



SUCCESSFUL DENTAL PRACTICES

**9 Key Strategies of
Profitable Practices**



**MULTIVARIABLE
SOLUTIONS**

**(844) 433-3328
multivariablesolutions.com**

©2013 Copyright Multivariable Solutions. All rights reserved.

This material may not be reproduced, displayed, modified or distributed without the express prior written permission of the copyright holder.

For permission, contact copyright@multivs.us



Why do some dental practices survive and thrive, while others fail?

With a record number of dental school graduates entering the labor market each year and fewer practitioners retiring, dentists now face unprecedented competition. As a result of the staggering price tag of dental school, the high overhead costs of running a practice, and a recent decline in dental care use among working-age adults, standing out from the crowd is more crucial than ever.

How can you differentiate yourself from among the nearly 200,000 practicing dentists in the United States?

Whether you're currently building your practice from the ground up or have already purchased an existing practice, mastering key business principles can help drive your practice to success. **At its core, your dental practice is a business. You have the necessary medical training and clinical experience—but do you understand the business principles that are critical to your profitability?**

This white paper discusses the business practices that will help your dental practice thrive in a competitive environment.

Continue reading to learn nine key strategies that will ensure your success in the years to come.

"An increase in the supply of dentists, in the face of sluggish demand, could [explain] flat earnings among dentists."

—American Dental Association,
Health Policy Resources Center
Research Brief, October 2013



Key #1

HIRE A DIRECTOR OF FIRST IMPRESSIONS

Your receptionist will interact with every patient who contacts your office, whether by phone, e-mail, or in person. In some cases, your receptionist may be the only person with whom prospective patients speak before deciding whether to schedule an appointment—which means your receptionist significantly impacts the number of new patients who make it through your front door. Does your receptionist know that he or she is your office's Director of First Impressions? Does he or she make a positive impression in person as well as over the phone?

Key #2

TRAIN YOUR TEAM TO PRIORITIZE PATIENT SATISFACTION

In many cases, your patients' satisfaction will come down to how they feel toward the people in your office. Is your staff attuned to the feelings and experiences of each patient? Does your staff show empathy to the stresses and anxieties your patients feel? For some patients, visiting the dentist can be a stressful, even terrifying, experience. After an uncomfortable dental procedure, kind words and a warm smile can make all the difference.

To ensure that all of your staff members make a positive impression, hire and train for communication skills, flexibility, empathy, and professionalism—all key traits of excellent customer care agents. Set clear expectations and make sure your team understands that patient satisfaction is a primary factor in your evaluations of their performance.



Key #3

TREAT EVERY PATIENT LIKE A YELP REVIEWER

Review sites like Yelp and ZocDoc are rapidly becoming one of the most common methods for patients to research and choose new doctors. [Preempt negative online reviews by staying attuned to your patients' attitudes.](#) Do you and your staff actively solicit feedback from patients? Do your patients feel comfortable providing honest comments? Make sure your patients know that you appreciate their feedback—whether it's positive or negative.

While only a small percentage of patients write and post reviews online, a much higher percentage will read reviews. [Keep in mind that resolving an issue with a current patient is almost always more cost-effective than finding a new patient.](#) When your patience is wearing thin, remember that one poor review can cost you [hundreds of thousands of dollars in potential revenue.](#) Even if you have a successful direct mail campaign, prospective patients are likely to run a quick Google search or peruse Yelp reviews before picking up the phone to call you. The bottom line: To attract new patients, prioritize your current patients.

HAPPY PATIENTS,
HEALTHY PRACTICE

Win glowing online reviews by focusing on first impressions and prioritizing the satisfaction of your current patients.



Key #4

DIFFERENTIATE YOURSELF FROM OTHER DENTAL PRACTICES

Differentiation is critical to gaining a competitive advantage. What do you offer that other dental practices do not? In a fast-paced world, most patients love the convenience of one-stop shops. Staying up-to-date on the latest dental technology can help your patients as well as your profit margin, but only if your patients are aware of what you offer. Your patients may have no idea that you have an intra-oral scanner and in-office milling machine, while the dentist down the street refers patients out for crowns. Look for opportunities to keep your patients up-to-date on your practice's offerings.

IDENTIFY YOUR COMPETITIVE ADVANTAGES

Know what sets your dental practice apart, and communicate those strengths to your patients.

Key #5

OFFER CUSTOMIZED CARE PLANS

From oral cancer screenings to X-rays to teeth whitening, chances are you offer much more than teeth cleanings. Do your high-risk patients know that you offer oral cancer screenings? Do your coffee-loving patients know that you offer teeth whitening?

Note which services you have offered patients at past appointments, and also track the services that each patient's insurance plan covers. When a patient's plan covers additional procedures, inform the patient so that he or she has the opportunity to take full advantage of the coverage. Remember, presentation is key. How do you present and position care plans to new patients? Do you motivate through fear or through science? Different patients require different approaches, but all patients will appreciate an experience that is customized to their needs.



Key #6

STREAMLINE YOUR OFFICE MANAGEMENT

Successful dentists think like CEOs, and they manage their dental practices like small businesses. Although you may spend most of your hours dedicated to patient care, strive to stay actively engaged in the business activities of your practice. Routine activities like billing and scheduling can quickly become a time-consuming headache without an organized system. To streamline office management, systemize or automate any activities that your staff will complete more than once. Organization and systemization will save precious time by eliminating the need to re-invent the wheel each time the same issues arise.

THINK LIKE A CEO,
AND RUN YOUR
PRACTICE LIKE A BUSINESS

Save time and money
by streamlining your
office management,
implementing systemized
organization, and seeking
out areas for improvement.

Key #7

SEEK OUT AREAS FOR IMPROVEMENT

Once you have systems in place, evaluate those systems and identify areas for improvement. Look for ways to save time and money. Is it possible to remind patients about upcoming appointments without interfering with your staff's day-to-day responsibilities? Can you automate your reminder system to use e-mails and texts instead of phone calls?

Finally, remember to document your best practices. If your receptionist or office manager calls in sick, are your systems clearly documented so that others can quickly and easily take over? Your office should never rely on a single person to function properly. This type of documentation will also ease training of new staff members.



Key #8

CRUNCH THE NUMBERS

Even if you have acquired a practice with existing patients, you will likely find yourself in a position to take on new patients at some point. When generating new patients for your office, you will have a variety of lead generation programs from which to choose. Most lead generation programs—from advertising, to marketing, to direct mail programs—will cost you money, but which will get you the best results? Compare lead generation programs by tracking conversion rate and calculating return on investment (ROI).

At first glance, the numbers may be deceiving. Just because your direct mail campaign brought you new clients doesn't mean it was successful. For every direct mail flyer you sent out, how many new patients called your office? If the flyer program cost you \$10,000 and only returned \$10,000 in profit, the program may not be worth repeating. On the other hand, your free referral campaign likely used important non-monetary resources. Weigh both cost and time. Simple math can help you consistently and efficiently compare and evaluate your lead generation programs.

BRUSH UP ON YOUR MATH SKILLS

Ready to dust off that calculator and start crunching numbers? Evaluate your lead generation programs and understand your bottom line to increase your profit margin.

Key #9

FOCUS ON THE BOTTOM LINE

As