftentimes determine your actions and eventually the results you reap. This is especially true in business. Through habit, choice, or happenstance we find ourselves being held back or propelled forward by the company we keep. This habit of placing yourself closer to the things that will yield a positive effect is crucial to success in every aspect of business too.

Nothing happens by accident. Your life and work habits give you the results you are getting. In fact, everything you do is precisely designed to give you the results you are getting. Through commission or omission, you position yourself to take advantage of the “proximity factor”. Living an intentional life in which you purposely strive to only surround yourself with things, people, and actions that build you up and push you toward your goals is the fastest, least stressful way toward success possible. Purposely placing yourself around successful people and their actions and results has to be in the top 3 leadership skills that you should cultivate.

Let's take a moment and consider how subtle the "proximity factor" is. Oftentimes, we consider certain things positive though they are quite the opposite. I have compiled a list of the top reasons that you struggle in business and life as a direct result of your choice to associate in certain circles.

1. Attending and hanging out with other dentists in your area. Sounds good. I've done it. Lots of great people and camaraderie. The problem is a very subtle limiting belief begins to invade your psyche. The group dynamics of hanging out with average dentists creates an acceptance of average performance. You actually begin to believe that your performance and that of those average dentists in your local dental society are normal, that the economy, dental IQ of your patients, your location... explains why you and your friend's practices are struggling. Nothing could be further from the truth. If you're thinking that this first proximity effect is not true, it may mean you're already infected with the proximity virus. It's not too late, but the first symptom of infection is the justification of your circumstances and the denial of "proximity" logic. The cure: Stop hanging around people who accept their current situation as normal or inevitable.
2. Accepting marginal staff and limited results as the SOP (Standard Operating Procedure) in dentistry. If you are allowing behavior and results that you know you would rather not have, you're one step further to "proximity viral collapse". A staff member is an employee that should have well-

written job descriptions, policy manuals, and a way to measure their performance that leads to consequences when they fail to meet them. You are not paying people to make your life miserable. In fact, your staff should be concerned about being fired for the “right reasons”. Just because this situation has been around for years or decades in your practice doesn’t make it right. Well run practices do not have these types of blockages and problems. You can tell when the “proximity virus” is causing you to be delirious when you justify hiring your kids or wife to work in your office because “there just are not any good employees out there”. If there were the ten commandments of dental staff hiring, the number one would be “never hire anyone you can’t fire”.

3. *Taking lots of continuing dental education courses to increase your clinical excellence.* Been there, done that. This is one of those subtle, “how could this be wrong” types of proximity factor symptoms. It is different with different types of doctors. If you are the type that constantly takes courses but really never applies the new techniques then this is the wrong strategy for you. There is no learning without application. Becoming addicted to course after course of unused or un-applied information is the fast lane to the “proximity factor” emergency room. We have had to force some clients not to take any other continuing education classes in order to actually get them to apply what they already know. I call this ***“the failure to launch” symptom.*** The good thing about courses on different services and clinical techniques is that you are getting close

to doctors who are clinically excellent. The wrong thing about this is that most of these doctors believe that clinical excellence is what will turn the tide on a struggling practice. It is true that increased “competence” will lead to increased “confidence”, and this is great. The negative comes in when you think patients will choose you because you are a “great” clinician. It’s even worse if you start the hammer and nail routine by taking a class on sleep apnea and then assuming everyone has sleep apnea problems or wants a sleep apnea appliance. Thinking that clinical excellence alone will bring in patients could not be further from the truth. Patients define quality as “it looks good, feels good, and lasts a long time”. It is the people skills of you and your staff that will make the difference in a growing, thriving practice and one that is in a slow death spiral.

4. *Buying the latest and greatest 3D “whatchamacallit” for your practice.* I can’t think of one good thing about being in proximity to any salesman. As a group of people, manufacturers and dental salesmen have one and only one job to do. That is to sell you something that they have and will make a commission on if you buy it. Seems a little unethical if you really think about it. I would have to say that it’s not really the salesman’s fault. He got the proximity virus from the sales manager that got it from the manufacturer that has to pay his overhead regardless of the quality or application of the gizmo that he’s trying to sell you. Once again, this symptom for the proximity factor can be misdiagnosed. I see smart doctors that actually run

the numbers, figure the cost/profit or ROI along with the effect on overhead and then make a purchase. This is 3% of all dentists. The rest of us shoot from the hip, and it's the hipsters that have the problem. Max likes to call it the ***“shiny object syndrome”***: The illogical logic that this purchase will change years of lack of management, inattention to detail, no leadership, and poor hiring practices. Shiny objects do not make a successful dental practice.

5. *Hiring a coach or mentor to push my practice to the next level.*

I truly believe that everyone needs a mentor or coach. This is a great strategy on the surface but can lead to wasted money and a lack of results. P. T. Barnum said it best: “There is a sucker born every minute”. Dentistry has found itself in a season of consultants on every corner, equipment to fix any ill, and strategies that will make the lame walk. Problem is that 97% of consultants just don't have the depth and knowledge to help those in need. Lee Trevino, the golfer, with 8 major championship wins and a World Golf Hall of Fame member made a very intuitive statement while watching one of the most well known instructors in the world give a stroke lesson to a young PGA Tour player: “I don't want swing advice from anybody who doesn't know what it's like to stand on a the tee box of the 72<sup>nd</sup> hole of a major golf championship with a one shot lead”. Be careful who you stand next to when it comes to mentors and coaches. It creates a tipping point at which most find they lost money and find themselves worse than they were before.

I hope you get the idea. Turkey's flock together and eagles soar. Make sure that the people and strategies that you surround yourself with are tipping you in the positive direction rather than creating an anchor that will hold you back. The Proximity Factor is a no brainer.

## Chapter 12

### THE CURSE OF EXPERIENCE: **Think Like a Rookie**

This title appeared on Jon Gordon's weekly newsletter. Basically, he contends, and I would agree, that sometimes (most times), experience can be a curse. "Such as when your experience in business causes you to focus on the good ole days; when everyone was making money; when everyone was successful; when life was easier; when you didn't have to go after business, it came to you. I've noticed that in this economy a lot of people are inflicted with the curse of experience. They complain about the way things are, long for the way things were and dream about what could have been... if the economy hadn't crashed. The good news is that there is a simple antidote to the curse of experience and it is to *Think Like a Rookie*."

**Rookies don't have experience.** They don't know about the way things were. They have no knowledge of the good ole days. Instead, rookies create their good ole days right now. I would have to say that some of my best employees were folks with no dental experience. I know, I know, you want someone you don't have to train. That's a myth. Hire someone with decades of experience, and you not only have to train them to your systems, but you have to un-train them from the systems they bring with them. The default setting for staff under pressure will always be the way they used to do it. These experienced hires will constantly bring up their last employer and how that's not how we did it. Far too often, you will hire experience over people skills and you will always lose. Give me a clean slate with no bad habits, no preconceptions, and natural people skills, and I will create a super staffer. From a

consulting point of view, give me a new doctor right out of school, and I will build a million-dollar practice around them in six months. All they need are people skills and an attitude of persistence, and they will succeed. Take an older doctor who thinks he is doing everything right, but just isn't getting the results he wants, and you have a battle on your hands. It isn't what you don't know that worries us; it's what you think you know that isn't so. We have to basically deprogram an experienced doctor in order to teach him anything new (Maybe "water boarding" might work). Creating new habits after a lifetime of mediocre ones is challenging.

**Rookies put their head down, work hard, stay positive, live fearlessly and are naïve enough to be successful.** It is as if the facts don't matter. Living as if you can't fail covers a multitude of mistakes. It is like the world is ordered to reward innocence, persistence and blind trust. They didn't know it couldn't be done. For me the most motivating thing anyone could say is: "There is no way that you can do that". Get out of the way because I am about to go through you, over you, or around you, and I will die before I don't succeed. Young doctors have this in spades. Older doctors could learn something from the rookies. It is said that you can train fleas, and I know it's true. You can put them in a glass jar and put the lid on tight. They could easily jump out without the lid, but with it on, they will constantly hit the lid and bounce back down. Done long enough, the fleas stop trying to jump out. You can literally put food outside the jar where they can see it and smell it, remove the lid, and they will never be able to jump out. So, convinced of their inability to clear the lid, they will starve and die never succeeding. We are like this

too. The lid is our life and experiences. If you hold a limiting belief long enough, it becomes truth to you. What limiting beliefs are you holding onto that will sap the energy and limit your progress to succeed? The saddest thing I can think of is a doctor who hires Summit, they are given the answers and solutions to their practice problems, but they fail to succeed. In every case they are being held firm by an invisible force of self-doubt and limiting beliefs that prevent their action to implement the knowledge they are given.

**“Rookies aren’t tainted by rejection, negative assumptions or past experiences.** Rookies don’t focus on what everyone says is impossible. Instead, with wide eyes they believe anything is possible. They bring an idealism, optimism, and passion to their work and because they believe in the future, they take the necessary actions to create it.” They become the masters of their fate.

We all need to take a fresh look. Forget the: Would of, could of, should of, and just do it. No one can hold you back. You are the only person capable of making yourself fail. Look at your practices and the steps you must take to succeed through the eyes and mind of a rookie. Forget the past, and step into your new future.

This book and Summit Practice Solutions is creating a ladder for you to climb above that invisible lid that is holding you back. Once the seal is broken, and you realize that your future is in your hands and limitless in its possibilities, you are free. You now have the choices that financial freedom and unlimited growth provide.

## Chapter 13

### THE TEN PILLARS OF THE SUPER GENERAL DENTAL PRACTICE

What is this “super general dental practice”? This chapter lays out the ten pillars that make up the foundation of the “Super General Dental Practice”, and what will insure your survival in the coming dental civil war. This chapter will go further into the actual segments or systems that will be required to build this new dental strategy and actually implement the initial changes to your current circumstances. This is the beginning of creating the practice of the future with unlimited growth and sustainable improvement despite any challenge that threatens dentistry.

1. *Become “lean and mean”.* I loved the Rick Kushner seminars back in the early 80’s. All meat and no vegetables. A real black and white, get it done, and do it profitably strategy. Dr. Kushner who owns hundreds of practices now still maintains the same tight ship he did in his very first practice. Around 2,000 square feet with six operatories, which epitomize an efficient optimized space. The practices of the future will expand their hours like corporate practices while maintaining the relational aspect of the traditional practice of yesterday. We recommend about 325 sq. ft. /Op or about 1900-2100 sq. ft. for a 6-op office. Lean means being cognizant of a benchmarked overhead. We find that a well-run office can easily lower their overhead below 60% while still producing at about \$20,000/employee/month and about \$25-

30,000/Op/month. These results are the benchmarks of a “lean and mean” strategy.

2. Embrace Consumerism: I have written volumes on what consumerism is, but suffice it to say that we need to give patients what they want, at a time they would like it, and at a price that fits their budget. It is not enough to understand that patients or consumers have a choice; we need to become that choice. Inspiring them, exceeding their expectations, becoming experts of budgeting the treatment they need, while being sensitive to the reality that time and trust will be the final deciders of whether or not they choose you.
3. Marketing is everything you do. Understanding that marketing is a necessity that requires a well-thought-out budget dedicated to a yearlong consistent marketing plan that embraces both internal and external outreach. It embraces consumerism through demographics and a myriad of forms of marketing. It is no longer possible to reach the public through just one media or outlet. Consistency means “dripping” on potential patients with print, audio, video, and digital marketing. Layered with that is embracing the consumerism of hours, location, and systems. Think like this: What would a corporate practice do? Once you figure this out, and then see what of that list you could do and do better, begin the process of creating a marketing strategy that goes far beyond the corporate strategies of business. Consider that you are competing against a well-funded practice with better hours, more marketing, better location, and systems to buy supplies cheaper and train the staff

better. What will you do to mitigate this advantage? Buying another piece of technology will not do it. Think of something else. It's really about relationships with staff and patients that will expand the possibilities of practice success.

4. *Expand your Services.* I have always had the goal of continuing to learn every year I practice. With that comes additional services that would expand the productivity and range of patients you could attract. Corporate practice's outreach is centered on one stop for every service possible. You need to emulate this by vowing to add perhaps braces, implants, sedation, kid's dentistry, and TMJ or sleep dentistry to your armamentarium. Most times you will find that with these new areas of expertise, you will find new technology that compliments its application. Technology that pays for itself is a great investment when you consider how it affects overhead and debt.
5. *Become an expert at helping patients afford what they need.* The Super General Practice must have staffs that are experts in finding the correct financing solutions for various types of patients. It no longer good enough to just print the fact that you offer financing options; you have to make them work for each patient. It is and will continue to be a challenge, but the practices of the future will do well at this.
6. *Embrace your patient's needs concerning their insurance.* With 67% of the population having some form of dental coverage, we can no longer afford to create barriers to treatment by assuming that they will continue to come to you as an out of

network provider. Insurance like so many other things (not being open the right hours, not cleaning teeth on the first appointment, or not having services patients' desire) creates a barrier to entry into your practice. Take the threshold test, and determine how your current policies and systems are preventing patients from saying yes. We need to begin studying in earnest every insurance plan and learn how to maximize the patients' benefits while optimizing reimbursements through proper coding. Our offices have found that Insurance Solutions Newsletter and Charles Blair's coding manual are indispensable in maximizing and streamlining our insurance and financial areas of our practice.

7. Delegate and utilize technology to become more efficient and effective in delivering our services. With certain areas of the country underserved and others overly competitive, the utilization of technology and delegation can lower your overhead while increasing productivity with more predictable clinical results.
8. Eliminate plateaus to your growth by embracing change and adding providers. One of the best wealth building strategies in dentistry has been and will continue to be central to unlimited growth and profitability in the fight against corporate practices and insurance companies. Adding associates leading to partnership while continuing to have 100% control is the way to grow while expanding hours. It allows you to remove the equity in your practice when you are able to invest it and allow it to compound. In addition, your partner creates a

buy-in/buy-out strategy that insures security for you and your family. If you're interested, we have a book we wrote called the Roadmap that outlines in details the strategy and contracts to make this happen.

9. Stop the stress that causes high staff turnover and systems collapse. Practices of the future will invest in coaching and mentors along with continuing education to streamline systems and results. Training regimes are foundational to maintaining the quality of staff and systems. Paramount to this is embracing the fact that you have to elevate your game to become a great leader. You need to clearly define and lay out your vision of what you want, and why you do what you do.
10. The last but maybe the most important pillar of the Super General Dental practice is a dedication to being proactive about change. We have to continue to stay ahead of the curve by embracing the change we need to make in order to get the results that are necessary to grow a business. This attitude signifies the type of doctor that will always be a survivor. Without this trait you will always wake up each day knowing that you could do more to be more.

The willingness to embrace the uncertainty of tomorrow while planning for the future insures that you, your staff, and practice will be the benchmark that others measure their success against. The Super General Dental practice is the answer to the challenges you face.

## Chapter 14

### YOU GET WHAT YOU DESERVE, NOT WHAT YOU WANT

Suppose we stopped pretending the corpse is breathing. Suppose we recognized that putting makeup on a body doesn't bring it back to life. Hey, it's already another year. You're reading another book on growth and practice strategies. Another opportunity missed. You didn't lower your overhead, produce more, or finally free up the future of that staff member that has made your life miserable. You probably have made a couple of New Year's resolutions that you won't keep either. Isn't it about time to actually start a year, not with just lip service to some unobtainable goal, but actually start this year off to make it the best year that you've ever had? Bottom line: You get what you deserve. For most of you, you get what you expect. I'm here to tell you that you need to expect more.

These are the facts you must deal with in order to make a shift in direction. The following are the fundamental truths you must embrace.

- **Every practice is a “General Practice”.** Forget about labels as boutique, managed care, or family practices. Think of your practice as a small consumer-driven business that we label a “General Practice”. At the very lowest common denominator we all work the same number of hours, deal with the same staff issues, we have the same dental materials and instruments, the same patient challenges, and have the same amount of time to

produce dentistry. As we age, we go from a “whatever it takes” attitude, to almost a feeling of entitlement. We get soft. We forget what got us here in the beginning, and are not willing to do what it takes now to change or maintain momentum. We fail to compensate and plan for demographic changes, economic challenges, or lack of commitment on our part. If you are looking at ever-diminishing margins and ever-increasing challenges, understand you are exactly where you want to be. If not, you would change. I hear it every day: “Just tell me what to do and I will do it”. With an unknown commitment from the doctor and staff, we forge ahead to outline how to produce more, collect all, and keep half. It is about this time that the truth comes out. “We’re willing to do anything, *but that*”, or they agree and never launch. They never follow through on their commitment. Time is short, and practices fail. Look at how long you have been in practice. At a minimum, you should be saving your age, each year, in one thousand-dollar increments (30 years old= \$30,000 that year in savings, next year it will be \$31,000). This is a minimal financial commitment, and you will need even more. Time passes, and we get a call from you when you are 55, successfully ended two marriages, have 4 or 5 kids, just remarried your perfect help-mate who, by the way, is 15 years your junior, you have saved nothing, hate dentistry and have finally come to the realization that you will only need to put away three million dollars over the next 5-10 years while also retiring a million dollars’

worth of debt in order to retire. Bad plan, call me now.

- **Every practice is working at Capacity.** Look at how many new patients you get, the hours you work, the production and overhead, and the net profit. That profile *is you*. You are a practice that does those statistics and your staff is that type of staff. You are getting exactly what you deserve, and exactly what your practice is set up to produce. You never see a million dollar a year doctor producing \$30,000/month. Just like you never see a \$30,000/month doctor and staff producing at \$83,000/month or a million a year. They are a distinctly separate breed. So, let's agree, everything you do, every system, staff member, your hours, fees, and practice personality create the environment to produce what you currently produce. Your practice as it sits today, will never produce any more new patients, productivity, or profit than it does right now. If you want more, you need to be more. This may not be possible doing what you are doing today. Doing what you currently do longer or harder will only dig a deeper hole. You need to make a 180-degree change. It will require a shift in attitude, staff, systems, hours, fees, marketing, etc. In other words, most of us need the **“Complete Practice Makeover”**. It's not going to be one large change, but rather 50-60 small changes top to bottom that create an entire shift in momentum and direction. You should think of it like the TV shows that do a complete makeover on an individual or home. In most cases you will not

even recognize the old house or person because of the drastic shift in appearance. Capacity is delivering a service that patients want, at a time they will show up and at a price that will fit their budget. If your new patients are not growing every month, if your production has gone down, you are no longer meeting your patient's needs. Remember the mantra: You can't get better at giving patients what they don't want.

- **Each practice has a range of patients it can inspire.** We need to realign our thinking to understand that our job is not prepping a tooth, or sucking spit, checking someone out, or cleaning teeth. These are just the things we do while we are doing our real jobs: Inspiring our patients. Walt Disney said it best: "You need to do what you do so well that people can't help but tell everyone they know about us". Look at the number of new patients you are currently getting. Now look at how many come from direct referrals. If you are not getting at least 50% from your current patients, you are **not** doing your job of inspiring everyone who comes in contact with your practice. Next, count up the number of new patients you average per month. The average is about 25 for most small practices. Realize that for every 600 new patients that come thru your door, you will need to hire another hygienist. A hygienist can see about 600 or fewer patients a year if seen twice. If you look back and find that after 5, 10, 15, 20 years you still just have one hygienist, you must face the fact that you are running off as many patients as you attract. If

you were not, you would be adding a new hygienist every couple of years in the example above. If you are not growing, you're not meeting your patient's needs. If you are not inspiring your patients, your practice will die.

- **The strength of your practice systems determines the range of patients that you can inspire.** Do me a favor and go to [www.zipwho.com](http://www.zipwho.com) and plug in your zip code. Take a look at the description of people that live in your area. If you look, you will determine their educational level, median household income, how often they move, their race, and ages. Now, look at the profile of the patients you currently attract and the staff you have working for you. To grow a practice, your staff, marketing, and systems should reflect the demographics of your area. Don't make the mistake of setting these facts aside and plod along doing what you are currently doing but expecting a different result. Not having your practice and staff reflect your audience or potential patients is a death sentence. Basically, you are a "***dead practice walking***". Everything you do, each staff person, and every system should be designed to take advantage of your area's demographics. Take a hard look this year at what you are doing and why it isn't working. Make the change, start the shift, and begin to get what you deserve.
- **The only limits to your practice growth are those you have consciously or unconsciously imposed on yourself.** This is the 800-pound gorilla in the corner of the room. This is the uncertain, unknown

that makes helping you difficult. As Pogo said: “We have met the enemy, and he is us.” You are the ultimate reason for change or a lack of it. Change is the only constant in business. If you are done with change, you are done. It happens most often when we accept a limiting belief. It can be something small like: “I can’t do endo or work on kids”. It can start early in life. The earlier, the worse it is. *If you hold a limiting belief long enough, it becomes truth to you.* Most of these limiting beliefs are lies appearing as fact. They can be stronger than any chain man can create. They will limit your growth and success in life. If I could be anything, I would love to have the power to break limiting beliefs for each of you. Hopefully, a good coach and mentor can show you the foolishness in your belief as well as a pathway to move away from it.

Sometimes a change in circumstance requires a change in direction. A change in direction requires overcoming the momentum of what you created in the past. It is this momentum that creates the “capacity” of your practice. That momentum, if you are doing well makes it even easier to continue your winning ways. If the momentum is in the wrong direction, you are faced with a difficult task of turning the practice around. You basically will expend almost all of your energy fighting that momentum just to stop the bleeding. Once the bleeding is under control, you have to come up with another burst of energy to make the changes necessary to start all over again in the right direction. Everything counts. Everything matters

## Chapter 15

### **PATIENTS ARE TALKING. ARE YOU LISTENING?**

Over the last ten or fifteen years, dentistry has moved from a “needs” based profession to a “wants” based. Patients don’t really need cosmetic dentistry, implants, sedation, sleep apnea appliances, fast braces.... They choose to buy them. This is the sign of an affluent society that is obsessed with the way they look. This has been great for dentistry and has made us all more financially secure. With this increase in type and number of products we can present to our patients, we have also entered a consumer driven market place: Nothing happens until the patient says yes. “Consumerism” has become a buzzword embodying your ability to give patients what they want, when they want it, and at a price that they can afford it. What you think or want doesn’t matter. It is all up to the consumer to define what “quality dentistry” really is or is not. At a time when patients vote with their feet, with increased competition from other dentists and corporate practices, added to the already dominant insurance incursion, you have a different ball game that most of us struggle to understand. If you fail to listen to what your clients are saying and asking for, you are destined to struggle to compete in tomorrow’s dentistry. You asked for it, and you got it. Welcome to the new face of dentistry. Are you listening to your potential patients?

If you are finding yourself with or less than 25-30 new patients a month, fewer than a 50% direct referral rate, struggling to pay your bills, while slowly entering a death spiral when it comes to increases in productivity, then the public has already voted. The results say: YOU ARE NOT

LISTENING. You are definitely not listening to the consumer if it is becoming more difficult to compete and you are struggling to get at least a 10-15% increase in productivity a year while constantly lowering your overhead. The good news is that there are strategies and actions you can take right now to improve your results. The neat thing is that 95% of the dental practices out there are clueless.

There is no way at getting better at giving patients what they don't want. If you have reached a plateau, and just can't seem to break out, embrace "consumerism" and learn how to inspire your patients. The Webster's definition for CONSUMERISM is *the promotion of the consumer's interests*. While a lot of you turn up your noses at what you might think consumerism represents, I would have to say that Mr. Webster thinks it is almost Biblical. It almost sounds from this definition that you might substitute the "Golden Rule" for it. You could take it a step further and assume that you need to "serve" your patients. The key here is to identify what the "consumer's needs are", not what "you" would have them to be.

Ask yourself this. Is my practice more about me, the procedures I do or don't like to perform, the hours I do or don't want to work, the area of town where I do or don't want to be located, or is it focused on my patients' interests and needs. A failure to grow in any environment is a clear signal that you have lost all relevance to your patients. Failing to inspire them should be a clanging siren of distress, but most of the dentists out there seem deaf to a very clear message from the buying public.

The old model of dentistry that we were taught in dental school is dead. It was replaced in the early 90's with a new paradigm of smile makeovers and self-proclaimed pseudo specialists who have limited their practices to the top 2-3% of the population that wants and can afford the new “cosmetic ortho sleep implant sedation makeover” new product of the hour couched in high pressure sales techniques. The “cosmetic” only practice has seen its day. Using sedation, implants, cosmetics, sleep dentistry... as your only outreach has become a self-limiting growth strategy that most of the general population no longer finds attractive.

Is the Monday through Thursday, 9-5 practice model becoming the dinosaur of the profession? How are you going to compete against highly funded corporate practices or even National Health Care when it finally comes to pass? It's time to pull our heads out of the sand and take a look around. Managed care is not going away. The cost of running a business is not diminishing. With almost 6,500 graduates a year from dental school, senior doctors delaying or never retiring, retired doctors coming back into dentistry, and doctors letting their associates go due to lack of business, it is time to step back and come up with a better model.

What will the future look like in dentistry? One thing's for sure; it's not what you see today in 95% of the dental practices in the country. It won't be located in any metropolitan area of over-competition and eroding demographics. Allow me to give you just a short list of some of the areas you should be addressing in your practices.

- **Convenience:** The public wants consumer hours and a convenient location. These include but are not limited to 7AM to about 9 AM and 3 PM to 5 or 6 PM every day of the week. In addition, that includes all day Fridays and Saturdays. Ever walk into a mall on a Saturday or Sunday? Are people there spending money? Why are they there? The answers are obvious. They are spending money on the weekend because they work all week. Rethink your hours, and add consumerism to them. If fact, consider your location as a convenience, whether or not you take their insurance, clean teeth on the first appointment and actually listen to the needs of your patients. How many hurdles does a patient have to crawl over to get into your practice? I'm of the opinion that any answer to a patient's request that cannot be answered with a yes, may be a significant hurdle that you and your staffs need to address.
- **Keeping prices comparable:** When was the last time you did a fee survey to see if your fees were in the ball park for your area? Keeping comparable fees in the 80-90 percentiles is paramount to embracing consumerism. People shop, and 98% of them want a good product for a fair price. Look at your fees and how you bundle them in case presentations, and begin to listen to your public.
- **Eliminating double standards:** It's funny how dentists complain about cancellations and no-shows, late patients, and patients who don't pay their bills. I would have to say that most of you are never on time, are always running late, and always have maxed-out credit cards and at least a month behind

in paying your lab. Is it any wonder that your patients emulate your behavior? Take a look at the messages that you send out through your own actions, and clean them up and consumerize this area of your practice.

- **The highest standard of cleanliness and sterilization in your offices:** This includes smells, bugs in the overhead lights, smudges on the carpet, landscaping outside, fresh paint, up-to-date facility, along with the maddening sounds of a high speed. Let your families take a critical look at your offices, and consider their comments just to be scratching the surface of things you need to change, and change today.
- **The overall personal hygiene and appearance of your staff:** Everything is marketing. Your staffs are the faces of your practice. Much of what you do is being judged by the way you and your office look. Body piercings, body art, weird hair color, wrinkled uniforms, or no uniforms at all say something about you and the work you do. It says you don't care, and if you don't care the patients are moving down the street to the next dentist.
- **Caring and compassionate staff:** I would have to say that every staff member I have met would say that they are caring and compassionate. The problem is that the public is the only one with a vote. So, if you find yourself with less than a 50% direct referral rate and few new patients, you can feel secure that no one else that visits your office feels the love.

Keep in mind that all of us have a “donor” personality some time. We drive patients out of our practices without really knowing it. Consider this: A normal hygienist can see about 500 patients twice a year. If you are the average practice with 25 new patients a month, you would need to be hiring an additional hygienist every 24 months. If you’ve been in practice for five or more years and still just have one hygienist, your patients are telling you that they were not inspired. They will say it by never sending you a referral or returning for a periodic cleaning and exam. This very symptom of not seeing your hygiene department grow is a black and white signal that you are a donor practice that struggles with inspiring your patients. You are trying to give your patients something they don’t want, and have long since stopped listening to the one person who could turn your practice around: The consumer.

This is a tough message to swallow, but also a message that can change your direction of practice. Don’t forget that we send out a short email newsletter to all of our clients and friends, and I would like to send one to you each month. In addition to two or three articles a month that I write, we have clients write in and describe what is happening in their own practices. Believe it or not, these normal doctors in cities and towns all over the US are having the best months of their careers. Regardless of the economy, competition, staffing, and finances, they are implementing ideas that continue to give them month after month of record-breaking success.

## Chapter 16

### WHY HAVE BENCHMARKS?

Steven Covey in “7 Habits of Highly Effective People” identifies the number one trait to make you successful in any endeavor: “Begin with the end in mind”. In other words, if you can define or create a picture of where you want to be, you will shorten the path and define the result. The same is true in overhead. Your overhead should be 50% to 55%, or certainly less than 60%. This is realistic in any practice that is 5 years or older. I see too many practices with bragging rights of huge production, but the truth is they take very little home. It has always been, and will always be about net, not gross. You should be able to keep approximately half of every dollar you produce. One of our mottos at Summit is: Produce More, Collect All, and Keep Half. Remember: You should collect at least 98% of all production. An increase in productivity is of no value if the cost of overhead is not contained. We also believe strongly that you need to be debt-free. It’s amazing how much less stressful every day is when you’re out of debt. When working with young doctors to start a practice, we insist on a plan to make them debt-free within 3-5 years. When working with established doctors, we fight to get them to put their house in order, live within their means (spend less and produce more), and concentrate on the systems that guarantee increase in net and a decrease in overall overhead.

Looking at hundreds of practices and their numbers, I am often surprised at the lack of information the doctor can lay his hands on. The profit and loss (P&L) statements are not available until 90 days after the closing of the

month. The doctor cannot read the P&L, or glean the information that he needs to make decisions, and **does not realize that a profit and loss statement does not reflect true cash flow (what you collect and what you spend)**. They do not use software like Quick Books to write checks and create a cash flow analysis. They are being overcharged and underserved by CPA's that do not understand the dental business and seem to be in no hurry about getting the numbers to their clients. If you want to lower your overhead, manage your practice for profitability, and control your future, you must have accurate, timely, real world numbers to guide you.

In pro sports today, the standouts are referred to as super stars. Howard Hill was a super, SUPER star. He is one of the few men to become a genuine legend during his own lifetime. Having died in 1975, Howard was referred to as the "World's Greatest Archer". He is the only person to win 196 archery field tournaments in succession. He would perform by doing difficult trick shots like shooting an apple off someone's head from 60 feet and then top that by shooting a prune from the same distance. He was the archer who would split an arrow with an arrow in "The Adventures of Robin Hood" with Errol Flynn in 1938. You could say there was no target he could not hit. He could out-shoot anyone, any time, in any conditions.

I would like to propose a bet. I can teach you how to hit a target better than Howard Hill in a matter of minutes. The trick: I would blindfold Howard, and you would be able to see the target. Silly bet, but every day I see doctors trying to hit a phantom target they cannot see or locate. No one can hit a target that is not there. That is why we all need benchmarks. We all need a target to hit:

A goal to strive for. How are you going to know how you are doing if no one sets the bar? Benchmarks define the game we are playing. What does it take to win? Where are the goals, the yard lines and hash marks, and where are we starting from?

No matter how many employees are on your payroll or what your financials looked like last month, if you believe that “organized chaos” and creativity alone will drive your business toward success, it’s time to shift gears. Businesses without systems react. You want to forecast, measure, set goals and beat them. (And, of course, earn more money while doing all of this.) Benchmarks give you a ruler to measure your progress. They help you create black and white answers to grey questions. Let me give you a few benchmarks to help set a target for your General Dental Practice.

**OVERHEAD:** I tend to look at overhead from the perspective of cash flow: What comes in and what goes out...not the way a CPA does it in a P&L statement with only deductible items listed. This cash flow statement creates a management tool to help you manage your practice day to day and should be shared with the staff.

Let’s take a look at overhead and the way we suggest you have your CPA organize a cash flow statement. Keep in mind: A cash flow statement is not used to do your tax returns. It is a minute-to-minute accounting of in-flow and out-flow of money. We believe all operating expenses should be contained in about 6 categories. Attached to the categories is an ideal benchmark to help you move toward that 50% overhead. These are the categories.

• Staff Compensation	24-25%
• Facility	7-9%
• Lab	8-10%
• Marketing	3-5%
• Office Supplies	2%
• Dental Supplies	6%
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TOTAL	50-57%

**Staff compensation** includes everything you spend on staff: Taxes, continuing education, bonus, trips, normal pay, benefits, uniforms; it includes everyone but the owner doctor. Hygienist and associates are included here. This does not and should not include any owner doctor. The owner's overhead will fall below the line.

**Facility** includes all the physical plant and its costs: Property taxes, note payment of the building itself, maintenance, lease, servicing note for the purchase of a practice, utilities, equipment purchase or lease, repairs, etc.

**Lab** should include everything you spend on lab, including Cerec, supplies, outside lab work, and anything else related to that side of your practice. If the benchmark seems low, or you spend more on lab than the 8-10% you are probably limiting your practice to adults, and a greater portion of your practice is C&B. This means your ability to market your practice is limited to a smaller, more lucrative

audience and should reflect these demographics. If your lab is lower, you may not be assertive enough in your case presentation or not clinically mature enough to present more ideal treatment. Each of these numbers means something, and creates a picture of the health of your practice.

**Marketing** would include all internal and external things you do to inspire and reach your potential clients: Print ads, giveaways, signage, promotions, phone book, web sites; everything. It is said that everything you do, from answering the phone to staying on time communicates a message to your clients. You cannot, not market. While 3-5% is the benchmark, it is not unreasonable to do more. A higher end practice may spend more here and less in compensation. Do not cut back on putting your message out there. In providing a service or product: Do what you do so well that people cannot help but tell everyone they know about you.

**Office supplies** are self-explanatory and are not usually a problem for most offices. Watch what you spend, and spend wisely. Only one person should be in charge of ordering dental and office supplies, and they should have a written budget that is adhered to.

**Dental supplies** and the money spent for them are often abused. Make a budget, monitor spending through purchase orders, and have one person do all of the purchasing for the office.

Remember: Every operating expense should fit into one of these categories. Your first question will be: What about all those things I run through the practice to write off. The

answer: Everything below the line is yours. You choose to spend them on cars, club membership, trips and non-dental expenses. We are looking for a report that helps you manage your practice's overhead. We are trying to create a BAM (bare ass minimum) overhead number for management of your practice.

### **Practice Benchmarks for a well run General Dental Practice:**

- \$25-\$30K production per operatory/month (5 Ops = \$100K-\$150K/month). If you are not at this production level, it does not mean you are a failure. It does mean you have room to grow, and there are no physical capacity problems. There is no need to add more room to produce more until you meet or exceed this ratio.
- \$20-\$25K production per employee/month. If you are not meeting this benchmark, you are either overstaffed, or under producing, or both. Once again, you have no staff blockages (not enough staff) if you fall short of this goal. It is possible to increase production without adding a single staff member. If someone quits, do not replace them. Try and work with fewer employees.
- 50-75 new patients/doctor: (Remember: we are talking about a well run general dental practice, not a “Boutique” practice.) Normal dental practices have a mixture of treatment and ages. As you and your practice age, it is normal to see fewer children. Along with this increase in age, confidence, and

competence, comes more and more crown and bridge. The negative is that you have limited the size of the patient pool that you can vie for. Generally speaking, a dentist will only attract and inspire patients who are about 10 years on either side of the doctor's age. Open up a practice and still be in the same location 15 years later, and you are probably in the wrong location. Demographics will change, and before you know, it the neighborhood has gone downhill, and there is a dentist on every corner (To help you compete, you need to have a ratio of 1 doctor for about 2000 patients). Go to [www.zipskinny.com](http://www.zipskinny.com), put in your zip code and up will pop all of your demographic information. This will be a revelation for most of you and an aid in getting more new patients from updated marketing for others. Then, go to [www.aftco.net](http://www.aftco.net), and look under resources and "dentististics". Put in your zip code, and see the number of dentists per population. Bottom line: There is no excuse for not getting your share of the new patient pool. You either grow or die. There is no way to just stay at a particular production plateau. Inflation, demographics and the economy slowly erode your business until it is too late. It is like cooking a live frog. You can't drop him in boiling water because he will just jump out. Put him in cold water and slowly raise the temperature, and he never realizes his plight until it is too late. Welcome to the story of the average dentist. No one ever left dental school wanting to end up an average dentist. L.D. Pankey said: "The average

dentist is either the best of the worst, or the worst of the best.” If you’re average, which are you?

- 2 Hygienists per doctor. This indicates a healthy recall, new patient flow, and shows that you have the back door closed. This is the lifeblood of a healthy practice. If you have been in practice for more than 5 years and have not found the need to hire another hygienist, you are not inspiring your patients. With the average new patient flow of 25 new patients per month, you would need to add a new hygienist every 24 months just to service them. If you are not seeing this, then you have as many patients leaving as you have coming in. You have the back door wide open. This usually indicates a lack of systems, internal marketing, and the ability to inspire the patients you have. It is black or white: You are either growing, or you are not. This is one of the reasons I believe that every practice needs to invest in a coach: Someone to fine tune your practice and help you to the next level. Without exception, everyone needs a mentor. I would have to say that the success of my own practices is directly related to practice management coaching, meeting with a mentor, and hiring for attitude. Practice consulting is not expensive. It is priceless. It is the best investment you can make in building a successful practice.
- Hygienists are producing \$1100-\$2500 per day unassisted. For our Summit clients we are now able to bring in one of my hygienists who regularly produces \$30K-\$45K per month, unassisted at no

cost to you. We will just let them replace one of our regular consultant visits.

- Hygiene department produces 33% of the total production of the practice. Whether it is 1 or 10 hygienists, you should be getting at least one third of your production out of your hygienist. If you are not monitoring this, you will be surprised at how easy it is to lower your overhead and increase production when your hygiene department is running on all 8 cylinders.
- 60% of your day is filled with substantial cases. A substantial case is anything that is about the fee of a crown. For Example: Your production goal is \$5,000/day. If a crown is about a \$1,000, you would need to have 60% of \$5,000, or \$3,600 (3.6 crowns or their equivalent) booked each day to reach a significant goal. This is also true in hygiene, except the dollar amount would be different. A substantial case for hygiene might be quadrants of sealants, or soft tissue management patients, not normal every day recall patients. 60% of their day must be in substantial cases also. Fail to do this, and you are guaranteed to not make a significant goal for you and your hygienist. Your hygiene department should account for about 33% of your total production. Each hygienist should produce at least 3 times what they are paid.
- Recall effectiveness of 80% (Nationally, you see the average general practice at 42%, and this stinks)

- 50-60% of your new patients come from direct referrals from a patient of record. Practices that are not inspiring patients to refer, find themselves “marketing” driven. You are paying patients to come in the door, and they are leaving just as fast. If you are not growing, you are not inspiring your patients. In a society that votes with their feet, you cannot afford to have a majority of your patients getting second opinions or not scheduling for treatment. You cannot get better at giving patients what they do not want. Change your direction and reap a new outlook for your practice.
- 98% or greater collection rate (The average practice does 94%. This will not do.) Our practice has always collected more than 100% a month.
- Consumer hours: 7-10am, 3-6pm, Monday-Friday, and Saturday hours. This is difficult without multiple doctors, but 9-5 Monday through Thursday, does not meet your patients’ needs. Consumerism is a creed you need to adopt to prosper in any economic environment. Convenience is huge in today’s practice. Patients show up where their needs are met. We talk a lot about consumerism and capacity. The best definition I could give you is your ability (capacity) to give patients what they want, when they want it, at a price they can afford (consumerism).
- A small incremental fee increases of about 2-3% every January and July. Inflation and subsequent cost of operating a practice continue to climb. Review and update your fees on a systematic

regular basis. A usual scenario would be to compare your fees to our fee survey and place them in the 85<sup>th</sup> percentile. You would then raise your fees a couple of percentage points every January and July. This would offset the effects of inflation and cost of living.

- Pricing: Keep comparables comparable: Do a fee survey. Try to keep your fees in about the 85<sup>th</sup> percentile. Consumers shop, and price is important. As a note: An increase of 10% creates a 9% decrease in overhead. Over the lifetime of a practice, millions of dollars are lost from having fees that are 5% too low. The cumulative effect could fund a substantial portion of your retirement.
- A minimal production of \$600-\$750 per hour per Dentist.
- A goal of 15% growth per year in productivity. Growth is a sign of meeting your patient's needs. No growth means you are not inspiring your patients. Lack of growth means there is something drastically wrong. Managing a practice by the numbers to establish goals to insure growth and the proper overhead is the only logical choice. Insurance company statistics tell us that 97% of the population at age 65 will either be "dead or dead broke". Only 2-3% will become financially independent at that age. Failure to plan is a plan to fail. You must start from day one to lay out a strategy for financial success. No one else can do this for you. The one saving grace is that it is never too late to start. If you have reached that age where

you are closer to your “do before date than your born-on date” or even a young doctor or midcareer doctor who has an entrepreneurial bent, we have the number one wealth building strategy to share with you: Ways to remove equity from your practice, while producing more and lowering your overhead to insure a comfortable retirement at any age. You cannot discount a life with “choices”. A secure financial future is the best choice you can provide for you and your family.

- Production of \$2,500/New patient. (National average is \$1,100/New Patient) Just divide the monthly production by the number of new patients, and this will give you a ratio of production per new patient, not production on each new patient. The \$2,500 per new patient is a lofty goal for an average general practice, but it is very doable. Production over \$2,500/New Patient puts you in the realm of a boutique practice. Along with a fee survey, we can help all our clients see how a failure to do a certain type or number of procedures indicates a lack of planning. We can help you restructure your fees and treatment modalities to maximize your demographics to create a lower overhead and increased production without more staff, facility or stress.
- 90% case acceptance. The “monkey score” is a case acceptance of 67%. The number one reason people do not have dental work done is that they were never told what they needed to do. Just tell them what they need, and statistically, 67% will say

yes. Add in consumerism, and the scripts that we will discuss, and it will always go up.

This should give you a place to start. Take your current P&L statement and arrange it to fit the overhead items as listed above. If you will remember, I did this on our phone call. Give us a call if you have a problem. Take a look at each of the benchmarks and compare where you are to where you want to go. With the staff's help, take these goals and set a path for the next 12 months to improve in every category. It is no longer possible for us to just get by. We must set challenging goals and begin to run our practices like a business. Make the difficult decisions about staffing and when and how to work. Pay the price, and take the prize. Keep in mind that the rest of the book will refer back to these benchmarks and overhead items. This is now your "business goal". Below, you will find another Goal Planning Sheet that will add feet to the process of setting and obtaining these benchmark goals.

## Goal Planning

Area of Practice \_\_\_\_\_ Today's Date \_\_\_\_\_ Target Date \_\_\_\_\_

Goal:


WIFM:


Obstacles:

Solutions:

Obstacles:	Solutions:

Action Plan:

Target Date:

1.	
2.	
3.	
4.	

Affirmations:

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This “Goal Planning Sheet” will help you formulate and follow through on your vision of what is to come. Keep in mind that for a goal to work you must take the time to really consider what you want, write it down, and have a date of completion. The following sheet does this and more. As a side bar, the WIIFF stands for “what’s in it for me”. The rest is self-explanatory. The final line is an “Affirmation” which is just a positive statement about how it will feel to have accomplished the goal you have chosen. You should use this not just for your goals, but for any staff goals or family goals you might have.

## Chapter 17

### Benchmarks That Should Give You Pause

This chapter will expand on your understanding of numbers to be tracked and what to do if you find them lacking. For most of you, this will be an epiphany when we consider how few offices track these specific percentages and numbers when doing so almost guarantees successful growth. I find most doctors fail to really monitor or study their numbers. Oh sure, some pay hundreds if not thousands of dollars a month to have some third-party software company data mine their practice software in order to produce a monthly report of how the practice is doing. But do you really know the impact of your numbers or even which numbers to watch? Keep in mind that if you would take the time to have the staff trained properly on your dental software, all those numbers are already there. So here is the strategy. I will take a single number or percentage that everyone should track, but look at it when it is off kilter. This will be a single benchmark and what to do when it goes off the rails. Even a small downward or in some cases an upward negative change can mean hundreds of thousands of lost dollars from your pocket. We will dissect why and how, along with what to do to fix it.

**SUBSTANTIAL CASE PERCENTAGE:** No one tracks this and it will give you an entirely different insight into productive scheduling and profitability. What we are looking for is the percentage of daily cases that are on your book at about the value of what you would charge for a crown. So, a “substantial case” is anything at or about the value of a crown. 60% of your day needs to be in substantial cases in order to maintain a healthy production per hour and an overhead of 63% or hopefully less.

By now you should be realizing how these numbers are intertwined to help you see deficiencies in your key systems and protocols. Let's look at an example. We will assume that a doctor has a personal (production directly attributed to the doctor) goal of \$5,000 per day. Key point here is that you have to have a daily goal. So if you do not, start setting one. 60% of this \$5,000 dollar goal, or \$3,000 has to be in substantial cases. Example: 5 fillings, impression for a denture or partial, implant, full mouth extractions, or some crown and bridge. It just needs to be at the value of what you would charge for a crown, but it need not be a crown to fulfill that substantial case goal. The value of the appointment, regardless of the procedure(s), should equal the fee of a crown. Let's assume this doctor charges about \$1,000 for a crown. Then this doctor would need to have 3 crowns to do that day or their equivalency in value. That could be one \$3000 appointment or three \$1000 appointments. Anything less and your day will not hit a significant goal.

Let's look at some reasons why your day is not 60% filled with substantial cases:

- Not enough new patients.
- Demographics are wrong for substantial cases. Income if it is too low to afford it, income if it is high and they don't need it, or it is already done, education (if they have college or higher, they have always gone to the dentist and don't need anything). You get the idea.
- Poor onboarding of new patients.
- A broken case presentation and acceptance.
- Not having your staff being engaged with the process of inspiring your patients to get them to show up, pay for their treatment, and refer everyone they know.

- Poor financial coordination by your front desk for the patient to fit the investment into his/her own budget.
- Poor handoff from clinical to front desk with a patient that has not had their concerns about money, time, fear, and trust addressed to their satisfaction.

These symptoms of a failed scheduling strategy should not only give you pause, but also light a fire under you and your staff to effectively make the changes in staffing and systems to address and correct any deficiency.

**PRODUCTION/EMPLOYEE:** The next number you should track (but no one does) is the production each month per employee. Very simple calculation, but I don't know of any other group that ever follows this number. All you do is count up the total number of staff including associates, front desk, assistants, office manager and anyone else who is an employee (note: part timers would be added not as a whole number but as a percentage like .50 instead of 1). Then simply divide this into your production for the month. This alone should cause you pause. We are in a small consumer driven business and the last time I heard, we need our businesses to produce a profit. Profit is almost a guarantee if we have a production per employee per month of \$20,000 to \$25,000. If you have never done this calculation before, you are going to be a little surprised at how poor it is. The average office out there will be \$12,000 to \$14,000 per employee per month and I assure you that practices like this struggle to control their overhead and make a profit.

The production per employee is the most likely category to destroy your overhead. It starts out the day you

open your practice. Far too many of us hire a front desk, assistant and hygienist when we don't have any patients. You should have started with a "girl Friday" that could work the front desk and assist. It's not like you are busy at first. So, who out there doesn't think they can produce at least \$20,000 a month with just you and this one employee? Any of you can do this. If it were not for the legal ramifications, I am sure you could do it without any employees.

So, the question is: When do you hire the next employee and for what position? Once you can easily produce the \$20,000 to \$25,000 per month per employee, you are ready for the next hire. This would be a full-time front desk or a full-time assistant depending on where your first employee's talents lie. Within a month (and no longer than 60 days) you should be at close to \$40,000 per month in collections. During this time, you are doing the cleanings. Most scratch offices need about 4-6 months of continuous growth and production before they hire that first hygienist and even then, it is part time. Growth demands a benchmark for hiring people. Done any other way, you compromise your overhead and your leadership by not getting enough productivity from each of your staff members.

Now let's look at a seasoned doctor's practice with production falling lower than \$20,000 per employee per month. Very few practices can extricate themselves from having too little production per employee per month without radical change and leadership. The symptoms that pop up when this is out of whack usually surface as:

- **High staff overhead.** Your total staff expenditure should be 25% or less of your current collections. Any higher and the profitability and sustainability of your practice suffers.
- **Poor systems.** Stay with me for a minute. When you just throw money at a problem by adding more staff, you are in effect admitting that your systems are not adequate to do what you want to do. The ripple effect of this will be a low production per employee, lower overall pay per employee, and high staff turnover.
- **Inability to pay all of your commitments (bills) on time every time.**
- **Increase in practice and personal debt.** I have never seen a doctor who struggles with money at the office not have the same problem at home.
- **Frustrations or lack of leadership.** You cannot abdicate your obligations of becoming a good leader by just hiring more staff and praying that everything will work out. It won't.

Your action item for today is to actually find out and track monthly what your production per employee is. Take this starting point and use it as an explanation to your staff of what they need to do. If in the process of reading this chapter you can identify any member of your team as marginal, consider freeing up their future without replacing them. Same thing goes for a staff member that leaves from an over staffed office, don't replace them. Figure out a way to spread their duties to other existing staff members.

**PRODUCTION/NEW PATIENT:** A lot of software companies can produce this number for you, but the short fall here is that we don't take the information and act quickly to improve our standing. If you have not yet shared each of these numbers and their consequences with your office manager and staff, you are missing a huge opportunity in having them partner with you to take your practice to the next level. As you can see with each of these topics, I have connected them to your profitability. Growth, or in this case profitability, is a formula with each of these topics playing a part. Here is the big picture formula:

**Number of Visits X Production per Visit X Collections % - Overhead = Profits**

This is a simple formula with complex implications in running a successful business. In the above formula we could lump Number of Visits and Production per Visit as PRODUCTION PER PATIENT. Today we are looking at the production per "New" Patient. This number will be the predictor of the lifetime value of that patient. If they don't spend money with you initially, doesn't it make sense that they won't spend it indefinitely with you?

To arrive at this number, you merely take your total production for the month and divide it by your number of new patients for that same month. While this should be obvious, we are not arriving at the production "on" each new patient, but the production "per" new patient. An average practice will have about \$1,200 per new patient. An ideal number would be in the \$2,500 to \$3,500 range. Hit these numbers and your overhead will generally go into the 50%-60% range. Having the average amount of \$1,200 per new patient results in overheads in the 70% and greater

area. So, what affects our ability to hit the higher numbers and perfect our Profitability Formula?

- **Case Acceptance approaching 90%.** The average case acceptance is in the lower 60% range. What a difference fine tuning and staging this protocol in your practice can make. Poor acceptance is usually the result of no trust established, poor financial arrangements, and the fact that you came up short when this patient compared you to other offices they have visited.
- **Age of the average patient.** Demographics have a significant effect on production per new patient. Very young patients tend not to need higher ticket items. Older patients sometimes cannot afford to do what they need done. Ages can also affect the types of treatment needed.
- **Income of the patient.** Becoming an expert at fitting your new patient's needs into their budget is the final and sometimes the most important step in case acceptance. Some area's income demographics are so low that dentistry is not a priority and many services are out of their reach. If you look at very high income demographics with highly educated people you will see that they have little or no dental needs to speak of. They have always taken care of their teeth because they came from a middle-class family and are highly educated. A smile and having all of their teeth is important. This type of patient already got it fixed, or never needed it in the first place.
- **Treatment mix.** You must have the skills, range of treatment options (do you do implants, dentures,

oral surgery, kids, ortho, everything) and ability to get in step with the patient. As your abilities improve, you will also see that more patients will say yes. Competence breeds confidence and this can be contagious with new patients. You just come across as being the “it” dentist in your area. Add to these higher end procedures and you will have hit the sweet spot in the profitability formula. You will have to do the math yourself to track this number, but don’t minimize the importance of their value on your practice.

**LAB PERCENTAGES:** Once again, we are looking at a number that few, if any, follow. The amount you spend on your lab bills becomes a significant indicator of whether your marketing is working, your demographics are good, your systems are done consistently well, your level of case acceptance, and even your ability to inspire a new patient. So, what we are looking at is the percentage that your lab expense is of your monthly collections. All you have to do is divide the dollar amount spent on lab (lab supplies, outsourced lab, and even in-house lab costs like CEREC or E4D machines and supplies and often time postage on the lab cases) by the total collections for that month and that gives you your lab percentage. If you collected \$100,000 for last month and spent \$8,500 on your total lab costs your percentage would be 8.5%.

So where should this number fall? Good practices will be in the 8-10% range. Boutique practices that do a lot of crown and bridge on just few adult patients might be in the 12+% range. Let’s say that your lab percentage was around 5.5% (which would not be good). Let’s also

assume you don't use an in-office milling machine. Then this low lab percentage number indicates several things:

- **Poor demographics:** This comes in the form of a population that is very young (or about 30 or less). They have not been around long enough to mess up their teeth to create the need for lab work. This happens. It could also indicate an older affluent population that were well educated and always took care of their teeth so they don't need any work.
- **We could have a low number of new patients** (anything less than 20 per month): New patients are the fuel in any successful dental practice. A lack of new patients means you have fewer opportunities to do lab dependent services.
- **Poor onboarding of new patients:** You have a nice number but the production per new patient is low due to poor systems, low phone conversion to an appointment, poor recall system, low case acceptance, and high matriculation of patients.
- **Non-assertive doctor, hygienist, and/or staff:** The number one reason that people do not have dentistry done is that it was never presented. Non-assertive doctors will confuse the patients and only propose treatment that they feel the patient will always want to do. They tend to do a lot of really large fillings rather than doing the crown. Your benchmark here should be what you would do for a family member that is not being charged or the type of dentistry you would do in your own mouth. Don't rob the patient of the opportunity to invest in the future of their smiles by not presenting the finest dentistry you can offer.

- **Over assertive doctor, staff or hygienist:** This happens a lot. The doctor takes some continuing education and becomes a dentist turned time-share salesman. They tend to overwhelm the patient by not listening to what the patient wants but rather just telling them all they need. If you believe that patients want what you have to sell, then you're in for a real surprise. If that patient ever feels like you want the treatment more than they do, you will have crossed a line that dooms your case acceptance.

**HYGIENE CONTRIBUTION:** Most offices don't give their hygiene department enough attention. This is a "make it or break it" benchmark that is high on my list of numbers you need to address. Too often we look at hygiene as a loss leader type of component to our offices. Managed care and poor reimbursements for hygiene services only contribute to this mentality. Holding this thought may be the most common and most devastating mistake we can make and need to correct.

Regardless of where you are, how much you produce, or how busy or slow your office is, your hygiene department should be producing at least 33% of your total office production. If you do \$100,000 a month then your hygiene department should be responsible for \$33,000 or about one third of that total production/collection number. Needless to say, the hygiene department must be a profit center. In my office the hygiene department accounted for millions each year.

Another component of hygiene is how much should a hygienist produce per eight-hour day? They need to

produce at least three times what they are paid (basic pay, taxes, benefits, bonuses, uniforms, and if you do assisted hygiene, the cost of the assistant and their ancillary costs to the practice). In today's dollars this will need to be in the \$1,200 to \$2,000 plus range per day of net adjusted production. Secondly, your hygienist can't produce at a reasonable level on just hygiene recall. New patients and at least about 20% perio in the form of scaling and root planing is paramount to building a healthy hygiene department. You will need to have at least 30 or so new patients for each hygienist per month. Finally, you need a recall rate approaching or even exceeding 80%. Failing this you will see several ripple effects in other parts of your practice.

- **Case acceptance drops significantly.** You should be partnering with your staff to help patients want the treatment that they need. In my office the hygienists were “the key component” to case acceptance.
- **Direct referrals are well below 50%.** Direct referrals are a major indicator of how well the hygiene department represents the culture of your practice. Poor production in your hygiene department indicates a lack of engagement on the hygienist's part.
- **Overall production on the doctor's side drops.** Knowing that 67% of everything you (doctor) will ever produce in your office comes from hygiene recall patients, you must make sure that part of that success is the direct responsibility of your hygienist along with those systems and protocols that manage this process.

- **Poor esprit-de-corps in your office.** Firing on all eight cylinders involves creating a committed team. Low performance in hygiene is the direct result of not developing your leadership skills.
- **Higher than normal turnover of hygiene staff.** Patients want to see the same faces when they come in each visit. Losing your staff due to a poor selection process or inadequate onboarding (seen from the patient's perspective) says that you are a poor doctor and difficult to work with.

Hygiene success was the number one reason we became that Super General Dental Practice.

**DIRECT REFERRALS:** The reason I am finishing here is that if I could only look at one number to diagnose a practice, it would be the percentage of new patients that are direct referrals. Nowhere else can you see a snapshot of how all of your systems have come together in a good or not so good benchmark. It is the quintessential statement of whether your patients like you or not. A great question to ask yourself is: Do my patients like the staff, systems and doctor? If your percentage of direct referrals is below 20% or 30%, they absolutely don't like your practice. In fact, this is reflected in:

- **Slow to no growth:** Stagnant collection and productivity.
- **Few new patients** (the average is 25-30). You should do better than this and average numbers say something too.
- **High cancellations and no shows.**

- **Patients not scheduling for treatment** with the excuse that they need to speak with their spouses or think about it. You are probably considered to be too expensive by those visiting your practice or there was no trust established during the patient's office encounter.
- **High staff turnover.** Staff can feel the negativity, lack of leadership, and resentment from patients that come in.
- **Doctor burnout:** This could show up in a multitude of ways. Showing up late, leaving early, being disconnected from your practice, lack of interest in doing better, etc. Basically, you are just coasting while settling for whatever happens.

I'll close this chapter by stating again: What gets measured gets done. I advise any office that is not currently getting that type of referral rate (50%) to not do very much marketing externally. It is foolish to spend money on an external outreach when the problem is internal. Clean up what and how you do the practice of dentistry. Good luck and call if you need any help or have any questions.

## **Chapter 18**

### **PURPOSE DRIVEN, DOCTOR LED, STAFF OWNED**

Every journey begins somewhere. You already know where you are statistically, so let's begin this with the philosophy for a Super Successful Practice. The Super General Dental Practice is the last great hope of out-pacing the challenges of corporate practices, insurance companies, and the threat of National Healthcare. There are three principles that are inviolate in all of our offices. Imagine a three-legged stool, each leg the same length. If one leg were longer than the other, you wouldn't be too comfortable. If one leg was missing the stool wouldn't work at all. When it comes to practice management the legs represent three principles: Purpose Driven, Doctor Led, and Staff Owned.

Few areas in Dentistry are as important as your ability to assemble a great staff. It takes even more skills to turn that "group" into a team. This is particularly noteworthy. Truly the "practice" of Dentistry has become the "business" of dentistry. This section on Human Resources (HR) will tie together many of the chapters and skills you have already looked at. Leadership, systems, delegation, rewards, and consequences are but a few. Each chapter is like a piece of a puzzle. Leave one out, and you fail to complete the picture. Each area of your practice is intimately tied to the others. Fail to balance your attention to any one piece, and it will affect all the others. While following the general feel of the other chapters, I will try to give you the philosophy and systems that will insure a "Doctor led, purpose driven, staff-owned" business model.

I developed this model over 3 decades ago and have shared this with over 40,000 dentists and their staffs. It is not affected by the size of the practice or location. Demographics, income levels, or economic downturns have not blunted its effect to create successful practices of unlimited production levels.

### ***Doctor Led***

Doctor leadership is often the last skill to be developed and the number one skill that is needed for sustainable growth. Dentistry by its very nature has created a matrix that attracts academics to its ranks, not those who are actually skilled as business experts or especially adept at dealing with people or even good with their hands. We had to make the grades to enter Dental school. Think about how you got here. Excel at your grades and pass an SAT and you arrive at college. Finally get your act together, and do well in your core classes, pass an entrance exam, and you're a freshman in Dental school. Fumble through the basics, and arrive at clinical only to find out you lack the basic hand skills to perform in a small area. You graduate by the grace of God, and you find out you are really not prepared to wear the various hats of an owner of a small consumer driven business. We all have faced the same problems. We all have fallen short. The successful in dentistry are those who learn new skills, attract a staff to compensate for our weaknesses, and serve our patients well. Start your journey knowing the secret to success in Dentistry is a "service" state of mind.

The Wall Street Journal survey showed that CEOs found they were born with only 40% of their leadership abilities. The remaining 60% was developed through

experiences. You don't have to reinvent the wheel. Leadership can be taught and passed on to others.

*The first task of a leader is to define: What is **reality**?* You must decide what is core. You must cast a vision. That vision must be measurable and specific. What is the underlying truth that drives your practice? I hope you find the impetus in this book to encourage you to embrace our vision for a 180-degree dental journey culminating in what we describe as the super general dental practice. It goes even further than a mission statement. This vision or reality creates the core of your practice: A yardstick by which all of your decisions are measured. Just as important, what are you making core that is not? Is opening your practice Monday thru Thursday core? Of course, it's not. Is only working 9 to 5 core? No. Compassion, caring, service, convenience, and integrity are the basis for reality in a consumer driven small business. These tenets never change. Your hours, fees, and services are just systems that change and adapt to reflect the demographics of your patients. Core never changes. The way you deliver it does. Take your time, and map out these core realities, and then communicate them to your staff. You will notice I did not say: Tell them or write them down on a sign or mission statement. You have to communicate them to your staff. Whatever it takes for them to "own" these core realities are job number one. Remember: You will never go any further than the staff member with the lowest level of commitment to that vision. If the vision is not clear, no strategy will work, and it will be impossible to prioritize correctly.

The proper sequence is:

1. *Vision*: You must be able to see it clearly and translate that to ownership by the staff.
2. *Strategy*: What will it take to get there? Let the staff have input.
3. *Priority*: How to make it happen? Use the insight of your staff to help you eliminate blind spots in your planning. It is the 1, 2, 3, steps that make this transformation happen.

*Preserving core and stimulating progress through change* is the second skill of a dental leader. In the business of dentistry, the only constant is change. I can truly say that the technology, materials, and systems of my practice never stay the same. They respond to new science, technology and market pressures. Never get used to status quo. When you're done with change, you're done.

*The Staff won't be motivated or committed unless the doctor is.* When something needs to be fixed, fix it. This includes "freeing up someone's future". Every day we make emotional deposits and withdrawals with our staff. The trouble is that the individual staff member is the only one who knows what the balance is. Show up late and leave early, fail to compliment a good job or correct problems, and you are destined to a mediocre practice at best. In over 30 years of practice, I was always the first to arrive and the last to leave. I never asked my staff to do something I wouldn't do. At the end of the day I helped suck cleaner through the vacuum lines and take out the trash. We all pitched in

to finish the job that was begun that day. What you do is "model" what you want done. Few leaders are successful unless a lot of people want them to be. Every successful practice comes from the assistance of many other people. Conversely, many people whose success stops at some point are in that position because they have cut themselves off from everyone who has helped them. They view themselves as the sole source of their achievements. As they become more self-centered and isolated, they lose their creativity and ability to succeed. Continually acknowledge your staff's contributions, and focus on appreciating and thanking others for their contributions, and the conditions will always grow to support your increasing success. You will never get ahead until your staff is behind you.

*Don't miss what is really important: People.* Whether it's your staff or patients, your ability to understand and lead them controls your ultimate success. Consensus building is paramount. The final task of a leader is to say "thank you". Sandwiched between you casting a vision and saying thank you is a commitment to your patients and staff of "serving". Get a serving state of mind and the money will come.

*A leader can give up everything but the final responsibility.* As the owner of a practice and a practice management group, I can tell you if a practice is having problems, it is always the doctor's fault. By commission or omission, doing something or putting it off, you are to blame. There are three practice management laws that you must learn and commit to memory. I call them Dental Truths:

1. **There is no way to get better at giving patients what they don't want.** If you are not growing, you are not meeting your patient's needs. Regardless of the excuses about wrong location, poor demographics, economic downturn, poor staff, or low dental IQ, there is someone a couple of blocks from you doing great. Stop blaming outside influences for your lack of success. There are successful practices in virtually every small and large town and city. In Dentistry there are two types of practices: The Donor practice and the Recipient practice. The Donor practice drives patients away by not embracing the challenges of a consumer driven business. They are not convenient, caring, or compassionate. They are the best referral source the busy practice down the street has. The Recipient practice is the one who works consumer hours, treats the patient right, listens to the patients and gives them what they want while telling them what they need and helping them afford it. If you don't know a Donor Practice, it is you. It is very difficult to lay this out for an existing practice. They argue they are doing everything right and still not growing. The goal for any consultant is to hold up a mirror to your practice to help you truly see what is wrong. If you accept a limiting belief long enough, it becomes truth for you. Be careful what you accept as truth in your practices. If it is not what you want, change it. There are 3 letters that will guarantee your success. They are N-O-W. When is the right time to market? NOW. When should I make some practice management changes? NOW. When is the best

time to reread this book? NOW. Henry Ford said it best: “You can’t build a reputation on what you are going to do.” Start today.

2. **Your systems are precisely designed to give you the results you’re getting.** Keep doing what you’re doing and you will keep getting what you’re getting. If you want more, be more. Change is the only constant. With change, come choices. You need to be committed to change. Tony Robbins describes the meaning of CANI by emphasizing the need for a lifetime commitment to “Continued **and** Never-ending Improvement”. The strength of your systems will ultimately determine the range of patients you can inspire. These systems are not static; they will constantly evolve.
  
3. **You must precede your practice to the next level of productivity.** When you received your dental license, it meant you were just barely, not dangerous. That dental license is just a learner’s permit. A commitment to a lifetime of learning is the track that will guarantee success. Productivity doesn’t have anything to do with technology, and clinical skills alone will not take your practice to the next level. It takes leadership and a team approach to reach that next level. When you are at work, be at work doing dentistry. Productivity starts in the mind of the dentist and is then communicated to the team. Enthusiasm comes from the top. Model the actions you want your staff to have. Efficiency comes through training and delegating to the maximum extent allowed in your state. Focus your learning for maximum effect. If you want to go to

the next level, you will have to make a new commitment. If you want more, you must be more. You are exactly where you want to be. Otherwise you would change. Forget the excuses and start taking action.

I will close leadership with *5 lessons to grow by*.

1. Know your stuff.
2. Declare your vision.
3. Maintain absolute integrity.
4. Show uncommon commitment.
5. Expect positive results. Turn disadvantages into advantages. Hidden within every disadvantage or obstacle lies an equally powerful opportunity.

You don't have to reinvent the wheel. Learn from my mistakes and the hard-earned lessons of a mentor.

### ***Purpose Driven***

Allow me to distill the benefits of a Purpose Driven Practice into four short thoughts. When I was young, I loved to play with a magnifying glass. On a sunny day you could focus the lens on a piece of tissue paper, and it would magically erupt in flames. However, it would only work if you would move the magnifying glass the proper distance from the target to produce a pin point of light so focused it produced intense heat. Be off just a little, and it would not work. The Purpose in your practice will give all your efforts the proper focal length. It magnifies and intensifies

all of your systems to work better. The Purpose is the **WHY**.

1. Your “purpose” *builds morale*. It gives your staff a united purpose and creates harmony. It creates an esprit de corps.
2. Your “purpose” *reduces frustrations*. Purpose defines what we do or don’t do. It eliminates ambiguity, and creates clarity. In a practice without a purpose there is a default setting. It becomes money. This creates doubt in the patient’s mind when it comes to following through with treatment recommendations. No one wants to work for someone whose greatest goal in life is to just make money. Patients can tell when they are being sold. When you want the treatment more than the patient does, you have crossed the line. You can tell if you are there if the patient always wants to get a second opinion or seems confused as to your recommendations. You and your staff have become a dental practice turned time-share salesman. In this arena, patients vote with their feet. If, for whatever reason, you are seeing the back of your patients’ heads when they walk out, you are doing something wrong. Always let your purpose revolve around serving your clients.
3. Your “purpose” *allows concentration*. It helps keep the main thing, the main thing. It concentrates your effort and helps you become efficient and effective.

4. *Your “purpose” assists in evaluation.* It literally helps you keep score. When the staff knows and lives your vision and purpose, they know where they stand. It is the guiding principle upon which all of your decisions and systems are based.

### ***Staff Owned***

Every practice goes through a cycle of growth, plateau, slow down, and sell out. The time varies from doctor to doctor. The trick is to stimulate growth while preserving core (purpose). In looking at more than a thousand practices, a trend has developed. Every practice will hit a plateau at a certain dollar amount per month (usually about the \$50,000/month). The practices that break through this barrier have one thing in common. They create a synergistic effect by utilizing participative management and involving their teams to create a feeling of ownership in the practice. They consult their teams on major decisions. They share the practice numbers with the staff to encourage a team effort to increase productivity while pushing the overhead down. They share the wealth through a well-thought-out bonus plan. When a well-run practice does better, the staff is paid more. This synergism allows 5 staff members to produce more than a 10 staff member office. In my practice, the staff hired the staff. They even had final say on who I brought in as partners. I have found that staff, and women in general, are more gifted in assessing an applicant's abilities and understanding the dynamics of adding this person to the mix of an already great team. I used my staff to compensate for my inadequacies in hiring the right person. The average stay of an employee in my office was 14.5 years. Many were there over 25 years. This one tool

accounts for a vast majority of the success in my practice.  
A staff- owned practice:

- Creates high communication. Lack of communication is the major cause of system break down. Consensus building and success in execution of systems can only occur with a high level of communications.
- Has alignment of vision. This is the “purpose” of your practice in motion.
- Allows participative leadership. This creates the synergistic effect of a small number of staff succeeding where other practices need twice as many people to get to the same level. It is kind of the lean and mean approach. We all know our jobs and purpose. We have each other's backs. We know what has to be done, and no one leaves till everyone finishes. It is the essence of “team” thinking and action. We are no longer a group pulling in different directions. We are united in purpose, and the patients can see how well we work to serve them.
- Must have shared responsibility. With any job there are consequences. Each staff person knows the game and the score. They help control the schedule to be more productive. They lower the overhead. They understand that the bonus is merely a way to share the profits for a job well done. In the best practices, the doctor, during a busy schedule, is just a pair of hands. Just another staff member doing their job. Often times the staff directs the

doctor without consulting to maximize the day's productivity...a team effort for a team reward.

- *Is always future focused.* If you have high communication, participative leadership with shared responsibility and a commitment to the purpose of the practice, you will have a staff that focuses on the future. The stress level will drop. You will have a self-managed team. They will come to you with solutions to problems rather than being the problem. They will suggest strategies and continuing education to maximize the potential of the office and team. We will have created an atmosphere of self-starters that understand this is no longer a job but a profession; that I no longer have an hourly wage, but an unlimited earning potential; that I am a valued member of a team united for a common purpose.

Patrick Lencioni wrote a book called “The 5 Dysfunctions of a Team”. It best summarizes the results of a well-run, functioning team.

- They trust one another.
- They engage in unfiltered conflict around ideas.
- They commit to decisions and plans of action.
- They hold one another accountable for delivering against those plans.
- They focus on the achievement of collective results.

(Don't miss the opportunity to read any of Patrick's books. Each one deals with areas of management.)

The opposite is also true. In a seminar given by Patrick Wahl, DMD he described workplace chaos as:

- Failure to give credit.
- Failure to correct grievances.
- Failure to encourage.
- Criticizing in front of others.
- Failure to ask employees their opinion.

As we step from philosophy of leadership and management of a team to the actual day to day, rubber meets the road applications, please keep one thing in mind. *You will be recruiting your staff from a pool of “as is” applicants.* Remember the blue light specials at K-Mart? The announcement would be made that there is a table below the blue light with special discounts and pricing. When you arrived at the table and looked at the products for sale, you would notice a sign that warned that these items have small defects, deficiencies, and are sold “as is”. It was a buyer-beware statement: Great prices, but buy at your own risk. People are a lot like the items on that table. Each and every one of us is sold as is, warts and all. *There are no perfect staff applicants.* In fact, there is a common misconception about whom you should hire. I never looked for super stars. They always seemed to play for themselves. Not really a team player. One should *always hire for attitude and train for skill.* Always look for enthusiasm and people skills because you cannot teach this. Add perfect systems, and you can’t lose. Systems are creatable and eliminate personalities from the process to create a consistent result. Systems make procedures

reproducible with any staff. I'm fond of saying "I could teach anyone to suck spit", but I need someone who is a great communicator who shows compassion and caring to make the patient show up, pay for treatment, and refer everyone they know. Remember: *Always hire for attitude and train for skill*. The final misconception is: Always hire staff with lots of experience. I have had great staff with experience, but the opposite is also true. Some of the worst hires I have made were people with 10 years of experience. The problem is they want to do it the way they did in the previous office. They are difficult to retrain. They always seem to resort to poor habits learned from a lifetime of bad training or systems. Some of the best staffs are found from different professions that would fall under the category of consumer driven businesses. I always found waitresses to be great assistants. They had great personalities (They had 30 seconds to make a good impression to secure a great tip), and they multi-tasked well. As a waitress they would hear the ice settle in a glass, and without looking, would bring out the water or iced tea moments later, while still being attentive to food service at another table. Bank tellers, while paid very little, have good personalities, deal with people, and dot the i's and cross the t's to balance their drawer at the end of the day. They make great front desk people. Hope you get the idea. Think out of the box to assemble a great Team. One last thing: There will come a time when you will have to "free up some one's future" (fire them). You either have the right people who are in need of training or you have the wrong people, and they need to be replaced. You must make that decision. Training an employee well and having them leave the practice is not as expensive as not training them and having them stay.

Put another way:

1. You have to get the wrong people off the bus.
2. You have to get the right people on the bus.
3. You have to get the right people on the bus and in the right seat.
4. And finally, you have to drive the bus. You are responsible for the direction and destination of your practice (bus).

Because of the “staff owned” model and my propensity to delegate in such a way as to encourage a self managed team, many of the daily problems most doctors face, disappear. The basics must still be there. You need a well-written office manual. It should, from a legal standpoint, cover all HR concerns along with rules, regulations, and job descriptions. This manual should also close with a binding arbitration agreement to prevent frivolous lawsuits. It should also be noted that every office manual is never finished. It is constantly updated as jobs change and challenges appear. If there is a problem that is new and you have to address it, then it should be added to the manual. In this litigious society it is truly a lawsuit lottery with HR suits leading the way. The office manual is your first line of defense and is also your staff’s code of conduct. It will remove the ambiguity from the daily activities of your practice.

We take the time to document and train our staff. In an office where the staff makes the decisions on hiring and firing, it takes little or no time to train them. The staff seems to always attract and hire the best person for the job.

In fact, in 30 years I only had one employee that I had to fire. Remember to update your training manuals and job descriptions. It is not the employees' fault if they are not trained and monitored correctly. No one takes a position to do a poor job. As I said before: You either have the right people who are in need of training or you have the wrong people, and they need to be replaced. It is no longer good enough to have good staffs. You have to have the best team you can put together. Waiting to retrain someone or fire them is the worst management decision you can make. Act as soon as you discover a problem.

Everyone in the office has a graph representing his/her performance. This graph measures the one or two things that make that position important. As an example, for the hygienist they keep a graph on their production on a weekly basis, the number of soft tissue patients they start, and the number of crowns they present. If you think about it, if they did well in these areas you would have a great hygiene department. The Hawthorne Effect says: What gets measured gets done. Decide what should be measured at each position, and begin today. Don't pull the information off the computer. Make them keep it by hand and post it in the staff area for all to see. As long as the graph is going up, things are good and there is no need to confront the staff member on how to better accomplish their jobs. If it goes down, act quickly to find out why and help them turn it around. This should be done in such a way as to promote consensus of purpose with no condemnation. We are all working together to take our practice to the next level.

When it comes to an actual day of work, everything comes into play. There are large practices and smaller

ones. The common one doctor, one assistant, one hygienist and one front desk office is the easiest to manage. No passing the buck. Everyone knows their job, and everyone understands that if they don't do it, it won't get done. The office is physically small which makes it easier for the doctor to keep tabs on what is going on. Change this formula, and you are now faced with delegating more procedures and depending on others to follow through without your direct supervision.

My office was a 9-hygienist office with 3 doctors and 12 staff members open six days a week and producing millions of dollars a year with a 50% overhead. This is the other extreme: A corporate like practice with a team leader or business administrator and a lot of bodies running around all week long. Strangely enough, the core realities of a Purpose driven, Doctor led, and Staff owned model never changed. With the increase of people and facility size we had team leaders for the front desk, hygiene department, and clinical staff. This allowed me to monitor these areas without having to micromanage each position. Each staff member still kept a graph of the couple of things most important to their jobs. The leaders intercepted potential problems before they could grow and brought concerns from their areas to me to make a final decision on. Problems were dealt with immediately and put to rest. We never used staff meetings as just a problem-solving gathering. We never delayed dealing with these areas until a formal meeting. (Staff meetings were reserved for improving our systems and strategic planning). In most cases, problems were laid to rest the day we became aware of them. The staff, through their feeling of ownership and purpose, had the authority to handle most things that arose.

We always had a written policy to guarantee the patient's satisfaction (It is against the law to warranty a result, but not the perception of satisfaction by the patient). We either do it over or return their money. In the rare case of the patient who got upset at us, we still earned their respect by honoring our warranty and making it right. This is the service state of mind. We always looked at the lifetime value of the patient and their families rather than the one-time procedure or sale.

While our manual of practice management procedures and systems take up a 400-page volume, the important foundation of how, what, why, and when we do things is controlled by the purpose driven, doctor led, staff owned model. Take the way you practice, and let these principles govern your actions, and you will be on your way to the next level of successful practice.

Allow me to close with a quote from Francoise Chateaubriand:

*“The master in the art of living makes little distinction between his work and his play, his labor and his leisure, his mind and his body, his information and his recreation, his love and his religion. He hardly knows which is which. He simply pursues his vision of excellence at whatever he does, leaving others to decide whether he is working or playing. To him he's always doing both.”*

## Chapter 19

### STAFFING WITH THE WEAKEST LINK IN MIND

You will never go any further in your practice than the person who has the lowest commitment to your culture and vision. The weakest link refers to the strength of a chain being no stronger than the weakest link. The Super General Dental Practice is built from the team you assemble. In some of my past writings, I have referred to these weakest link employees as energy vampires. In a way, I think you could also refer to them as toxic workers. They come in many shapes and sizes but they can be categorized into 8 types. A long time ago I promised myself two things when it came to staff: I will never hire anyone I cannot fire, and I will not allow an employee to stay in my office if that person makes my life miserable. Not a bad creed to live by. This chapter delves into several levels of staffing that each of us must understand.

Toxic workers appear for wide variety of reasons, from the negative energy that they give off to a detrimental effect they have on your team. The effects can be wide ranging from making your work environment uncomfortable to seriously impacting productivity and office satisfaction. If you have any doubt as to whether you have one of these toxic energy vampires working in your office, take the test by checking the list.

1. **They are “secret” know-it-alls:** These are devious, deluded employees who are perfectly pleasant and agreeable and maybe a team player when the dentist is paying attention, but quickly reverts to an annoying know-it-all who can't seem

to allow room for any other opinion but their own? I had one in my office – an assistant. The passive aggressive personality type is in this category.

2. **They act like they are a “made man”, like in the Mafia:** They act like they have already paid their dues and have nothing to prove or be concerned about. This is the person that thinks that just because they have worked here longer than anyone else that gives them some level of superiority or special pass to behave in any way they wish. Often this same staff member operates by doing as little as possible and expects newer employees who are currently “paying their dues” to shoulder a greater amount of the work. Been there. It was an office manager early in my career. I had to “free up her future”.
3. **The “Yeah, but that’s not my job.”** This is a running joke with some hygienists and can be a real nightmare to be around. They will crush an otherwise good team culture. They have a very narrow and rigid view of what their job entails and leave little or no room for flexibility or taking one for the team. They take anything they don’t want to do and treat it as a “hot potato” and quickly pass it along to others.
4. **A great self-image for no apparent reason:** Often times they think their experience is a tangible commodity. They have this vague notion of their perceived experience, without it pointing to any clearly defined skill set or measurable contribution to the team. In my experience these types of employees refuse to learn new skills, grow, and adapt. Experience can be good, but dentistry

moves at a breakneck pace of change and everyone has to get on board and embrace change by learning new things and applying them.

5. **The Gossiper:** Negative talk and gossip have no place in a dental office. Work doesn't get done, people's feelings get hurt, and it takes your focus off of the goal and culture of your practice. Not only is their work performance/output minimal as a result, they're often a drain on others around them: A real lose-lose situation.
6. **They use peer pressure to hold other people back:** These energy vampires treat our dental practices as a reality TV show in which they create alliances and enemies and manipulate others around them to achieve their selfish goals. This toxic staff member manipulates and holds other people back while propping themselves up. Quickly vote them off the island.
7. **They are quick to grab the glory:** I even see this in doctors as well as staff members who fail to acknowledge a success as the result of teamwork and collaborative effort. They tend to hog the spotlight and pretend that every success is the sole result of their own influence and contributions.
8. **They are even quicker to throw others under the bus:** This is kind of the flip side of number 7. They are quick to point the finger at others and assign blame when things go sour. These types of people keep everyone on edge and on their toes at work and not in a good way.

If you have checked the box on even one of these types of toxic energy vampires, you need to step up, re-engage, begin to take back your position as a leader, and free up their future. You will never, never go any further than that one person with the lowest commitment to your vision. Each of the 8 types is a standalone reason why you will not make it to the next level of practice. I have yet to ever ask a doctor this question: “Is there anyone in your practice that you would not rehire if everyone quit?” and not have them actually name that person. Are you kidding me? Don’t continue to let a person who is sabotaging your practice daily stay even one more day.

One of the most prevalent characteristics of a “Donor” practice is high staff turnover. Let’s assume you have waded through the 8 types of toxic energy vampires and are ready to address the next level of staffing excellence. If you are not keeping staff for 5 or more years, you are a donor practice. High staff turnover also indicates poor systems, management, leadership, and culture in your practice. I have yet to find any demographic justification for not having long-term staff. The simple fact is that high staff turnover has huge negative effects on your practice and can impact every aspect of your practice being able to operate efficiently. So here are some key steps in reversing this trend in your office.

1. **Hire the right people:** We like the mantra of hire slowly and fire quickly. Never hire from desperation. You likely will gravitate to hiring employees who have strong skills that match your open position. The “but” here is this: How well do your new employees fit in with your practice’s culture and the existing team? This starts with

consistent, customized interview questions for every position in the office. In addition, you need the interpretation of these questions. A tour of the office and partnering with your existing team to interview and get to know the candidate is key. My staff always had the last say on the new staff members we hired. Even new doctors. Doing it this way insures that not only will the candidate understand what is expected, the staff will have a vested interest in helping them succeed if they are the ones who made the final decision on the hire.

2. **Offer competitive pay and benefits.** Underpaying while having over the top expectations is as common as flies on manure. If you pay peanuts you get monkeys. Step up, pay the price for the right candidate, and create high expectations and consequences for their job descriptions. When determining compensation for your staff, it's good to do market research on wages. I find that [www.dentalworkers.com](http://www.dentalworkers.com) and [www.indeed.com](http://www.indeed.com) are great for this. In addition to competitive wages, great employees will want good benefits, too.
3. **Give praise freely and often.** Everyone in your office needs encouragement and recognition. When they do something right show your appreciation. Every position in the office should have some type of measurement so that you and the employee have an objective and fair way of measuring their performance against what is expected.
4. **Always look to improve the team.** This eliminates hiring from desperation (having people quit when you have no pool of candidates to choose from). The second benefit is that when you are constantly

looking to improve your team, you create a culture of excellence where the staff understands that they will need to constantly raise the bar on their own performance. Any employee should be a little concerned about having their future freed up, for the right reasons. If you don't onboard new employees correctly, continue to measure their performance based on the job descriptions you have agreed upon, while creating some form of consequence for falling short, how can you ever expect to create a committed team that is self-managed while having an ownership mentality?

5. **Always, always do an exit interview.** Here is a tough but necessary step in growing your management and leadership skills. Always sit down and do an exit interview with staff that are leaving your employ for any reason. They will most likely be truthful (because they have nothing to lose) and you will end up educating yourself about how others see your culture, practice, and leadership skills. In every situation where a patient leaves your practice or a staff member leaves, I always assume that I was at least 50% responsible for the situation. I either underperformed, over-promised, or just failed to deliver even a mediocre boss-employee relationship. Truth: Good people don't leave jobs. They leave bad bosses.
6. **Don't shy away from flexibility.** What I am referring to here is the way you communicate with staff and train them. Most of us are faced with the daunting task of saying the right things, making sure they heard what you thought you said, and modeling the actions you want from your

employees. This is a huge responsibility but is just the entry price to begin establishing a culture of long-term employees. Be flexible in the way you train and speak to every employee. Everyone learns differently. The biggest mistake you could ever make is to assume that what you said was translated by the employee into what you actually wanted to communicate. This is a learnable skill and necessary for any leader to have followers.

Success as a leader hinges on your ability to have others follow you. These same employees will actually guarantee your success in dentistry when you take the time to cultivate a committed culture of staff ownership in a caring environment.

It is probably just a coincidence, but I have had a lot of calls and discussions about staffing over the last couple of months. In fact, as more and more doctors have decided not to be a “*settler*” and to work toward actually improving their future by making the changes they need to make while becoming more engaged in their practices, many have realized that they have an enemy from within.

Every office contends with staff turnover, as well as the difficulty in finding great team members. But upon closer examination, most doctors admit that there is at least one person within their team that, if the person quit, they wouldn't be disappointed. I call it the “Power of One”: When one person can inspire the entire team, or one person can bring them all down. Take a moment and think this through. Is there anyone that works for you that you wouldn't be disappointed if they quit? They do an OK job

but certainly are not standouts. They sometime stir the pot or tend to push your buttons. Maybe they just hide from view so they are totally unnoticed. If you can think of one, you are a “*settler*”. You have gotten to the point where the pain of change is more overpowering than the pleasure or success of making that change. You are the person who allows mediocrity in your team and practice. The scary thing is that you know you should have let them go, but did nothing.

**You will never go any further than the one person with the lowest commitment to your vision.**

Yep, we are full circle back to the weakest link and yes you’re guilty of sabotaging your practice by allowing that person to remain in your team. The key is to do something. I want to encourage you to a special 6-week mission. Begin with:

- **Pick the very best.** This rarely occurs when you hire out of desperation rather than a planned consistent system of search and hiring protocols
- Use a **rigorous selection process** that involves allowing the team to participate in the selection. You should find that the team is intuitive about how to choose new staff. Besides, if they help you make the selection, they will be engaged in making sure the new person succeeds.
- There should be a **strong training regime (on-boarding)**. You must have a specific policy manual, training protocols, human resource policies and records, and a way to measure progress and performance (or lack of).

- Create an **Esprit de Corps** by establishing a noteworthy culture of trust, integrity, hard work, and great rewards for the entire office.
- Create **consequences**: Even great practices forget to enforce the culture by creating effective, detailed consequences for not measuring up to the benchmarks of their position within the overall culture of the office.
- Always look to **improve the team**. Yes, that means that you have to continue to look, hire, and fire during your entire career. Build the great team and it happens less often, but you will always continue to search for the right team recipe.

Knowing that you have an enemy within that will hold you back, think about how keeping them employed affects the rest of the staff. By you not acting to quickly eliminate the saboteur and by allowing them to continue with their negative ways, you are telling the rest of the team that you don't care. It doesn't take long for them to justify disengaging from being great and settle on just doing what they have to. This is your job to take on as the leader and owner of your practice. Live your life by striving.

The key to any improvement starts with a good leader that can easily define their vision (that would be you), but vision alone will not get you anywhere. Leaders need followers and, in this case, that would be your staff. It is not enough for you to see something that needs to be changed for a brighter future if you cannot muster the troops to act on that vision. Either your existing staff must be willing to change, or you must change the staff (remove

and replace). Staff change is the key component in going from vision to reality.

Most of the doctors I speak with struggle in this area. The doctor sees the need and agrees with a strategy, but falls short on getting commitment and follow through from the staff. Compliance (forcing them to do something) will never get commitment, and without commitment you do not have sustainable change. So the question has to be: Why is there this disconnect between the doctor's vision to change and the actions your staff takes? Allow me to give you the top five reasons you struggle.

1. **Lack of real leadership:** While your staff will drive the culture of your business, you, the leader, must create that culture. The first job of a leader is to define what is core: What is your vision? Without active engagement and action from you, there will be a failure to launch. You cannot abdicate this role of leadership. You can delegate some of it, but you are still the leader and the buck stops with you. You cannot be an absentee owner and expect radically positive results. Your job is to model the behavior you expect from your team.
2. **History:** Most staffs don't believe you really want to change. Why would they? Your actions in the past don't support your ability to stay the course and follow through with any project. They are at a point of just coasting for a couple of weeks until you forget what it was you wanted to change. At that point everything returns to the familiar and comfortable same old, same old. The best predictor of the future is the past. It takes engagement and

perseverance to break out of the rut called “average”.

3. **You tolerate marginal staff:** I have yet to run into a doctor that doesn't say “Sure” when asked: Is there anyone here that if they quit, you wouldn't be upset? There is always one. Keeping marginal staff tells an otherwise great team that you don't care. The result is that they take on the attitude of that marginal staff. Keeping that person drags everyone's deserve meter way down. You will never go any further than the one staff member with the lowest commitment to your vision: The weakest link. They either need to be retrained or have their future freed up by letting them move on and destroy your competitors practice.
4. **Systems and Protocols:** If you stay at this long enough, you will realize that great teams don't need to be managed. They only need to be told what result you want. Reproducible, scalable, learnable systems and protocols are the foundation for great practices and team building. A lack of systems, characterized by not enough new patients, high overhead, high staff turnover, and dentist burnout, is the number one reason we fail to take a group of people to a higher level in the form of a “Team”.
5. **Allowing staff to do whatever they want without consequences:** I had a doctor come to a seminar we were giving without his staff. The doctors attending had all been encouraged and cajoled to bring all of their staff or don't bother to come. I asked the doctor why he did not bring them. His answer: “They didn't want to come”. Here is a doctor that will never be able to experience change. He has

abdicated his leadership role and let the staff do whatever they want. Take back your practice and make positive change the key to staff and practice growth.

When it comes to staff change, you must execute an orchestrated path of vision, inspiration, action, consequences, and do it again. This kind of change cycle will include your vision while defining the actions that will take you there. The bottom line is that you either need to create “staff change” or you need to free up the future of your staff by “changing staff”.

There seems to be a rhetoric-reality gap in most offices I see. This is a direct contradiction between your words (Rhetoric) and your actions (Reality). Your actions, rather than words, provide meaning to your team. It is not a matter of saying things right; rather, it’s a matter of consistently saying and doing the right things.

I want to close this chapter with a quick look at staffing from the perspective of culture in your office. Situational awareness is one of those learned skills we all should be aware of and strive for. You should always be taking stock of your situation and surroundings. Struggling practices always like to blame it on their location, lack of good staff, or the patients themselves. I was speaking to a doctor the other day that averaged 6 months employment for all of his employees. His assessment of why they have such a high turnover was that there just weren’t any good employees in his area to be had. I am writing this segment for him and every other doctor that just can’t seem to put

their finger on the reason it is so hard to keep good employees.

The five signs that follow should be exclamation points of why staff members leave. If you have more than one of these signs it means that yours is perceived as a poor place to work.

1. **Turnover is high:** As a rule, I would say that if your staff stays less than a year it should raise a red flag. In addition, if you find the only long-term employee is the doctor's favorite assistant or some front desk person that has been there 30 years, that's an important sign that this is not a great place to work.
2. **Staff members are afraid of the doctor:** Let me make this clear: There is a difference between having a healthy fear of the boss simply because he or she is in charge, and actually being afraid. If employees are clearly worried that any little thing might set the doctor off into a rage, that's a black mark against that office. Far too many office's cultures are centered around a carrot and stick mentality where rather than creating a team, they have a group of people that just work together. Your goal should be to have a committed team, not just a compliant staff. This will be evident by a big difference in commitment, engagement, and longevity of your staff.
3. **Everyone leaves at exactly quitting time:** In an office that has a culture of serving and vision for their practice for the future, workers arrive early and are not desperate to leave exactly at quitting time. Even in a situation where employees punch a

clock and get paid hourly, if they like the job, they don't make a special effort to be present only the minimum amount of time required. In a happy office, employees don't drop their pens or stop working in mid-sentence when the clock ticks to the hour that the workday technically ends.

4. **Your team doesn't socialize:** Fulfilled, engaged, happy staff like to talk to each other. Even if work hours are mostly business, a pleasing office will find their staff chatting during breaks or lunch. If employees keep mostly to themselves and barely exchange pleasantries, it's likely because they don't enjoy working there. Not everyone needs to be best friends or hang out after work, but an office full of people who treat each other like strangers certainly hints of a bad workplace.
5. **It's all take and no give:** If staff members are asked to go above and beyond but you offer nothing in return, your office is probably the "bad place" to work in your area. It's not a case of direct quid pro quo, but there should be reasonable give and take. A good leader that creates commitment through a great culture in the practice always ends up with a great staff. This is how you Summit.

## Chapter 20

### THE DESERVE METER

What are you really willing to do to change your circumstances? Not just give lip service to, but what are you *really* willing to commit to? I was in a long discussion with a friend and an on again, off again client today and I wanted to quickly write this down while it was fresh on my mind. Allow me to set up this conversation.

The doctor is in his mid-forties, owns two practices where most of the time spent and most of the production produced, comes from his main office and a second smaller office is only utilized one day a week. He is an average clinician, above average producer, has become a door mat for some of his staff, spends a lot of time with his family and church, has a plan for debt reduction and savings, and will cash out at age 60 with about \$4,000,000+.

So far, everything sounds good. The problem is, he is and always has been a “settler”. He settles for whatever happens, does average dentistry, but not really at the top of his game and this causes him stress because he knows what he doesn’t do well. He is overcommitted in every aspect of his life and deals with putting out fires every day. He is addicted to spread sheets and lists. The fire starters are his kids, staff, patients, parents, church commitments, gift giving, etc. You get the idea: *“I should be content, but feel like I am just coasting through life getting by, but not really striving. I should be happy and thankful with what I have but I am not really happy with myself.”*

He wants me to “coach” his practice to a higher level of performance and profit, but I really don’t want to

because in the past he has rarely followed through with what he says he wants to do. This really frustrates me, and I don't want to do things that make me feel bad. So, no, I don't want to help him until he is willing to help himself. So, I am wondering what he and, in this case, you are really willing to do. So here we are at his house, and now I'm tasked with the unenviable goal of fixing his practice, all the while knowing that this won't fix the problem: His life. You see, burnout and stress and avoidance occur when you become the tail rather than the dog. Where you allow what you do to define who you are. Being able to say "no" to a request would be unthinkable, so, we find the young doctor juggling dozens of tasks, dropping balls, and at best doing a less than average job at any of them. Here is the answer:

***"I GIVE YOU PERMISSION TO TAKE SIX MONTHS OFF AND STOP DOING EVERYTHING OTHER THAN SHOWING UP FOR WORK".***

Yep, I told him to erase (delete) all of his spreadsheets (he is pretty anal about using spread sheets to remind himself that he continues to fall short while adding more cells to the spread sheet), and to-do lists and to realize that the world will not come to an end. Imagine what you would do if you had a heart attack and had to take 6 months off of work. What would you do with all the things you are not getting done already? How would those things look to you after 6 months of not doing them? You would realize that not doing them didn't bring the world to a screeching halt, and probably you would realize that the reason you did them was to polish your own self-image while allowing what you do and other people's opinions to define your self-worth.

His homework for the next week was to write down every commitment he has made and everything he has on his to do list and we are going to go through it and do away with it all for six months. We are going to find out exactly why he is self-sabotaging his life and practice and start all over.

Update: Just 3 days since we had spoken, and he is heading out of town to go skiing with his family. Just got an email with his new list (spread sheet of course) and guess what: Little or no change. It reminds me of moving around the deck chairs on the Titanic. Not really going to matter. The ship is still going to sink. I guess he really doesn't want to find out what is really life affirming and what is really just busy work. He is just a human "doing", not a human "being". Once again, he has set his "*self-deserve meter*" to a point of sabotaging the important things in life.

So, what is the take away here? I know how difficult real change can be. It is the Tombstone Test. Everyone has a born-on date and a use before date. This is reflected on your tombstone: Born \_\_\_ - Died \_\_\_. It's interesting that people always seem to ask how so and so died, when the important question is the "Dash" (-) between the born-on date and the date of death. That simple dash represents your life. The most important question they could ask is: "How did he live?"

Take a moment and consider all of the things you do and understand that at any time (and that might be right now) you can and probably should take 6 months off and hit the redo button of life. You have now read about 2/3 of this book and have been asked to **do** several things. If you

have gotten this far and failed to act on that to-do list, you are robbing yourself of a better future. Not doing these things is endemic of your past and will certainly limit your future. I want to finish this brief chapter with something written by Seth Godin called Relentlessly Lowering Expectations.

*We always compare performance on a relative basis. “Well, it’s better than it was yesterday...” Toddlers, for example, seem like geniuses compared to the babies they used to be. Some people around us have embraced a strategy of always lowering expectations so that their mediocre effort is seen as acceptable. Over time, **we embrace the pretty good memo or the decent leadership moment, because it’s so much better than we feared**. And some? Some relentlessly raise expectations, establishing a standard that it’s hard to imagine exceeding. And then they do. If you’ve been cornered into following, working with or serving someone in the first group, an intervention can be rewarding. For you and for the person trapped in this downward cycle. Raising our expectations is a fine way to raise performance as well.*

This book is my meager offering to intervene with your status quo. If you have identified yourself as a donor practice and failed thus far in taking any of the actions I described earlier in this book, please make it a priority to simply call or email me so we can take a little time and discuss the “why” of your practice and the “what” to fix it.

Michael Abernathy, DDS  
972-523-4660 cell  
[abernathy2004@yahoo.com](mailto:abernathy2004@yahoo.com)

## Chapter 21

### ENGAGEMENT: A CORE STRATEGY

Years ago, my favorite TV show and favorite scene was Star Trek with Captain Picard at the helm looking out into space when, in his commanding English voice, he would launch the Enterprise on its journey by saying, “*Engage*”. There was something about the entire Star Ship Enterprise having their crew, warp engines, and flight deck ready to engage in interstellar travel. Everyone poised for the ready. One common goal: “To go where no man has gone before”, and whoosh they were gone.

I read an interesting article from the Gallup Management Journal called “The Gallup Q12”. The Q12 stands for 12 questions that in this case identify the “*engagement quotient*” of their employees. This engagement index slots people into one of three categories:

- **Engaged** employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.
- **Not-Engaged** employees are essentially “checked out.” They are sleepwalking through their workday. They are putting in time, but not enough energy or passion into their work.
- **Actively Disengaged** employees aren’t just unhappy at work; they’re busy acting out their unhappiness. Every day, these workers undermine what their engaged co-workers accomplish.

The results of the average *engagement index* are:

Engaged employees-33%

Not-engaged employees-49%

Actively Disengaged-18%

In other words, **67% of the workforce is either underperforming or actively undermining their work.**

Below you will find the 12 questions that Gallup Management uses to create “Feedback for Real”.

The Q12 Index

1. Do you know what is expected of you at work?
2. Do you have the materials and equipment to do your work right?
3. At work, do you have the opportunity to do what you do best every day?
4. In the last seven days, have you received recognition or praise for doing good work?
5. Does your supervisor, or someone at work, seem to care about you as a person?
6. Is there someone at work who encourages your development?
7. At work, do your opinions seem to count?
8. Does the mission/purpose of your company make you feel your job is important?

9. Are your associates (fellow employees) committed to doing quality work?

10. Do you have a best friend at work?

11. In the last six months, has someone at work talked to you about your progress?

12. In the last year, have you had opportunities to learn and grow?

Read these, and see how you do. The answers should be YES to every question.

If you have been reading our articles over the last few years, you know how we have stressed that one of the top three reasons doctors fail to perform at the level we know they are capable of is dysfunctions of their team. Most practices have a group working in the same practice, not a team. We have repeatedly asked you guys to go out and purchase The 5 Dysfunctions of a Team by Patrick Lencioni. This short, incredibly useful book spells out how to identify and transform your group into a team. While they do not use the term “engaged”, they describe how to eliminate the group dysfunctions in order to create a functional team (engaged employee). If you have not purchased it yet, please do so ASAP.

In another great book you should purchase, Rick Warren describes the dynamics of The Purpose Driven Church. He became famous for a book entitled The Purpose Driven Life, but his first book, 5 years earlier, is probably the best business book I have read. Just substitute “Practice” for “Church” and you will be amazed at the clarity of purpose he describes for any business. It lends

great insight into the strategies of growth and success. Similar to the statistics described by Gallup, Warren describes his congregation in this way: 33% are core to the church (Practice), they come every day the church is open, and never miss an opportunity to volunteer and support the church. They are the Sunday school teachers, the doers of the Word not just the hearers. They put feet to the “vision” of the Pastor (Leader or doctor). The second third are great members, they attend church but are not as fully engaged as the core group that walks the talk and owns the vision. The last third move in and out and are not really part of the ground swell he considers essential to the growth and outreach of the church. While this is a Christian book, I can’t recommend it enough to everyone. It does not proselytize but describes the struggles in vision casting, creating systems, and mobilizing an “engaged” group of members through systems and leadership.

If you think about it, your practice needs to understand that employee engagement is a force that drives profitable outcomes. The engaged employees are more productive employees, more profitable, more customer-focused, safer, and more likely to not leave your practice for greener pastures. In my practice we were able to break the average statistics of 33% engaged (or core employees) and went to over 70%. I truly believe that the systems, tactics, reviews, and encouragement that we employed dramatically moved us from the average to world class. Engaging employees requires a year-round focus on changing behaviors, processes, and systems to anticipate and respond to your practices’ needs.

Once you institute the proper strategy, you must create consequences or “interventions” to drive

accountability. Lack of consequences creates an air of seeing the doctor “allowing” some action or attitude that is negative for the team. This can result from putting out daily fires or just a lack of systems or confrontational tolerance, but you cannot afford to send a message of inconsistency that basically says: *What you allow, you encourage.* Failure to act and create consequences empowers others to also act out and fail to meet the requirements of your systems and team.

Consider this: The staff will not be motivated and “engaged” if the doctor is not. You, the doctor, need to reread those Q12 questions, and substitute your own name. We find too many doctors that are the problem. Leadership filters down from the top, not up from the bottom. The first person you need to work on first, is yourself. You cannot expect what you are not willing to do yourself. Get engaged. You deserve what you tolerate and you always get what you deserve, not what you want.

## Chapter 22

### LEADING, ALLOWING, AND ENOURAGING

*“Whatever you allow, you encourage.”* That is one of my favorite quotes about leadership as it relates to a dental practice. Let’s take a minute, and talk about leadership. This is what separates winners from losers in this business.

Ever wondered why your staff members don’t seem to do what you want and need them to do? Actually, we’ve all been here at some point. Leadership is all about influence and inspiration. It’s showing people by your actions what’s important to be successful at your dental office.

If customer service is supposed to be important at your office, but you complain about a patient in front of your team, or don’t get back to clients quickly, what have you just done? You have just shown your team that customer service really isn’t that important at your office. When you don’t take the time to share good news and bad with your team, or you don’t recognize an incredible, new patient that one of your staff just referred, what have you just done? You have just shown that communication and your staff really aren’t that important in your dental practice.

Too many of us are constantly searching for new, great ideas with which to improve our practices, and attract new patients. We think new software will save the day, or a new piece of equipment will enable us to make a ton of money. Yes, they can make a difference, and they are

important, but success in our small businesses is rooted in our people and your leadership.

The behaviors you don't want to permeate your organization need to be addressed and eliminated from your culture. If you want to win in dentistry, you need good communication, a culture of accountability and good leadership. Let me make a suggestion to you: Go buy John Maxwell's 21 Irrefutable Laws of Leadership, and read it.

The first law, and my favorite, is the **Law of the Lid**. Your leadership is like a lid or a ceiling on your organization. Your dental team cannot rise beyond your ability to lead. People often think if they just work hard, they'll find success. Yes, you may find a little success, but the rest of the people on your team will not. The key is to develop others around you to take the lead. This is what allowed some of the best dental practices in the US to get where they are today. They are entire practices made of leaders.

We all would be well-served to pay very close attention to our actions more so than our words. I firmly believe a leader shows what's important to them by what they do, more so than by what they say. If you want to be a success, I think you need to focus on leadership in three specific areas.

1. **Production:** We have to have dental patients and treatment to make a dental practice work. What are you going to do to get things headed in the right direction? Are you finally going to be open consumer hours, not Monday, Tuesday, Wednesday, and Thursday? Are you going to look

at the competition and demographics of your area to modify your marketing? What about bringing in a partner or another hygienist? Will you do whatever it takes to increase your production?

2. **Customer Satisfaction:** How many clients are you going to inspire to increase direct new patient referrals? What investments are you going to make in order to help your team to offer better customer service? Are you going to be known as the best office in town? Communicate the goal, hold people accountable to those goals, and lead the way.
3. **Profitability:** What costs are you going to cut? Is this the year you implement all of the Summit strategies for overhead control? Will this be the year that you take home a 15% raise because you lowered your overhead to 55%? Leadership is what separates winners from losers. I told a friend recently that whatever he allows, he encourages. He responded: “*You deserve what you tolerate.*” I love that. What are you allowing and encouraging in your office? Communicate the goal, hold people accountable to those goals and lead the way. That’s what leadership is all about.

While there is no one size fits all strategy for leadership in a dental practice, I want to give you 6 simple steps to start to be the leader that changes the culture of your practice.

1. **Be accessible:** Set aside quality time for direct communications on a regular basis with each staff member. Use the time to mentor, inspire, boost

morale and make sure you're on the same page with goals and expectations. Employees find great value in time with you. It's both empowering and a learning opportunity, so do it consistently. It is not a one and done.

2. **Model by being the voice of your office's mission statement:** Employees look to leaders for clarity of purpose. Simply put, let them know what is important to you, what you expect from your team and why. Back up your words with actions and put your money where your mouth is. Employees want to work for companies where the doctor invests in them professionally, and where they can grow their skills through training and flourish.
3. **Be the pulse-taker:** The best way to gauge your practice's vital signs is to stay on top of how employees feel. Successful practices prioritize their search for and commitment to talent; the key is to understand what talent attributes you need and bulking your business around a diverse group who embody them.
4. **Be the standard bearer:** Great leadership requires reinforcement of your practice standards. Doctors need to remind everyone what they expect in the culture you are creating. Standards of behavior and quality can slip if the owner/leader/doctor doesn't lead by example. Employees are more likely to live up to and perform at higher standards if they know why it impacts the outcome.
5. **Be the compass and the rudder:** Set the direction, make the growth strategy clear and maintain a steady course. When times are tough, keep your staff focused on the big picture including them by

revisiting your vision. It is a leader's role to remind their staff that the problems will work themselves out. Providing timely guidance and a personal touch when it's needed most will always be relevant.

6. **Be a co-pilot:** The best leaders know they can't fly solo. Develop a group of mentors and coaches that inspire you and motivate you to strive for excellence.

This is your one-minute primer on dental office leadership. The buck stops with you. At some point you need to understand that your job is defining reality while embracing change and guarding your core mission.

## Chapter 23

### HOW MUCH SHOULD I PAY AN EMPLOYEE?

I had a call the other day with a doctor and his wife, who works in the office, concerning staffing. It was a nice 12-year-old office, average production, slightly below average new patients, with about 3-4 employees. I had met each of the employees and interviewed them, along with allowing them to give us feedback through a “staff quiz” form that addresses how the staff feels about their practice. This office, like so many others, had at least one employee who was marginal on several fronts. In this case it was a front desk person who, while being an “older, nice person” (these are the doctors’ exact words when asked why she is still working there), was totally incompetent in her current position. She had worked there 15 years, and was the oldest staff member. The doctor, being non-confrontational, called me about several instances of patient problems that were a direct result of actions taken or systems not followed by this one staff person. The Doctor, being a great guy but the soft-hearted boss, has just not found it possible to let her go because of problems he knew she was having at home concerning finances, age, and a general lack of options if he terminated her. By his own admission he felt like she was the cause of 90% of all the stress in his life and was running off a lot of patients. In addition, she was being paid 32% higher salary than the going rate in this area plus benefits for a job that she could not perform properly. The worst thing was that she was the person who answered the phone and interacted with all of the patients on finances and scheduling. In this case, the most important position in the entire office was occupied by someone who was crashing the office and making the

doctor's life miserable. You know the answer. It's time to *free up her future*. Luckily, it's not a family member, but he still failed to act.

Whether it's an assistant, front desk, hygienist, or any other position in the office, there will come a time when you must make the difficult decisions on hiring and firing. With that goes the business decision of what to pay and how to set up the employee/owner relationship. Let's talk philosophically about where you should start, and how we could avoid these doctors' current problems.

- **Are there times when a current staff person is unsalvageable? YES**

There are only two types of staff. The first is a good staff member needing some more training. The second type is composed of those that need to have their future freed up. In my office, staff averaged over 15 years of employment during my over three decades of practice. I am a huge fan of hiring the right people the first time, and for the right position. We spend the time to train them well, measure their results, and create consequences when they fail to perform. With this said, the time line for this would be a matter of a few weeks, not months. As most of you know, in our offices we have always stressed a "Purpose driven, Doctor led, Staff owned" model. This ownership mentality for my staff includes having the staff involved and even having the final word on staff and doctor hiring. Hire slowly, and fire quickly. Make the right decisions the first time and minimize having to correct those hiring mistakes. This is a huge part of

great leadership. In today's economy, you can ill afford marginal staff. As I told the doctor over the phone: I would never keep an employee and continue to pay them to make my life miserable. Regardless of how difficult it is making the decision to terminate someone, you will never regret doing it. You will only regret taking so long to do it.

- **How much should I spend on compensation for staff?**

We find that an overall expense of about 25% of your total collections should be spent towards staff compensation. This would include associates, as well as all other staff including any benefits, taxes, continuing education, staff meals, presents...anything other than what the owner doctor makes. I would even include the cost for coaching or a consultant. They are kind of a part-time employee that should yield extra production and profit. The first place to look is your P&L. Add up what your average monthly expenditures are for staff compensation. This is the area that I find in most offices is holding back profitability. We will encourage our clients to push the area of production, staffing, and overhead to a point of a 50-60% overhead average. We expect a well-run general dental practice to produce about \$20,000-\$25,000 of production per month per employee. The owner is not included as a staff member for this calculation. That would mean that if you had 5 employees you would be producing about \$100K-\$125K per month. The average office will do only about \$12,000 per employee. If your current

percentage for staff is in excess of 25%, you would need to work at utilizing your office and staff to bring this into line. Profit is everything: Only net counts. It doesn't matter what you produce, it is all about what you take home.

- **How do I know what a fair income package is for any staff position in my office?**

Go to [www.indeed.com](http://www.indeed.com). This is a great place to look at salaries anywhere in the US. Open the site, and click on salaries at the top left or bottom of the landing page. Type in the position and the area code for your office. It will give you the average salary along with a range in your area. This gives you a starting place. Consider that the dollar amount shown includes the total pay package of taxes, pay, and benefits, not just what they take home in their checks. Next, call a temp service and find out what it costs on a daily basis to hire someone for a particular position. This will be about 25% higher than a permanent employee for that position due to the fees turned over to the agency. The worst place to get information is from another dentist who is overpaying their staff with poor results and a marginal practice.

- **I always want to pay my staff more than they could make at any other office in town.**

Human resource experts will tell you that the money that is paid for staff is the last thing that is important to them. Not in my offices. Money is always important. Remember that “Staff Owned”

mentality that we try to instill in our team? My staff is given a competitive salary, trained in the business of dentistry, and rewarded with a bonus that makes the total compensation well above any other profession they could work in. Our bonus is the core to incentivizing your staff by sharing the profit. If the office does better, they, the staff, will do better. We have the perfect profit-sharing plan that has worked well for over three decades without alteration. You will notice that I said profit sharing. The name “bonus system” should be changed to profit sharing system. If the office makes more and controls the overhead, the staff should share in the increase. It is like we are on a lake with each of us having a boat. Our boat is larger than the rest of the staff but when the water level rises (profit), all the boats rise. When done right this lowers the percentage spent on staff while actually paying them more. Giving staff a way to influence and ultimately control what they take home makes everything work. The staff will force unproductive, marginal staff out. They won’t allow that type of employee to jeopardize their earning capacity. For the first time in your practice the staff become self-managed and will self-police any problems with staff or systems. They treat the patient great no matter how the patient acts or what day they come in. They understand the subtle nuances of a “consumer driven business”. They know that nothing happens till the patient says yes, and in our practices, they say yes over 90% of the time.

- **What type of pay package should I strive for?**

I like to call the perfect pay package being in the “pay zone”. This is the perfect balance of security for the staff member: Good salary and unlimited potential though profit sharing: A bonus, along with an ideal overall overhead of 50-60%: Good financial positioning. You are in the zone for profitability, overhead, and management control. This is a win/win for staff, doctor, patients. Enjoy the security of a great financial future, along with a decrease in stress while positioning your team and office for unlimited growth.

- **How should you conduct an employee termination meeting?**

Though extremely stressful, this type of meeting is best conducted in a concise and straightforward fashion focusing on three goals:

1. Presenting documented evidence that warrants employee termination.
2. Minimizing the likelihood of a wrongful termination claim.
3. Showing appropriate respect to the employee during this difficult event.

The following sequence outlines the basic process to help ensure a successful employee termination meeting.

1. **Meeting preparation.** Never conduct a termination alone. Always have a witness in the room with you at all times. Have all administrative forms and documentation at

the meeting. Do not lie to the employee or stretch the truth. Always show the employee respect. The meeting should not exceed 20 minutes.

2. **The decision.** Remain calm and confident and maintain appropriate eye contact with the employee. The less said, the better the result will be. Once the employee arrives, explain the purpose of the meeting. Following are two examples of statements you can use.
3. **Statement 1 (for a chronic performance problem).** *“As you know, you and I have had several meetings over the past several weeks/months to discuss your performance-related issues (e.g., interpersonal skills, accuracy of work). Despite that coaching, your performance has not improved to the required level of your position. As a result, today will be your last day of employment with this office.”*
4. **Statement 2 (for a major policy violation).** *“An investigation has provided us with evidence that you violated company policy (e.g., sexual harassment, alcohol use, timecard fraud) on (specify date). As stated in the employee handbook that you signed on (specify date), that policy violation has the consequence of employee termination. As a result, today will be your last day of employment with this office.”*

5. **Finally, my recommendation would be to do it as soon during the day as you decide to free up their future.** There is nothing to be gained by waiting till the end of the day. You will be under stress and in a bad mood until you pull the trigger. Decide, prepare, and do it. Don't wait. Don't look back.

## **Chapter 24**

### **TO BONUS OR NOT TO BONUS?**

#### **THAT IS THE QUESTION**

The short answer is: Absolutely, maybe. It always starts with a short email from a doctor asking me how to structure a bonus. I always answer: “Give me a call because it will take too long to type it, and you will end up sending me six more emails all starting with “Yeah, but, what about \_\_\_\_\_?”. It happened again so I decided to go ahead, and type an answer that should clear up the myths, misconceptions, and outright lies about when, where, and how to start or fix a bonus system.

To help us all get on the same page, go back and reread the chapter on benchmarks and overhead for the Super General Practice. It creates benchmarks and helps you manage your practice through statistics. A bonus should only be considered when the numbers make sense. Incentivizing staff can take many forms. Money is just one of them. You must put your house in order before utilizing a bonus plan to incentivize your staff. You will notice I did not say “motivate” your staff. Staff will come motivated or not. You hire motivated people; they are not created through bonuses and gimmicks. Get the right people on the right bus, and in the right seat. This often requires you to make the “hard decisions” about keeping great staff members, or “freeing up the future” of marginal staff. There are only two types of staff: Ones that need more training and those who should leave. (So much for review). It is far more expensive and stressful to keep marginal staff compared to letting them go. We are not

looking for super stars. We are building a team. It is no longer possible to be successful in the business of dentistry by having just “good” staff. Each and every one of your staff must be great, and great in the sense of working well as a team. You will never go any further than the one staff person with the lowest commitment to your office’s goals and vision. Don’t wait. Act now.

## **Successful Bonus Principles**

- *Money is a reward, not an incentive.* For someone to be successful at this process, they must own it to make it work, and they must understand the “business of Dentistry”. Your Cash Flow Statement and Profit and Loss Statement should be shared with the staff each month. They need to start to develop an “ownership” mentality...a way to make them feel that this is their practice and a career, not just a job. They decide when people are hired or have their future freed up. You should consult with them on overhead and profitability. You constantly revisit the reason for the “bonus”, and why and how it is paid. I don’t really like the term “bonus” but most of you have heard this strategy titled that way. In truth, this is profit sharing based on a sound business model for your practice. These staff members are your partners in this business, and as a partner they should share in the spoils. The bonus is their monetary reward for going the extra mile (Not just what they have always done). Money is not an incentive; your mission and purpose as a team is the incentive. Money is just a way of measuring the amount of service you deliver to your clients. Don’t be misled into thinking that you will

inspire your staff with just money. You have to become a great leader and a better manager. Like it or not, if a practice is floundering, it is always the doctor's fault. Forget the economy, demographics, staff, patients, dental IQ. It is always the doctor at the center of any challenge in your practice. By commission or omission, the doctor has created the situation he finds himself or herself in. It is my job to put a mirror in front of each doctor and for many of you, for the first time to help you see the real reasons and solutions to your practice challenges.

- *Staff must feel in control of practice development.* Your job is to hire for attitude, train for a skill level, give them the authority and permission to do their job, and get out of the way. What's funny is most of you will hire for skill level or number of years in a dental office, only to be disappointed again. Dentistry is a small, consumer driven business. Our staff's main job is to handle and inspire people, not suck spit. Sucking spit and using a computer is just what takes place while they are doing what you hired them for. They were hired to escort your patients through the practice and their appointments in such a way as to create a bond with a patient who always shows up, pays us, and refers everyone they know. Some of my worst hires have been staff who on paper looked great because of years in the profession, only to find out that they were constantly changing our successful systems back to the way they did it in their previous office, and they had extremely poor people skills. Most of my best hires were staff with incredible people skills and the

desire to learn. No preconceptions, no changing our systems, just a hard worker whose goal in life is to make our patients love us.

- *No way to manipulate the plan.* Our profession is littered with offices that started a bonus plan, set a goal, and then after the staff successfully completes the gauntlet, finds that the doctor changes the rules so that they get no bonus. Kind of like playing cards when you were a little kid with your older brother or sister. No matter how you think you understand the rules to win, you always lose because the older sibling changes the rules after the fact. You must think this through and make sure you never ever manipulate the outcome of your bonus plan. You, as the Doctor, are only a member of the team, and as such, you need to play and conduct yourself with the team's best interest at heart.
- *Doctor is accountable as a team member.* You are not above the law. You are one of the troops. I was always the first one there every morning and the last to leave in the evening. At the end of the day, I was taking out the trash and helping to suck that soapy solution through the vacuum lines. The reason I did that is because the hygienist or assistant was finishing up with our patient and wanted to make sure we all got through at the same time. I could do those things because they were still wowing and inspiring our patients. We were a team, and I held up my end of the deal. I never asked anyone to do something I had not done or wouldn't do myself. If you let the team down, you need to apologize, and

do better. The yardstick you use to measure the performance of your team should be even more challenging for you. Leadership and enthusiasm filter down from the top, not up from the bottom. I always thought that if I was flying back from a speaking engagement, and the plane went down, they would go to the funeral and be back the next hour producing just as much without me as they did with me. I was just a pair of hands and a member of the team. You can always tell when the staff embraces your bonus system and owns the process because they act and think like owners. They understand and embrace the business of dentistry. When this happens, they push you to produce more, and they come up with ideas to manage the practice. They will even be upset when you take time off from the practice. A successful bonus system or in our case profit sharing, is built on a new commitment from the doctor. You have to show up and deliver every day. It is show time all day long. The staff will take their cue from you. Don't start this process if you don't have the energy and commitment to take it all the way.

- Doctor places the bonus ahead of his/her income. Remember the overhead chart in the earlier chapter on overhead? If not, go back and memorize it. You get everything below the line. Our bonus check was always paid on the 10<sup>th</sup> of every month. Their normal checks were cut on the 1<sup>st</sup> and 15<sup>th</sup> of every month. That bonus check was paid separately so that the staff would understand that it represented an effort and skill that went beyond their salaries. That

bonus check should be something you look forward to writing. We had a doctor from Chicago a few years back who went from \$40,000/month, to giving a bonus and producing over \$110,000/month. I got a call about 9 months into this super successful strategy from her: *“This bonus thing is just not working at all. I had to pay \$7,000 in bonuses last month. I’m paying way too much money to my staff,”* she said. I asked her if she was following our bonus strategy exactly, and if her staff overhead percentage was still at or below 25%. I reminded her that while the amount she spent on her staff was increasing; the percentage of the collections dedicated to staff compensation was actually going down and lowering her overhead. She said, *“Yes, but that is just way too much to pay my staff. They do not deserve it. No staffs I know make that much”*. I asked if she was just paying 15% to the staff above their base or BAM number (Bare Ass Minimum). She said, *“Yes”*. I reminded her that while she was giving them 15%, she was adding 85% to her take home pay. Even though I tried to show her the insanity of removing the very strategy that tripled her production, stopped staff turnover and dropped her overhead by 17%, she did away with the bonus. It only took 45 days for her production to drop back to about \$50,000/month. The money you spend on a successful profit-sharing system will be the best return on investment you have ever made. Make sure there is no way you can mess this up.

- Doctor has the goal of having the highest paid staff in town. I designed our 37-year bonus system so that my staff was one of the highest paid staff in the United States. I was proud that my staff helped me maintain a low 50% overhead while allowing them to make more than any staff I have seen. They were averaging over \$3,000 per month per employee bonus in addition to an incredible base salary, 401K, health insurance, and 2 weeks paid vacation, uniform allowance, continuing education, and a cruise or trip every year. The average staff member was with us about 14.5 years. Most were with us for 20 plus years. That is a commitment and a sign of a healthy practice.
- Doctor is committed to all changes necessary to facilitate the bonus. This could include changing the hours, incorporating new systems, hiring a consultant, making a new level of commitment personally, freeing up someone's future, or spending money on the facility. Get you a T-shirt that says: "Whatever it takes". That is your new commitment. To reach the next level in practice productivity and profit, you must make a new level of commitment on you and your staff's part. You are where you want to be. If not, you would change. Take responsibility, and make it happen. Excuses are overrated.
- Doctor must act quickly to eliminate incompatible staff. You are going to have to make the hard decisions and make them quickly. Waiting means a lack of direction and commitment by the doctor. The good thing is that when your staff sees this new

commitment, they will see the leader in you beginning to emerge. Done correctly, you will see them lining up to follow you. You will see a consensus of commitment. Most offices seem like each staff member has a rope they pitch over a big rock and then begin pulling in different directions. This is just a group of people working in the same business. This is a sign of a lack of leadership. Become the leader, and they all begin to pull in the same direction. This creates a committed team. This is called synergism...where 2 or 3 get the work done of 5 or 6. This synergistic effect is an effort multiplier. It takes less stress, effort, and staff to get the results that previously seemed impossible. I will leave you with this: You will never go any further than the one staff member with the lowest commitment to your vision. It is a good idea to terminate the weakest link.

- *The bonus must benefit each team member each month.* The ideal way of rewarding someone for what they do is to catch them doing what you want and pay them. Waiting to pay a bonus quarterly or yearly does not reinforce the behavior you want repeated. As I said before, we pay every month on the 10<sup>th</sup> with a separate check for their regular pay periods.
- *The Doctor must stop bartering.* By trading for services or other items, you are manipulating and stealing from your staff. If they understand this system, they know that any unrecorded production directly affects the amount of bonus they receive. You cannot keep two sets of books. You have in a

sense, taken on a partner who will monitor your overhead and watch closely how you conduct your business. Keep your integrity foremost in your mind. Treat you practice and staff the way you would like to be treated.

- *The bonus must have the power to change someone's life.* Little bonuses get small results. You must get your practices to meet or exceed the benchmarks we have given you. Unless you have tamed the overhead monster, and learned to drive profitability, you will never be able to pay enough to change their lives. My staff drove better cars than I did and probably paid for nicer colleges for their kids than I did. When other practices asked me how I assembled such great staffs and doctors, I would have to say that they found me. We had an incredible reputation for our staff and doctors built on sharing the profits and encouraging an ownership mentality through transparent leadership and management built on systems that were constantly improved by our staff with feedback from our patients. Without even looking, I can tell you that if you are falling short in any area of your practice, Summit Practice Solutions can guide you to the next level of practice productivity. Just give me a call, and let's spend some time discussing the individual challenges you are encountering. (Michael Abernathy, DDS, Cell: 972-523-4660, or [abernathy2004@yahoo.com](mailto:abernathy2004@yahoo.com))

# The Nuts and Bolts of the Bonus System

## SAMPLE CALCULATION

Production		Collection
\$65,000	MARCH	\$64,000
\$65,000	APRIL	\$65,000
\$53,000	MAY	\$50,000
<hr/>		<hr/>
\$183,000		\$179,000

\$61,000 (AVG. PROD.)

\$59,667 (AVG. COL.)

Collection/Production must be at least 98%

If not, we use collection average only (<97%)

If 98% or greater, we use the average of collection/production

\$61,000

+\$59,667

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\$120,667/2 = \$60,333

-\$50,000 Base of ("BAM")

\$10,333

X 15%

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\$1550/5 staff members = \$310/person

Above, in outline form, you see the Summit Bonus System: A system that was used in my own office and has been presented to thousands of offices through the years. It has survived with little or no modification for over 37 years. Let me explain step by step what and how we arrive at the systems and how to apply the numbers. The bonus is paid each and every month on or about the 10<sup>th</sup> and after all the bills have been paid. As you can see, even though the bonus is paid monthly, it is averaged over 3 months. This has the effect of taking out the highs and lows in production and creating a more consistent bonus number. It also prevents staff, after seeing that this month is doing well, from deciding to have the last couple of day's productive patients just pay when they come back next month. In this way, they get a running start on the next month. This violates our collection systems and is not what we want. Averaging the 3 months prevents the staff or the doctor from manipulating the system. In this example we will be paying a bonus for the month of May. We go back and add the Production and Collection of March, April, and May to get a 3-month total for each. We divide by 3 to get the average Production and Collection figures and then divide the average collection by the average production. We are trying to create a system that emphasizes a collection rate of 98% or greater. In fact, it was unusual for our collections (After any adjustments) to be less than 100%, and most times was greater than 100% due to our pre-treatment payment discount. In this example the ratio of Collection/Production was greater than or equal to 98%. Because of this we will use the average of the sum of the Production plus Collections. If it had been less than 98%, we would have used only the Collection figure. You cannot pay money for something you did not collect. The

staff will understand, and your collection rate will climb dramatically. Once we have our final number, we subtract the base or BAM.

How do we arrive at your BAM or base? Remember we are shooting to lower our overhead to around 50% (Note that the national average is 67%-74%). Let me give you a couple of ways that do not usually work but are an option. The base is the amount that must be exceeded before any bonus is paid. Produce the base or do less, and there is no bonus.

1. If you double your operating overhead you will have the exact amount that would give you a 50% overhead. Simple, but almost unobtainable in most offices. It is too great a difference between reality and the goal. It also would not motivate your staff if the amount of increase before bonus was so high as to be unimaginable for them to reach.
2. Figure out the overhead for compensation and multiply by 4. This would give you a compensation overhead percentage of 25% which would be your ideal goal. In most offices the main category of overhead that most struggle with is compensation. Get this in line, and you are 75% of the way toward the perfect overhead. Once again admirable, but when 90% of the offices are overstaffed or drastically under-producing for the number of staffs that they have, you are most likely creating a demoralizing base that the staff will find impossible to obtain. We must figure out a way to do this so that the base is obtainable, motivating and inspiring without dragging us down.

3. We could figure out what the average production/collections per month were over the last year and add about 10%, and use that as our base. They do not deserve a bonus if they do what they did last year, and if we raise our fees 2x/year for inflation or cost of living, and add about 10% to the average to take care of any unexpected expenses in the future, this might make sense. If you think about it, this formula really does not take into account the benchmark and goal of our ideal overhead model. It is done without actually taking into account the goal of lowering your overhead to a particular overhead target percentage. It would affect different offices' overheads and challenges differently.

In an office with a very high compensation or overall overhead, we could figure the base this way but limit the difference between the base and amount above the base to a lower percentage. In other words, if the overhead was good, we would use the 15% number. If we had a very poor overhead for compensation, we might use 5% for the first 5 or 10 thousand dollars over and then go to 7-10% for the next \$10,000 and finally when we got the ideal production number, we would max out at 15%. The percentage and dollar amount would be designed to pay bonus with the target overhead goal in mind. This sliding scale allows you to give a monetary bonus while inspiring staff and working toward a future production goal and overhead amount.

## Chapter 25

### HOW AND WHY PATIENTS SELECT AND STAY WITH A DENTIST

#### (THE SECRET TO ALL MARKETING)

Over and over again you've heard me say: "*A Dental Practice is just a small consumer driven business*". As such, nothing happens unless the patient (consumer) says yes. If you consistently see the back of people's heads as they move on down the street to the next dentist on the block, you're missing an important ingredient. You need to consider giving patients more of what they want rather than what you want. A few years back a doctoral thesis researching some 65,000 households made "what consumers want" a no brainer. I want to give you the list that outlines the very essence of what it takes to be a Super General Practice with unlimited growth potential. Forget the guys hawking the next greatest, "bestest" new marketing whatchamacallit, and start getting back to the future. Manned with this list, any practice should be able to increase new patients by increasing direct referrals. The ripple effect of incorporating this into every minute of your practice day means you are embracing consumerism and capacity: Giving patients what they want, when they want it, at a price they can afford. The following list is not given in order of importance, and if you think about it, this is like a "success" recipe. Leave out one ingredient, and you will not get what you expected.

1. **Prompt New Patient Exam:** As we go through this list, keep in mind that the original document was almost a thousand pages. We will attempt to

give the overall essence of each point. The topics are not presented here in the order of importance, but in the order I found them in the dissertation. It is important that you also note the topics or things that are not mentioned by the consumer. This is as important as the ones that are. You will notice that this first on the list, new patient exam, is not a cleaning, just an exam. The consumers filling out this survey indicated that the time needed to be within 24-48 hours of the phone call. In addition, they also added a caveat: It needed to be either early (7-9AM), late (3-6PM) or on a Saturday. We call these “Peak Demand Times”. If you do not have any peak demand times within the next few days, you shouldn’t market and you need to expect a lot of cancellations and no-shows. Lack of peak demand times smack in the face of consumerism: Giving the consumer what they want, when they want it, and at a price they can afford. They did mention that for an actual emergency they would expect a same day appointment. For a total new patient traditional appointment including cleanings, x-rays, diagnosis and consultation with the doctor they said it needed to be within 4 to 10 days during peak demand times. The caveat here is it wasn’t 4-10 workdays, but 4-10 calendar days. If they called on Thursday, which would be day 1, day four would be Sunday, and the tenth day would be the next Saturday. If you find that you can’t meet this benchmark, you need to quickly adjust your schedule, hire another hygienist, or at least figure out your options.

2. **Staff warm and helpful.** Keep in mind as you read each point that only the consumer gets to vote. There is probably not one office that would say they were not “warm and helpful”. It doesn’t matter what you think. Perception is everything. With the onslaught of social media, you can’t escape being reviewed and reviled or hailed by everyone. Everyone has an opinion and most will post it on Twitter, Facebook, and their blogs and review sites. The average, disgruntled patient will not say anything to you, while letting everyone they know or who they have connected with online, that this is a terrible place to go. I recommend that you institute our feedback strategy of the “Comment Card”, and go to: [www.socialmention.com](http://www.socialmention.com) (for any conversation about you or your office), [www.alex.com](http://www.alex.com) (For any forum mentioning your name), [www.search.twitter.com](http://www.search.twitter.com) (For real time mentions of you), and [www.google.com/alerts](http://www.google.com/alerts) (for topics, or emails pertaining to any topic you choose and forward it to your email).
3. **Highest standards of sterilization and general cleanliness of your office.** This is a little counter intuitive in that it was the subjective “cleanliness” of the office they most cited. Walt Disney called it “5 Sensing”. He would routinely take a person, blind fold them, and help them into a perspective new ride. He wanted to know what they heard, smelled, tasted, and touched. He knew that the “senses” created either a good or poor experience in his theme parks. Good experiences connect both the left and right brain and allow that individual to make decisions. In much the same way, how our

practices look, how clean they are, how they smell, and what our patients hear, influences how we meet their needs. If your office has bugs in the lights, spots in the carpet, and a smell of oil of clove, you are not meeting the expectations of your patients. Remember that everything is marketing, and new patients are constantly comparing your office, your staff, and your systems to other practices they have visited. Everything has to be perfect.

4. **Up to date facility.** You will notice that they didn't say new. In the text they mentioned clean or new carpet, freshly painted walls, no stains on the ceiling tiles, clean windows, trimmed and neat landscaping, easy access.... You get the idea: Not new, but used but in new condition.
5. **Post-op phone calls.** These have been around forever, yet few doctors do them. When they do, it is delegated to a staff member and not actually the treating hygienist or doctor. Big mistake. If you want to be noticed and talked about, do what others do not do. You want to be far from "average" in the eyes of your patients. Each of these items creates the level of expectation you need to achieve in order to get a new patient, have them show up, and refer everyone they know. If you fall short on any of these, you will fall flat in the production area of growth. I not only did my own post-op phone calls but I took it a step further. In an effort to stay ahead of my partners, I started running off the next day's schedule for everyone so I could identify all of the new patients. I would then call each new patient and say: "Hello, this is Dr. Abernathy. *"I understand that you are coming in tomorrow for a*

\_\_\_\_\_ . *I was just calling to see if there was any question or anything, I could do make your appointment go more smoothly?"* Most of the time I thought that the line had gone dead. They were so impressed and overwhelmed that they were speechless. This one thing almost eliminated all of our cancellations and no-shows in hygiene for a new patient. I can remember the first day after I had made the calls. One of my partners beat me to the hygiene room only to be rebuked when the patient said: "*Oh, I was hoping to see Dr. Abernathy.*" It worked so well that patients that were checked on days or locations when I was not present allowed the other doctor to diagnose them, but insisted on seeing me for the treatment. It was almost like they had been referred by a close friend. Try it. You'll like it.

6. **Post-op instructions.** In additions to the verbal explanations, these consumers commented that they wanted to be sure that the doctor or staff member took the time to explain and answer all of their questions. In fact, they were adamant in their request that the staff do this. They said that often times they did not want to look stupid in front of the doctor, so they felt more comfortable having the staff explain treatment and answer all of their questions prior to having the doctor come in. We have all seen this. The doctor completes the case presentation while the financial secretary, assistant, or hygienist takes notes, and then asks if the patient has any questions. They say "*no*". The doctor excuses him/herself, only to have the patient turn to the staff member and ask questions about this and

that. Keep in mind that they feel like the staff have no reason to push dentistry onto them, while most think that the doctor is just looking to make another payment on their car. In addition to the verbal explanations, the patients wanted to take home general information about the procedure as well as particular post-op instructions pertinent to them. If you would like to see my written post-op instructions, just email me and ask.

7. **Personal hygiene of the doctor and staff.** This one is interesting. Let's start with hair. If your hair is short but when you lean forward as to look into the patient's mouth and it shifts forward, they want it tied back or covered. Even short hair can do this and patients feel like "stuff" could fall in their mouths as the hair shifts. Bottom line: Cover it up or tie it back. They also mentioned that if you have body piercings other than a single earring per side, they do not want to see it. Several consumers said they don't think people that would have a tongue pierced, nose, eye.... are clean enough to work in a dental office. The bottom line: If you have piercings, take them out for work. The final area involved tattoos. They wanted all tattoos covered up so they did not show.
8. **Quality dentistry in the mouths of the Doctors and Staff members.** A lot of the people surveyed said that they were surprised at how a lot of staffs and doctors had "dingy" un-bleached teeth with old black mercury fillings visible. If you want your productivity to take off, make sure that you and your staff have the finest up-to-date dentistry in your own mouths. We also need to do a little

policing as far as personal hygiene, dress, and breath. If you have a doctor or staff member that looks like they sleep in their scrubs, and smell like the north end of a south bound horse, you need to put on your big girl panties and deal with this. This goes for the smokers in the crowd. There is no room in a dental office for someone who smells like cigarette smoke.

9. **Hours.** Remember the little bit we already mentioned about peak demand times and Saturdays? You guessed it. Consumers hate your hours: Monday-Thursday 8-5. In fact, this was one of the most important and oft-mentioned reasons they chose or changed dentists. Corporate practices along with a new generation of young dentists who will do whatever it takes to give the patients a more convenient dental visit will literally put you out of business. The day of business as usual is gone, and the new economy demands that you change to meet or exceed the expectations of your patients.
10. **Location.** Success in dentistry just like any other consumer driven business is location, location, location. With 92% of all appointments made by a female, it only makes sense that we should try to be located where females frequent. The 1950's style practice hidden away in a multi-story, cluster of medical offices and other dentists, with no visibility or signage, will guarantee a slow death spiral of new patients and productivity. We need the visibility and hours to secure a reasonable number of new patients (40-70 per doctor per month for a general practice). It never fails to frustrate me at the lack of understanding of some doctors who have

been in practice for years. They can't understand why, after having ten or fifteen good years, they can't seem to maintain a good overhead, new patient numbers, and productivity. Take the time to go to [www.zipwho.com](http://www.zipwho.com) and look at where you live and whom you are likely to have to inspire as a patient. This is a wakeup call for all of those thinking that it's just a down economy that is the cause. Change or die. When you are done with change, you are done.

11. **Being on time every time.** There is a double standard in dentistry that upsets consumers. You expect patients to show up on time, but you are never on time. You don't like managed care, but when purchasing medical benefits for your staff and family you choose a "managed care" medical insurance. You blow your lid when patients can't afford your treatment plans, but you have maxed out every credit card you own. It's called consumerism and integrity. Patients don't and shouldn't have to deal with this double standard and it needs to go away. Not being on time is a symptom of a lack of proper treatment planning and day-to-day systems. Patients are talking. Are you listening?
12. **Well explained treatment plans and financial options.** Today patients are going to follow through with treatment options based on four primary things: Fear, money, time, and trust. You should offer nitrous and sedation to every patient at no charge. You should have consumer hours with lots of peak demand times. You and your staff need to inspire patients in order to create a lifetime

association. Finally, we have to help patients fit their treatment into their budgets. Step one is to understand that Care Credit is not necessarily the best company, nor is any one company sufficient to satisfy the needs of your practice. Consider adding at least one of these additional companies for your office: [www.cityhealth.com](http://www.cityhealth.com);  
[www.unitedmedicalcredit.com](http://www.unitedmedicalcredit.com);  
[www.simplepatientfinance.com](http://www.simplepatientfinance.com);  
[www.americanhealthcarelending.com](http://www.americanhealthcarelending.com);  
[www.chasehealthadvance.com](http://www.chasehealthadvance.com).

Also, keep in mind that when a patient is denied a loan, be sure and ask how much they would cover. Next, call another finance company, and get the rest. We have even had offices call in the morning and get a no, and on the same afternoon or different day get a yes for the same patient. It all depends on the company's computers, money lent, and risk of outstanding loans. It can change in minutes. You might even find that a Friday when most doctors are not open is a great time to submit an inquiry. There are not as many loans to compete with you. We have to become experts at finance acquisitions for our patients. Get this down, and you will have unlimited growth potential. As far as "well explained treatment plans", it is much like post-op instructions. We have to take the time to explain the various ways the treatment can be delivered and how that affects their financial and oral health.

13. **Consumers shop.** I actually had a front desk person turn to another staff member, after hanging up and conversing with a patient about money, and say: *"This job would be great if I didn't have to deal*

*with these stupid patients.*” Are you kidding me? Who pays your salaries? It’s not the doctor. It’s the patients that spend their hard-earned money in your office. Take and divide the number of new patients into your monthly production to get the “production per new patient”. I know that you don’t actually produce this on “each” new patient, but “per” new patient. This number for the average dental practice is about \$1,200 per new patient. A well-run general practice will be about \$2,500-\$3,500/New patient. If your practice does \$3,600 or more, then you are in the “boutique” area with more crown and bridge and adult only area. Whatever it is, you need to see that denomination on the forehead of every patient you talk to. Consider this. You will either inspire or drive off a patient in the first 3 seconds of your initial contact. If the average practice has 25 new patients per month that means you have 75 seconds to make enough to pay the bills and make a profit. The patients you don’t inspire will go down the street to have their work done, and go on line to tell everyone they are linked with to avoid your practice like the plague.

That’s it. This is “the not so quick but dirty truth of why patients are leaving you or choosing you as their dentist”. One more point. While you now have a checklist to help you successfully give patients what they want, you may be missing the most important point of this chapter. Dentists are known to have a rare disease: The Shiny Object Obsession. Noticeably missing is nothing about lasers, sedation, cosmetics, Cerec or E4D, any number of

great toys you spend your hard-earned money own. It's as if you believe that there is some instrument or piece of equipment or course that will stem the tide of failure. The secret is and has always been your ability to inspire consumers through your people skills, systems, and staff. Technology is great, but it will never take the place of "serving" your patients. Equipment and technology are only a multiplier of an already well-run office.

## Chapter 26

### The “I Think I Drive the Same Car as a Hip-Hop Music Mogul Because I Am a Dentist” Effect

The title comes from a TV commercial, but also has a level of application to most dentists I have ever met. In the commercial, the wife is pressing her remote for the door locks of a Rolls Royce while asking her husband why it won't open. His answer is that they drive the 5-year-old station wagon in the next row.

In Dentistry, the story is a little different in that the doctor has actually purchased the car. Let me rephrase that. The bank has loaned the doctor the money or the lease company has extended credit for a lease so the doctor can drive that type of car. It is rare indeed to find doctors who live within their means, much less below their means so that they could someday retire with dignity and with a secure financial future. It had to start somewhere. Perhaps it was just a myth perpetrated in dental school. Maybe it was the article in the paper that quantified that: Dentists now make more than your family physician. Who knows, but somehow our dental community has created the illusion that we can afford *everything* we want. It is true that we will produce millions during our careers, but it is also true that more than 95% of us will fall short of financial independence. If we plan our careers and practices correctly, we can afford just about *anything* we want; we can't afford *everything* we want. Be picky and save.

You graduate from dental school with the expectations that you can demand 30% commission on production as an associate when the average practice has an

overhead of 67%-75%. With the added expense of adding an associate and the needed equipment, the senior doctor is way upside-down financially to hire someone at that rate. With 93% of all associates leaving within 24 months, we embark on our dental quest to create our own financial freedom. Statistically, you will fail.

It starts before you even begin dental school. The Federal Government has an entire Student Loan division to help you afford the education that you have qualified for. You don't even have to work during school. They make it easy to borrow living expenses with the idea of paying it back later when you are rolling in the money. If you're like most of today's dental graduates, you did a great job of limiting your borrowing to just \$350,000-\$550,000 for the four years of Dental School. As an afterthought, you decide it would be a great idea to date another dental student and get married to up that to the \$900,000+.

Think back about your best friend in dental school. No, not the student sitting next to you in class but the dental rep from your local supply house that has the patience of Job while he waits for all of his hard work to turn into gold in the form of commissions when he sells you 3 times the amount of equip you can afford or need at a later date. In my sixties, I am amazed at how many times these people have turned back up in my career to save the day by selling me more and more. Just kidding.

Do you remember the nationwide banking group who bent over backward to secure that needed financing for you to get into that first office? These guys were pretty friendly also. I can still hear them say: *“Everybody does it. You got to spend money to make money. This will seem like*

*nothing when you look back*". It was nothing. It meant you would never have anything left over. You will have nothing left for the future.

What about the real estate broker who befriended you in order to secure that prime lot for the new office at a piddling \$36 a square foot? Add in the persistent dental supply guy, the benevolent builder, the ever-present banker and you continue to spiral out of control toward no choices and no money saved.

Now you reach out to the Dental consultant who promises you the world and only delivers an invoice. For a mere \$50,000-\$80,000 for a yearlong contract they will show up at your practice for a 2-day visit and allow you to listen in to their deeply guarded secrets for practice success over the phone once a month during the year followed by a 30-minute call from a roofer turned consultant every other week. You know the group with the charismatic doctor who had a mediocre practice, or the MBA who got his degree for \$10 from a mail order mill, or the marketing guru who makes all sort of claims to be able to turn around your struggling practice with the newest, optimized, never before offered secret gorilla marketing what-cha-ma-call-it. How about the washed-up CPA or banker turned Dental speaker with a new financial plan to beat the market? The worst is the motivational ex-corporate lackey that is going to bring a new slant to motivation and profitability to dentistry after having a ghostwriter pen another next million- dollar practice book and passing them out for free. How gullible can we be?

Add a spouse that spends like there is no tomorrow, and you are in the ***"twilight zone of mediocrity" and the***

**“grave yard of financial viability”**. You are the 95% that will never have choices and never be financially independent.

**There is some good news.** Every day, all over the country, dentists are having their best month ever. Not just the best month this year or this month compared to last year at this time, but the best month in their entire career. We are seeing this with startup practices and doctors who have practiced for 30 years or more. You won't read about them or hear them on the stage, but they are quietly taking their success to the bank. They practice down the street from you with the same demographics, poor economy, and challenges in attracting and keeping staff and patients. They are moving to or arrived at a debt free existence by producing more, collecting all of it, and keeping half. They run their practices by the numbers, with benchmarks and budgets. They save and control their personal spending. They begin with the end in mind, and that end includes a life of choices and financial independence. They all have one thing in common: They are clients of Summit Practice Solutions. We want you to make great life decisions, and have choices throughout your professional career and into retirement. When we work with a doctor, it is a full court press to get you to the practice and life that you always knew you could have.

## Chapter 27

### DENTAL FINANCIAL ILLITERACY

Being doctors, we all are familiar with risk factors. If you do this, or don't do that it could mean that in the future your risks go up for a particular event; kind of a "cause and effect" formulae. One risk factor I continue to bump up against is that doctors as a group fail to plan when it comes to money, profitability, and an exit strategy. With every doctor I speak to, I will ask them two very specific questions. Questions that if answered make the rest of the decisions in their career very black and white. The first question is how long do you want to practice? The second is how much money will you need to accumulate to feel financially independent? Most answer the first question with some form of increments of 10 years or so. The money is a little more difficult for them. It is as if they have never thought about how much they might need, what they spend, what debt they have, or what their practices would have to do to make it happen. In every case, few have saved, no one knows how much they will need, and regardless of age none of them have a plan to end up where they know they would like to be.

I am sure that not one young doctor graduates from dental school with the over-powering goal of being "average", but by definition, most do become "just" average, and a lot fall far short of it. Financial illiteracy is rampant in dentistry and when added to an attitude of "it will never happen to me", or "I can always start saving and get out of debt next year", you have a risk factor for "financial captivity": The inability to ever retire or have choices in the future. How do we as doctors allow millions

of dollars to pass through our grasp during our work years and almost never have anything to show for it?

Insurance companies are quick to quote a study that shows that at age 65, 96% of you will be dead or dead broke. Only 4-5% of us will ever retire with enough money saved to be considered as financially independent. *NOTE: Financial Independence should be considered as having enough money in savings to replace the income we had while working daily and be debt free for the rest of our lives.* In retirement the average person spends 81% of what they spent before retirement, and many spend more than they spent before retirement. I am calling these doctors "financially illiterate" because they all think of debt as normal. It is rare indeed that I speak with any doctor that has a financial goal, date for completion, and is right on track to make it happen. Believe it or not, no one can work forever. We all have a "use before date". You have to plan for the likely event that you will someday be unable to work or provide for yourself and your family if you continue to have debt and don't save.

Do you and your spouse think this way?

- ✓ *Isn't debt normal?* It must be, because everyone has debt.
- ✓ *Why not spend all that I make? I'm young. I deserve these and there is plenty of time to save later. (Cars, houses, country club memberships, second homes)* This must be so, because the average dentist spends just a little bit more than they make.
- ✓ *Shouldn't I buy that newest greatest whiz-bang do-dad that the Patterson or Schein rep says "no good dentist can live without"?* This one has to be true because Dr. Legend has one and he is doing great. In fact, all of the dentists I know on Facebook are

crushing it and they have the shiny object. I know the speakers out there, and most are not doing great unless you consider successfully ending 3 marriages a standard of success.

- ✓ *It's just Christmas, and so what if we spent a little more than the kids need. We have 30 days interest free to pay for it.*
- ✓ *It's important that I and my family look the part of a successful doctor: Got to live in the right area, drive the right car, send our kids to the private schools, etc.*
- ✓ *Shouldn't I have the right to build a great office building after all those years of working hard?*
- ✓ *Sure, I'm down a little with all the losses in the Stock Market, but I'm about to invest in a great real estate deal, oil well, condo project....*

Like it or not, debt and lack of accumulation has never been a smart strategy and should never have become the norm. I can't tell you why, but somehow doctors and their spouses think that it should take a lifetime to get out of debt. We are seeing young doctors with the right mentor and strategies become debt free in 5 to 10 years while accumulating more money in savings than the average dentist does by age 60. There ought to be a time when you have outrun practice and personal debt while accumulating millions.

So, take a look at where you are. How much money have you saved? How much debt have you accumulated? Why are you putting yourself in a stressful, unfulfilled situation where the lack of money is directly caused by the limiting beliefs and poor habits that you follow and model for your children who will be the next generation of financial illiterates?

I have been fortunate to meet and become friends with Dr. Ace Georig, an Endodontist from Olympia, Washington. He is a walking encyclopedia of debt reduction and wealth building. He has even set up a web site at [www.doctorace.com](http://www.doctorace.com) that can literally walk you through the entire process of debt reduction and habit reversal that puts you on the road to be debt free within 6-8 years. He has done this with his staff and with every dentist he has had the opportunity to talk to. I encourage you to go to his web site, and start your financial life over.

Before we go let's take a few minutes and look at the financial world around you right now. Will Rogers said it best when he said: *"The problem in America isn't what people don't know. The problem is what people think they know that ain't so."* Nowhere do we find this so true as it is in financial understanding of debt and wealth. Trends in Dentistry clearly point to a plateau of earning potential and many challenges from insurance companies, corporate practice, demographics, and national healthcare.

Cultural family encoding teaches us to:

- Believe debt is normal and always will be.
- Spend everything we make.
- Use credit card instead of cash.
- Have to work hard for a living.
- Spend to nurture ourselves.
- Have a home run mentality.
- Have an inability to say I can't afford it.
- Be natural spenders, not savers.
- Have poverty consciousness.

Let's take a quick look at the traditional investment mentality.

1. Give your money to a "Broker" to invest it. I don't know about you, but I think they could come up with a better name for someone that I just gave my money to than "broker". A "wealthier" sounds better to me, but maybe it is truth in advertising at its best. For the last two decades, the typical equity investor beat inflation by a measly 1% a year. Consider the ups and downs, risks, and the fact that if you were out of the market just two days during the year at the wrong time, you would have a negative portfolio.
2. In the last two decades, Wall Street has lost more than 45% of the typical investor's money twice. Are you sure it won't happen again?
3. Over the last 40 years long term Treasury Bonds have outpaced the Stock Market.
4. For the Dow to give you a measly 5% return on your money, it would have to hit 27,000.
5. The average U.S. family with a head of household age of 60-70 has saved only 25% of what is needed for retirement.
6. 45% of baby boomers are not expected to have enough money to even cover basic living expenses in retirement.
7. The basic baby boomer has been forced to postpone retirement at least 10 years.

The key to eliminating retirement uncertainty is to plan carefully, save as much as possible, invest wisely, and at age 65 get hit by a bus.

We have entered a phase in government called INEPTOCRACY: *A system of government where the least capable to lead are elected by the least capable of producing, and where the members of society least likely to sustain themselves or succeed, are rewarded with goods*

and services paid for by the confiscated wealth of a diminishing number of producers.

Hope you are getting the idea. Bottom line: Get out of debt today. Start accumulating wealth by saving, and limiting an insatiable life style hunger that will limit your future choices and put you squarely in the poor house at age 65.

If you want to start today by getting out of debt, getting a savings and debt reduction life style plan, just go to [www.doctorace.com](http://www.doctorace.com). It's free. It's simple. It works. Become the top 4% that actually will be able to retire. Go to [www.doctorace.com](http://www.doctorace.com) for free downloads and financial calculators.

PS: I received four calls today, and all of them were about money or the lack of it. One was a soon to be graduate with \$457,000 of school debt who came up with a unique, wealth-building strategy of marrying another dental student with an equal amount of debt. The next was a doctor who is just starting out as an owner of a scratch practice and had questions about financing and how to service the debt. The final two calls were from established doctors. One about 40 wanted to know if he could afford this million-dollar plus house in an exclusive neighborhood. The final doctor was 64 and wanted to know how much she needed to save in order to retire. In each case, regardless of age, experience, or profitability during their careers, they were all "financially illiterate". I kid you not; don't be like these guys, or maybe call someone else.

## Chapter 28

### MONEY

If you have heard me speak in a lecture, you have heard me tell you about my past: Divorce, cocaine addiction, faith, and a new life. I want to discuss money as it applies to our practices and life's decisions in this chapter. I believe that money, in the context of our practice, is the best indication of the amount of “**service**” we render our patients. It is just a measuring stick that indicates how all of the other things in your practice and life are being done. Poor income usually indicates a poor process, systems, staff and business. Like it or not, each of you are responsible for how this portion of your life turns out. The good thing is that for most of us it is still not too late, and all of us can improve.

As with most things, we need to take a look at what we want the end game to look like. So, in this case, we need to begin with the end in mind. Most of us want to retire comfortably (making as much if not more than we did during our working years), not face a divorce, raise our kids to be self-supporting and independent with great work ethics, and have the income and savings to help our kids through the education cost of college and maybe even graduate school. In a phrase: The American Dream. Kind of like the 1960's sitcoms Father Knows Best, and Leave it to Beaver.

Sadly, on an almost daily basis, I hear doctors describe to me their “paycheck to paycheck” type of existence. They come in every gender, ethnicity, and age. I realize that no one ever walked across that dental school

graduation stage and, upon receiving their diploma, jumped up and down shouting “I can’t wait to be average”. Yet, only 5% of dentists are ever financially independent by age 62. In fact, retirement age has been extended to 70 years of age (or more) while still not hitting the mark of financial independence. You will find it increasingly difficult to meet or certainly exceed your goals if yours is an average practice: \$650,000 a year with 20-30 new patients a month, with an overhead of 67%-75%. What you do today, how you look at money, and the amount of time you engage in the process will drastically change this percentage. It’s just up to you. I can’t speak in absolutes, but I’ve come to the conclusion that doing the whole “paycheck to paycheck” thing is almost always self-imposed. By omission or commission, you are responsible for your practice and life. You are either the number one reason you succeed or the number one reason you struggle. While sometimes the culprit is a lower than average wage from your dental office, which I believe you can resolve, most of the time the problem is a less than ideal strategy set into motion early in a career and then never properly corrected. A waving white flag unknowingly replaces effort and vision so that you find yourself saying things like “it is what it is”. The good news is, it isn’t. You don’t have to be a “settler” (someone who accepts an average result) condemned to never being able to retire.

There are seven mistakes that could cost you thousands. These money mistakes can sneak up on you and before you know it these mistakes can position you to lose a pile of money. Make sure that you learn these financial faux pas and correct them early on, and you will be able to save millions and avoid a lot of sleepless nights.

1. **Control your school debt before you spend it.** Borrowing for school is not the time to not work or use school loans to support a particular style of living. The Student Loan Hero Survey showed us that 3% was spent on vacations, 3% spent on alcohol and drugs, 13% on restaurants, 15% for clothes, 19% for car payments and 41% of the respondents spent loan funds on monthly bills, like mobile phones. Students borrow more money by justifying it on the hope of future income. This is crazy and the average dental student debt is between \$325,000 and \$500,000+ for college and dental school. These same students discovered one more challenge related to finance when they married another dental student with another huge pile of debt.
2. **Buying a house you cannot afford:** Everyone knows what a great financial asset a home can be, NOT. Homes are a huge expense of money, time, and energy and never an investment. Buying a house beyond your means plunges you deep into debt and forces you to turn to credit cards to catch up. It can even put you in a situation where you believe you have to “keep up with the Jones’s” because after the move you find that you don’t drive the right model of car, the furniture needs replacing, your kids need to go to private schools, and you need to join a particular country club to rub noses with the right type of people. If you buy more house than you can afford, you will end up spending more on fees and interest than you can possibly make back from your “investment”. The benchmark here is to be able to make a down

payment of 20% (minimally) of the initial cost, never have your payment exceed 20% of your after-tax income, and never, never, never consider buying a house where you can't afford a 15-year (or shorter) mortgage. Our second fatal flaw, as it always is when it comes to money, is our behavior. In an effort to buy more for less, we end up buying more for lots more. The bad news is that lending institutions will loan you just about any amount you ask for. Keep in mind that most of the interest paid on a loan is front-loaded. In other words, you pay most of the interest for the entire loan before the first 9 years pass. That means a 2-3% housing loan can be 200%-400% interest for those first years. The reason they do this is that the average stay in a home is about 8-9 years. Banks know you will just go out and make the same mistake again. Only the bank wins.

3. **Not saving at least 20% of your income:** When you research how much savings are needed to be able to retire at age 65, the average American used to have to save 10% of their income. That has changed and is now 14%. Unlike the average American, the habits and spending history of dentists far out-strip their ability to save. That means you are going to need to save 20% instead of 14%. This behavior of spending will not magically disappear later in your career unless you begin today to conservatively and consistently pay off debt and save money.
4. **Ignoring your investments:** Too many people mindlessly save a little and fail to even watch that small amount. Financial life is saving every pay

period, investing in a wider range of investments, with a conservative hunger for success. Dentists put this off until reaching their 50's and start swinging for the fences to catch up. Sorry, it doesn't work that way. Start early and if you save it and don't spend it, it will be there when you need it.

5. **Don't marry if are not committed to staying married.** Denial is not just a river in Egypt. Doctors tend to successfully end an average of two marriages in their lives. Pretty poor batting average when you consider how poor a wealth building strategy giving up 50% of your savings 2-3 times in your career from divorces turns out.
6. **Not asking for and not paying for advice from the best coaches and planners there are.** This is an investment that pays huge dividends and keeps everyone on course. Spending money here is an investment and not an expense. You should expect a huge return on your investment. Always use a financial advisor that charges a fee and does not make money on products they recommend.
7. **Not having goals:** Where do you want to be in 10 years, financially speaking? How about 20 years? If you do not have a goal, you'll have a hard time coming up with a savings plan. That means your money will be flying out the door for expenses instead of quietly making you millions of dollars in maturing investments. If you set reasonable goals, and have a plan to meet them, you can accomplish amazing things. This is the beginning of financial freedom and lack of stress.

Why do lottery winners go broke? Why do we hear so many stories about professional athletes and famous actors falling on hard times after earning tens of millions of dollars? And, why do 95% of all dentists fail to finish anywhere near the financial level they should? The answer to all three questions is the same: We get distracted by the assets and virtually ignore the financial dependency created by our habits. Arguably, every dentist should earn enough to create a sustainable financial existence. What's missing from the equation is often a sound strategy to attempt to eliminate the need for a bunch of money. Our debts are often our largest ongoing obligations. From mortgage debt to student loans, being debt free will prevent you from needing a bunch of money in your retirement. "Lifestyle creep", where we see debt as normal, credit cards as necessary, and instant gratification at the expense of savings is a common thing for dentists. If you want to break your dependency on your income, you must save a higher percentage of your take home dollars every year until the day you retire. If you, like most dentists, blindly assume that they can reduce their income dependency in retirement with no prior successful track record of doing so, you are in for a rude awakening. Now is the time to change those habits that will continue to hold you captive and ruin any chance of successfully transitioning from work to anything else.

When I speak with doctors over the phone, I not only ask them for some numbers from their practice, but I always ask these two questions. Questions that each person reading this should know instantly, but they never do. The first is: *How long do you want to practice?* The second is: *How much money do you need to feel financially*

*independent?* Generally, they say they really have not thought about it. But most come up with an age at which they would like to have the choice of transitioning out of dentistry if they choose to without any financial worries or debt. The second question is always a tough one. I try to make it easier by saying: *You probably can count on being able to spend about 4%-5% of your money saved after tax and not run through your saved principle. So, if you had \$2,000,000 you could spend about \$80K-\$100K a year. Would that be enough?* Generally, they are shocked when I remind them that they will need about the same amount of money they spend now, minus debt payments, if they are debt free at retirement. They are shocked because for the first time they realize there is no way that \$2,000,000 would carry them through their retirement. So, we look at greater and greater amounts. The general consensus seems to be in the \$4,000,000 to \$6,000,000 area in order to generate enough income to live on without working in retirement. Then we look at where they are and, boom, they are shocked again. It's as if they live in some fairy tale where their fairy godmother will miraculously appear when they reach the age of 62 and bless them with that retirement money that they have, up until this time, failed to save.

So here is a little advice on what to do minimally to survive your work career and transition into an early or even timely retirement. For recent graduates, I challenge them to not buy anything (no new cars, homes, use credit cards, or add any additional debt) until they have six months income in the bank and can save their age in \$1,000 bills every year. If you are 26, that would be \$26,000 and would go up a \$1,000 every year. That comes to a little

over \$500/weekly. You would not only reach your goal for retirement, but would exceed the previous example by age 62. I have never seen a recent graduate who could not pay off their school debt in 5-7 years. It's all about choices.

For those 35 to 50 year-old dentists that are already behind: Don't swing for the fence. You don't really need any home runs. Your strategy is to sit down with a financial advisor and give them all the financial information you have and partner with them to create a plan that is a few years short of age 62 to accomplish your financial goals. Keep in mind that working forever is a pipe dream. You can't even purchase disability insurance after age 64. Generally, structuring a financial plan will involve divesting yourself of silly purchases like second homes, boats, and revolving credit you never pay off, while saving and decreasing debt. These financial advisors will also factor in the additional costs of kids and any other factor that would affect your ability to get out of debt and accumulate savings. This is a real wake-up call when you actually see your current potential without drastic changes in your life style.

For those 50 to 70 year-olds, you should be completely out of debt before your 55<sup>th</sup> birthday, with at least \$3,000,000 in cash and on track to accelerate your accumulation while working to make your practice an asset that would bring a tidy sum at retirement.

For anyone else that finds themselves thinking: "Yes but, I \_\_\_\_\_", give me a call and allow me to help you take the first steps to financial freedom. Just a talk with a friend that has been there and

help thousands of doctors realize their dreams. Standing up and committing to a new accountability for you and your spouse when it comes to money is the first step toward a stress-free life and a predictable future.

I want to delve into six characteristics of doctors who struggle. If I could change one thing for the doctors we work with, it would be their struggles in how they spend and save. Could there be a more pervasive topic than money troubles and their causes? A life spent making money and running a very profitable business still leaves the average dentist scrambling at retirement to pay their bills and lead the good life without having to be a wet fingered dentist every day. There are six types of people who will always have trouble with money. We all know that at one time or another we make financial mistakes or have a challenging deadline that stretches our finances. I am not talking about that. These six typical poor money handlers spend a lifetime repeating the same mistakes and thinking that they will magically come up with a successful result. Here they are:

1. **The Spender.** Number one on the list because it is the most common mistake in handling money. It is almost a certainty that the average dentist will spend just a little more than they make. Complicit in this is often a spouse that is in denial about the family's financial situation and yet still runs up their credit card charges and just can't ever seem to pay them off. They may spend well beyond their means and swipe credit cards to their max. Unfortunately, this can be a quick way to incur massive amounts of debt and hurt any chances for financial success. If

you are not saving, you are not helping your future. For the average dentist, you must save 20% of your earnings if you ever plan to retire financially independent.

2. **The Risk Taker.** This is the doctor that always swings for the home run. High risk can lead to higher rewards, right? I had a partner in my main practice in McKinney with histories of bankruptcy, over spending, and failed financial strategies. It always seemed to me that the risk taker was also the one that had the largest entitlement mentality. This doctor feels like he deserves the biggest house, nicest car, and private schools for the kids, etc.
3. **The Procrastinator.** Making late payments, waiting to save for retirement, letting bills pile up, or putting off goals are all common examples for the financial procrastinator. Even with new graduates, I ask them to set a goal to pay off all of their school debts in 3-7 years, not go into debt on a house they cannot afford, and keep driving that clunker till it drops. When asked by these new graduates about how much to save, I always give them this for a starting point: “Save a thousand dollars a year for each year of your age”. If you are 26, then save \$26,000 this year. If age 34, then it would be \$34,000.
4. **The Dummies.** These folks, like the Spender, have a “you only live once” mentality when it comes to money and, as such, end up spending it all. They have not taken the time to educate themselves on finances and show no interest in learning. You just can’t fix “stupid”.

5. **The Pessimist.** Unlike the Risk Taker, these doctors are afraid of taking risks because they fear things will not work out. Kind of a negative goal setting personality. They don't save because they think they don't deserve it or will ever be able to retire.
6. **The Giver.** Here is where I found myself for decades. I preferred to purchase nice things for my loved ones. I found joy in giving. At first glance that doesn't sound like a bad trait to have, right? Keep in mind that as much as you want to shower those you love with gifts, there ought to be limits. I see this in others, where they create unrealistic expectations from their children by giving them a lifestyle that the Giver really couldn't afford. It gives your spouse and kids a jaded vision of how things should work in the "real world".

Change is difficult in any arena, but when it comes to finances, we tend to operate from a perspective of "appearances". Just because you are a doctor, you should not think that you deserve to drive a new car and live in a gated community, where your kids go to a private school while you play tennis and golf at the best clubs. I rarely find that doctors who struggle with money at the office do any better at home. Your business is an exact reflection of the finances, culture, personality, and interpersonal relationships that you have at home. Money should be one of the first challenges you set goals for and commit to change.

Before closing, I wanted to tackle a couple of myths, challenges, and benchmarks. Personal finance blogger Zach of Four Pillar Freedom created a simple chart

that breaks down at exactly which age you'll become a millionaire (<http://www.fourpillarfreedom.com/the-million-dollar-age-grid/>). Keep in mind that the average dentist will need \$3,000,000 to \$6,000,000 with no debt in retirement. I thought you might like to see that with diligent saving habits it is possible for anyone to become a millionaire in 30 years if they're able to save and invest \$10,000 a year. Simplifying this for dentists, that's about \$833 per month, which would be about a fourth of what you would need to save in order to make your goal of \$4,000,000 or about \$3,332/month, \$833/week, and/or \$208.25 a day, or \$26.03 an hour. Who couldn't increase their production by more than \$26.03 an hour? This seems doable to me. The trick is to start early. Compound interest and good habits make all the difference.

Do you ever wonder if you spend too much money on rent, dining out, or anything else? There are no rules set in stone that tell you how much to spend on one activity or another. But you can compare your spending habits to other Americans. This is possible thanks to the Consumer Expenditure Survey, which is conducted each year by the U.S. Census Bureau. It's the only nationwide household survey to provide information on the complete range of consumers' expenditures and income, as well as the characteristics of those consumers. I thought you might be interested in where your money goes:

1. Housing: 41%
2. Transportation: 16%
3. Food: 14%
4. Healthcare: 8%
5. Utilities: 7%
6. Entertainment: 5%

7. Misc.: 4%
8. Clothing: 3%
9. Education: 2%

All you have to do is plug in your take home and be shocked at the actual dollar amount you spend on each category.

So how many years of retirement living will you need to fund? Important question. Currently most dentists' greatest hope of financial security for their families is being hit by a bus at 62 and having their life insurance pay off their heirs. This question of how long you will need to fund is key to knowing how much you will need. There are three methods to consider.

1. **Life Expectancy:** This is pretty easy to do. For instance, a woman turning age 65 today can expect to live, on average, until age 86.6 and would need to fund 21.6 years. The problem is that life expectancies are just averages; half will die before that life expectancy number and half will die after. So, it's possible you will either dramatically underfund (bad) or overfund (OK) your retirement.
2. **Planning to a certain date:** Planning to fund to age 95, 100, or 105 represents the lowest spending, highest savings method. Again, I guess you could live beyond this age but this method gives you much greater confidence you will not outlive your money.
3. **Plan based on probabilities:** Insurance companies use this method when pricing life insurance policies. They know that about one out of every four 65 year-olds today will live past age 90, and one out of 10 will live past age 95. So here is the

rub. For people with a healthy lifestyle and no mitigating health factors insurance companies use age 100. If we are looking at an overstressed, overweight drinker with financial problems and a shaky relationship at home with three 30+ year-old kids still living with them, it will be extremely difficult, if not impossible, to purchase life insurance, disability insurance, or medical insurance. These characteristics kill and kill early.

We have come full circle and come back to what you need to do now.

- **Gather all of your data and information:** Accurate detailed data insures that you are basing your decisions on sound facts rather than feelings.
- **Set goals and objectives:** Once you have the data collected you will know exactly where you are and can begin the process of deciding where you want to be in a year, 10 years, and the rest of your career.
- **Find tax efficient ways to save:** If you are taking home over \$250,000 to \$350,000 you are probably paying 20%+ too much taxes because you have not taken the time to hire the right group to mitigate your tax exposure. Contact Jeffrey Junek, Tax Saving Professionals, ([jeff.junek@taxsavingpros.com](mailto:jeff.junek@taxsavingpros.com)), cell 772-563-3177.
- **Manage your risks:** Not having the right amount or type of insurance can wreak havoc on your financial plan. You and I need to wear a belt and suspenders when we consider financial

strategies. Asset protection is another cornerstone on protection to manage risks. Contact Eagleston Financial Group, John M. Eagleston, 877-409-1160 ([john@eagleston.net](mailto:john@eagleston.net)), for your insurance questions and Douglas Lodmell ([douglass.lodmell@lodmell.com](mailto:douglass.lodmell@lodmell.com)) for your asset protection needs.

- **Measure and monitor your progress:** What gets measured, gets done. You can't measure what you don't track. Commit to doing this today. My suggestion is that you visit [www.doctorace.com](http://www.doctorace.com) and see all they offer online. Dr. Goerig is one of the most successful dentists I know, and he prides himself on helping others get out of debt and accumulate wealth.

This plan is worth beginning at any age and will pay wonderful dividends. These resources are the very people I use personally.

## Chapter 29

### THE POWER DAY

I was visiting an office not too long ago and wanted a unique strategy to give them some momentum and direction for their practice to grow. I had done this once before with good results but I just knew this office would really shine. This strategy can be a game changer. Experiencing the Power Day can reset your deserve meter and fundamentally change the way you look at the practice of Dentistry. It is not an easy assignment, but few things that really matter are easy. This strategy follows your commitment to invest money in marketing, answers the question of whether or not you are marketable, and reflects on marketing in general.

I have an assignment for everyone reading this. Sit down and get ready to rock your world. I have a challenge for you. I want you to pick a day in the future some 30 to 45 days away. This day is just a blank slate with unlimited potential until you book it. What we are going to do is create the perfect day. You and your staff need to see what a day looks like in a Super General Dental Practice. What it takes to create or engineer that day from the standpoint of systems, benchmarks, staffing, and doctor.

1. **Enlist the help of every staff member.** We need everyone on board. If you find someone who is not engaged in getting ready and planning the day, free up their future. You don't have the luxury of paying for staff that are not engaged and motivated to perform. No one wants to pay a staff member to make your life miserable. The team needs to come

up with the goal for the day. We need you to set a goal for: Hygiene production, DDS production, collections, at least two new patients per hygienist working that day, being on time, number of appointments and type, hours, day of the week, marketing, number of cancellations and no-shows, 100% follow up appointments, goal on number of emergency patients processed and treated to add additional productivity, and 100% conversion of incoming calls to appointments made. I would recommend a production number for hygiene to be at least \$1500 for the day per hygienist. Dentist's production should be 20-30% greater than your average for the last few months. Collections should be a minimum of 65% at time of service and the rest paid in advance.

2. **The first step is to pick the day.** The day of the week needs to be a day that the highest number of consumers would want to come in. Generally, Fridays, and Saturdays are the most sought-after days for dentistry. While most doctors work 8-5 Monday-Thursday, most consumers will want early or late appointments on days that would least affect their earning potential (job). Make sure that few or no patients are currently scheduled during that day. That includes hygiene. We need room for new patients to come in on hygiene. In fact, we need 30% of the day on hygiene open in the future to make room for the perio scaling and new patients that will go in that day. It is impossible to make a significant hygiene production during any day just seeing recall patients. We want a clean slate in

order to construct the perfect day. Everyone will work that day. Mark the day on the calendar and tell all the staff about what you are going to do. It will be the best day ever from the perspective of low stress, production, new patients, profitability, scheduling, etc.

3. **Staging the Day.** A great “today” only happens when your yesterdays “staged” all parameters in order to create success. Part of the reason for having this “Power Day” is so that staff can be immersed in what it feels like and looks like. Most people are visual learners. Nothing can take the place of experiencing the day. Your practice will never be the same. You will never settle for just getting by. No one will ever want to go back to mediocrity. You can literally change their entire perspective about what success is. Success is staging every minute of every day to get the results you know you deserve. Once you stretch yourself and your staff nothing will do but a string of perfect days. It is an addiction to success. When we talk about staging, what we mean is that it takes several weeks of intentional steps to get the right patients, with the right financing, and the right needs to fill out that day. It takes dotting the “i” and crossing the “t”. It is the little things that create a ripple effect for your day to come together. It’s tough the first time, but this is what great practices do every day in order to get superior results.

4. **Create the schedule.** Great days don’t just happen. They are created. Nothing, and I mean nothing, is

left to chance. What do you need to make a schedule worthy of a “power day”? Both the doctor’s schedule and the hygienist’s schedule need to have at least 60% of the day in substantial cases. A substantial case for a doctor would be treatment at or above the fee of a crown. For example, if your crown fee was \$1000 and your goal for the day for the doctor was \$6,000, you would need 60% of that day or \$3,600 ( $.60 \times \$6,000 = \$3,600$ ) in substantial cases. That would mean 3.6 cases minimally to actually meet your goal. If your doctor is slow (takes him or her more than an hour from start to finish for a crown), you would need more substantial cases. You simply can’t make a significant goal in dentistry with just fillings. A substantial case would be, in this example, work valued at about what a crown would produce. It could be a full mouth of fillings, denture, partial, orthodontic case, implants, sedation cases, full mouth extractions, not just a crown. So, you need to begin looking at the day and deciding where these cases will go. Patients will gravitate to peak demand times first. In other words, they will want to come in early (7-9) or late (3-6). With this in mind we need to concentrate on filling the difficult appointments first. Try and get patients who already know and love you to come in between 10-3. In this way the most difficult times of the day will be filled first, leaving the peak demand times to be filled later. They will be easier to fill and more attractive to new patients. For the hygienist the same principle applies. Peak demand times and substantial cases are the things to remember. Fill

the 10-3 times first and then later work on the peak demand times. The ideal way to schedule is to make sure you don't do it too far into the future. I would be putting the last patient on the schedule the day or two before the big event. If not, you stand the chance of a lot of no-shows. Also, hygiene has substantial cases too. They won't be the value of a crown but they would be things like full mouth scaling and root planing, new patient exams and cleaning, impressions for night guards and sleep apnea appliances, four quads of sealants, or anything else greater than a normal recall appointment. Hygiene schedules cannot meet a significant goal just doing recalls. Make sure that each hygienist has at least 2 new patients during this power day, and at least one scaling patient, and more if possible. In a productive practice and especially on this power day, we need to make sure that the hygiene department is responsible for at least 33% of the total office production. If the day's goal is \$10,000, then hygiene should produce \$3,333 of the \$10K. One secret of super productive practices is that they always schedule 10%-15% above goal every day. In other words, if the goal were \$10,000/Power day, then they would schedule an extra \$1,000-\$1,500 for the day or about \$11,000-\$11,500 total for the day. In a normal practice we expect a 10-15% cancellation rate. In a good practice we expect to lower that below 10%. You must bring that percentage down for this Power Day. Remember we are trying to create the day you always wanted. One last thing about the schedule. You need to get in the habit of having a "fall back"

plan for your schedule. I want you to identify a few patients who, upon short notice, could come in and fill in any cancellations on your Power Day. We did this for 37 years for every day, and you need to do it here.

**5. Preparing the patients for your Power Day.**

Nothing is left to chance, not even the patients. All new patients will be sent a health history/dental records package a week before their appointment to fill out so that you can stay on time every time during the Power Day. If you can do it electronically even better. If the patient has insurance, you will check their qualifications and insurance benefit limits so that you can speak with authority when the patients actually appear in the office. All patients of record that will be coming in will have their records checked to be sure there are no outstanding balances so that this can be taken care of prior to the appointment or prior to bringing them back. Keep in mind that patients that owe you money are more likely to cancel or no-show at the day of the appointment and/or sue you when you try to collect. We can't afford for this to happen and expect you to pull off your Power Day. Every patient will be reached in person to confirm his or her appointment. Messages left on voicemail or with a family member do not count. You either speak with the patient to get a confirmation, or you book over them to insure a successful schedule. If there are large productive cases on the doctor's schedule try and have the patient prepay the total to receive a 5% discount. This will further insure you

do not have any cancellations or no-shows. Nothing is as important as having a bulletproof schedule to pull off the Power Day.

6. **The “day of” plan.** Everything will be ready for a great day. No excuses, no one sick, nothing will stand in your way of making this “your” day to shine. Everyone gets 8 hours of sleep the night before. We need you rested and ready to go. Everyone shows up 30 minutes before the day begins in order to have a huddle that insures that any holes are filled with productive appointments in order that we make our goal. You identify potential problems, strategize on how to overcome them, and implement a plan for the day. We will schedule lunch between 1 and 2 (not 12-1) because patients want to come in during their lunch breaks between 11-1. I would even plan on having lunch brought in. I don’t want you working through lunch but things happen and I want this day to work regardless of what life throws into your path. Keep in mind that even though you are focusing on today, you need to make sure that every opportunity and patient is taken care of for their follow up treatment in the future. No one leaves without an appointment. Don’t make the mistake of taking short cuts on the day of the Power Day. Every patient should spend quality time with the staff and doctor. Every patient should be asked to refer others to the office. We will call all the patients we worked on at the end of the day. Everything you know you should have been doing your entire career will be done on your Power Day. Put on those T-

shirts that say: “Whatever it takes” and develop a can-do attitude.

7. **Celebrate.** Take the time at the end of the day to celebrate the victories even if you fall short. Complement the staff on what went well and take the time to discuss what you could have done better. Everyone helped, everyone worked, and everyone should be patted on the back. I would even spring for drinks and appetizers at the watering hole down the street. If you actually make the goal in full, you might think about a little money for each staff person or something special for them. I actually had an auto detail group come to the office and wax and wash all of our staff’s cars following a Free Day that we did. This is, above all, a team building exercise that will mean a better future of all of you. Lessons learned during the Power Day are validated. It will be a success. Just make it so.

**A Bonus thought:** Let’s say we had a \$5,000-dollar day. The average dentist works 200 days a year or about 16 days a month. What if you took 100% of the proceeds of the day or \$5,000 and put it in a tax deferred account for retirement? What if you decided to extend your Power Day to once a month or in this case  $\$5,000 \times 12 = \$60,000$  for the year? What if you did that for the next 20 years? Your savings strategies with a 5% return would grow to \$2,077,295 in twenty years. If you got 10% it would grow to \$3,865,125 in 20 years. Forget about hitting a home run in real estate or the stock market. This could guarantee your future just doing what you know.

That's your Power Day. That's a normal day in a Super General Dental Practice. That is what we did every day for over three decades. Your "one day" in the future can easily turn into a day a month and before you know it, your Power Day will be an average day for the rest of your career. You have nothing to lose. Pick out the day and start the process. Good luck and have a good time.

## Chapter 30

### WHY HAVE A COACH, MENTOR OR CONSULTANT?

This title sounds pretty self-serving, don't you think? It is, and it isn't. Over 40 years of practice, I have spent a little over \$100,000 average per year to educate my staff and myself through consultants and classes. While some were great and others not so great, I would have to say that I got my money's worth out of even the worst consultant I hired.

In today's environment, where should you invest your hard-earned dollars? You can go into the stock market, and assume the risk and poor returns, go to the bank, or even dig a hole in which to bury your money. All of these will fall far short of the annualized return you get from investing in your practice by hiring the right consultant or coach or having a mentor.

I was thinking back on the obvious and not so obvious benefits I gleaned from partnering with my coaches and mentors. My first thoughts hinged around the increased productivity, lowered overhead, and decrease in stress through being more efficient and effective in my business. I think you would expect that, and you should find that true, but there are a few areas that are kind of counter-intuitive that you might miss. These are probably the essence of reproducible growth through knowledge and perfected systems that were created and continued to evolve throughout my career.

1. *Coaching creates order to the chaos of everyday practice and the change required to get to the next*

level. No one likes change, and every staff member will give you push back when you try to implement the improvements that every practice needs to take you to that next level. A great coach should be able to help you see your areas of need along with a clear path to improve them. They should see the blockages that are holding you back and have multiple ways of breaking through to that next level. Knowing that no two practices are the same, you should see a customized plan to account for the idiosyncrasies of your practice.

2. A coach should create a slight phantom pressure of accountability with you and your staff. I hate to admit it, but most of us spend a majority of our time putting out fires at work and home. While we try and create consensus in the actions, we ask you to take, we know that nothing happens until the day before we come back next month. It's kind of like being back at school, knowing that someone is looking over your shoulder. The neat thing here is that we are on your side. We are not going to be satisfied until you meet or exceed the goals we helped you develop.
3. The speed of application goes ballistic. You may have a history of procrastination or just feel that it has always been difficult to get off the starting block. A good consultant makes this manageable. We understand that there is no learning without application. A great coach motivates you to commit to whatever it takes to make this happen and holds your hand through the whole process.
4. Paying for a service and the knowledge accompanying it in a coaching relationship automatically changes the priority setting on getting things done. Pay for something and you are ready to do your part to make it happen. Procrastination goes out the window, and for the first time in years

you are focusing on making the hard decisions and following through to completion.

5. I would have to say that committing to the cost of money and time for a coach to come to my office and train me and my staff forced me to live *an intentional life that created pride in the fact that I was getting things done.*
6. Finally, and maybe most importantly, *great mentors and coaches can help you eliminate or minimize the errors you make.* You don't have to start at A and move down the alphabet. Great coaches can help you start at M or higher. You don't have to reinvent the wheel.

Consulting should be a great experience with a huge return on investment for you and your staff. Great, profitable practices don't just happen. They're created. You don't have to recreate a pathway to this success. We have already done it for you. Netting a million dollars a year is obtainable, having a 50% overhead is doable, finding balance in your life with less stress and better results is a given.

One word of caution: We are seeing consultants pop up everywhere. We even have doctors, who we trained start some form of watered-down management course with information that we gave them five years ago. I guess imitation is one form of flattery, but it would be nice for these speakers and new guys to acknowledge the source of their information. Their idea of management is a visit and a monthly or weekly phone call at the price of a 24-month financial commitment. I don't believe that you can get the results you need over the phone. If the coaching company you are considering visits once and then has a monthly/weekly call and an occasional webinar, look

somewhere else. Great coaching takes time, face-to-face training, and a history of integrity and results. If you are listening to some consultant/speaker who continually changes their strategies with little or no change in results, they're just doing this to sell you something. If you have to pay up front for a year-long (or longer) commitment, don't do it. You deserve to pay a fair price for a great product while still having an option of cancelling without a huge down side. We pride ourselves on a thirty-year track record of integrity and great results. If you are not afforded the face-to-face time with the owner of the management company where you have the difficult questions answered to your satisfaction, you are looking at the wrong group. I believe that your consultant should be in your office every 4-6 weeks in addition to unlimited phone contact, selective seminars at no charge and webinars and monthly newsletters. We guarantee your satisfaction, and pride ourselves on decades of successful clients.

Take the time to consider investing in your future and partner with a great mentor and coach.

## Chapter 31

### WHAT YOU WANT TO HEAR DOESN'T ANSWER THE QUESTIONS YOU NEED TO ASK

Your ability to answer the question I am about to ask will be the key to your future success. Please take the time to ponder it honestly. For a lot of us, half efforts and procrastination got you where you are today. Please don't perpetuate it by not looking at this question very seriously.

The question is: *ARE YOU MARKETABLE?*

Three simple words whose answer holds your future success. There is no room for error here, and the only answer will have to be yes. The only person that has a vote on whether you are marketable or not is the consumer. If it is no, or even if you have a question as to whether you are marketable, you might as well go work for someone else. Your practice will never grow and success will elude you. So, why would I tell you that being marketable is the foundation for success in Dentistry? It's simple. Without being marketable, you have no future in Dentistry. I have spent almost four decades dissecting practices and advising doctors on clinical and practice management challenges. I feel like it all comes down to your ability to get new patients and for them to stay, they must like you. Without at least 40-50 new patients/month, there will be no growth. Without sustainable growth, your systems, your staff, and your clinical excellence really doesn't matter. It just seems like doctors who can attract that many new patients and more have their act together and their future is bright where success is almost guaranteed. These doctors are also open

to making the changes that would continue to help them grow. They embrace change and understand that each year we have to adapt or die.

I can't tell you how many times doctors tell me that they are doing everything right, but they just need more new patients. Are they deluded or in denial? A lack of new patients is not a problem. It is a symptom of a problem. The problem is with everything else. If people are not coming in or not coming back, they don't like something about what you have to offer. The truth is that these struggling practices are not doing everything right and the people that did come in didn't really like what they found. Growth is, in itself, an acknowledgement of the success you have in systems, staffing, and your clinical dentistry. 20 or fewer new patients per month, less than at least a 50% direct referral rate, high staff turnover, and an overhead of over 63% are all indications that there is room for improvement.

So, it is time to reflect and answer the question: **Are you marketable?** It will come in the form of these other questions. See how many you can check off.

- Do you have consumer hours or are you just working Monday-Thursday 8-5?
- Are you getting at least a 50% direct referral rate?
- Do you have more than 40 new patients per doctor in your office?
- Are you in-network with the insurance companies that your potential clients have?
- Is the whole family (kids and adults) welcome in your practice, or are you finding that the average

age in your practice is way off what the average age is outside your practice?

- Do you have a wide range of services that continues to grow, or do you refer out a lot of dentistry?
- Do you have interest free financing?
- Do you have 15-25% growth a year, or are you flat or just doing a 5-7% growth rate?
- Do you consistently tell patients through marketing that you are a great choice for their dentist and that you would like to see their friends, family, and neighbors?
- Do you have almost no staff turnover?
- Do you spend more time on your practice than your hobbies?
- Are you excited that you checked just one box in the above questions, because it will take you 90%+ to actually grow? One is not enough. Half will only get you in the game. In fact, having all of these checked is probably just the start of where you will have to go to succeed in Dentistry.

We have to ask ourselves this: If I were a potential new patient looking for a dentist, would I choose my practice? My staff? My protocols? Until you can answer a resounding “yes” to the question “Am I marketable?” you will never be in a position to take back your future and control your destiny.

This entire book has been written in an effort to pull back the curtain on what a Super General Dental Practice can look like while standing up a mirror for you to see where and what you really are. In each chapter I have challenged you to compare your results with a higher

standard of care and service. These challenges have been voiced in questions about various areas of your practice. My goal was not to tell you what to think, but rather help you learn how to think.

What you want to hear doesn't answer the questions you need to know. The real questions have to be addressed but we need to agree that there will never be perfect timing to act. I am not concerned about what you know. I am most concerned about what you think you know that isn't true. So, your journey has to start here.

- *It has to start somewhere.*
- *It has to start sometime.*
- *What better place than here?*
- *What better time than now?*

This is a kind of, “*you can't handle the truth*” discussion. If you increase your engagement and commit to changing the future of your practice, you will constantly run into a wall by not asking the tough questions. All of us feel most comfortable with the past and what we know and what we've done. It is the arena of uncertainty that freezes most of us from taking action. Whether it's fear or procrastination, the future of Dentistry will continue to march on. You get to decide if you will strive and adapt.

I wish there was a way for me to tell each one of you exactly what you wanted to hear. The problem is that most of us are not the dentists we think or wished we were, and all of us have the innate ability to raise our game if we could just get started. Every year we begin again to set goals one last time only to find ourselves 12 months latter

no closer to where we intended to end up. This year, let's start with SMART goals, and a very select few.

- **(S) Specific:** Not a generality, but a black and white pinpointed goal.
- **(M) Measurable:** What gets measured gets done. Set a benchmark.
- **(A) Achievable:** “What the mind can conceive it can achieve”.
- **(R) Relevant:** This practice goal should be relevant to us all.
- **(T) Time-based:** Set a deadline and go for it.

In fact, let's take a “select few” and just concentrate on one. Who of you, if given the one thing that could turn your practice around, couldn't find a way to successfully integrate it over the next 12 months? I would hope not one. So here is a goal. Take a minimum of \$4,000 each month for 12 months and begin a full court marketing strategy. If your collections are high enough and 3-5% of that collection number is larger than \$4,000, then use the larger number. If you are in a professional building with no outside signage or drive by visibility, you will may need to spend more to make up for the lack of natural marketing from location (it will be at least \$5,000/month). That's it. Commit to investing (it is not an expense but an investment that will pay wonderful returns) the dollar amount and go for it. You have just a short time to chew on it and either put up or get ready for another lack luster year. I want to close with a couple of quotes that I find interesting in their depth and timelessness. I've written another book entitled Marketing the Super General Dental Practice. You can go

to <http://www.summitpracticesolutions.com/products> and get a copy.

### **Seth Godin's Blog: Hiding from the mission**

- *“We do this in two ways: The first is refusing to be clear and precise about what the mission is. Avoiding specifics about what we hope to accomplish and for whom. Being vague about success and this about failure. After all, if no one knows exactly what the mission is, it's hard to feel like a failure if it doesn't succeed. The second is even more insidious. We degrade the urgency of the mission. We become confused. We get distracted. Anything to avoid planting a stake and saying, “I made this.” It is possible to spend 7 hours and 52 minutes out of an eight-hour day in doing nothing but hiding from the mission, and it is exhausting.”*

### **Winston Churchill:**

- *Success consists of going from failure to failure without loss of enthusiasm. Success is not final, failure is not fatal: It is the courage to continue that counts.”*

By reading this book, you have created an opportunity to take action after action, set goals and reap the benefit by reengaging in your practice for a brighter future. Opportunity is unlikely to hang around unless you act quickly and take advantage of it. Just like New Year's goals and resolutions, we find that we begin with the best intentions, but a couple of months later we are back to our old habits. Hopefully you realize that when you thought

you were in the groove, you discovered you were in a rut:  
A grave with the ends kicked out.

So, what's it going to be? Just another missed opportunity leading to another year of unintended results with the consequences of inattention defining your future, or are you willing to breakaway to change your practice?

Accountability means answering for your actions (or lack thereof) and results. Accountability demands that you own your performance every day regardless of the noise that might surround your performance. Bottom line: Accountability means letting your actions rise above your excuses.

*“Men (and women) acquire a particular quality by constantly acting in a particular way. By doing so, you'll wake up with determination, and go to bed with immense satisfaction.”* **Aristotle**

I just wonder: Do you have commitment issues as you find yourself in a failure to launch status? Keep in mind that all great accomplishments are preceded by great commitment. You must decide that giving up is not an option. A loss of commitment is because of deficiencies in discipline, focus, character, and follow through. This is a tough pill to swallow in a world of “*you can't handle the truth*” standards. Behavior never lies and results are always what you deserved. All of us need to understand that “decisions always precede action”.

It's time to separate from our comfort zones. If you keep doing what you are doing, you will keep getting what

you are getting. You really can do what you set out to do if you simply decide and fully commit. There will never be a day when you do not need these four actions:

1. Dedication
2. Perseverance
3. Discipline
4. Personal integrity

So here is the plan. Our clients that really do well in coaching have several things in common.

- They take 2-3 times the continuing education as their peers. Competence enhances confidence. It serves as a way to stay engaged and striving in your practice. Don't forget to take your staff. We have a podcast resource available at no cost ([www.theoptimizeddentalpractice.com](http://www.theoptimizeddentalpractice.com)) to serve as one more conduit for learning and practice exploration. The episodes of each podcast can be downloaded and listened to when convenient.
- They set goals and hold themselves accountable. You can go back and read the article on "Acts" about goal setting. In fact, go back and reread Chapter 6 about taking action.
- They search out benchmarks, coaches, and mentoring to accelerate their commitment and minimize their setbacks. We would be honored to work with each and every one of you at Summit.
- They increase their clinical speed by 25%-35% with the same or better results in order to outrun the effects of write-offs in this insurance culture we find ourselves. Our website has a quick link

to over 500 my articles including clinical ones also.

- Finally, they never settle. They constantly strive and develop the habit of eliminating limiting beliefs with a commitment to being positive about their future.

### **Here is your own *Integrity Code***

1. If you make a commitment, honor it
2. If you make a promise, keep it.
3. If you set a goal, achieve it.

Thank you for the amount of time you spent reading this book. Please feel free to give me a call if you have any questions or suggestions. I look forward to helping each of you protect the future of the independent dental practice. My goal is to help you have the practice you always thought you would have.

Michael Abernathy, DDS  
972.523.4660 cell  
[abernathy2004@yahoo.com](mailto:abernathy2004@yahoo.com)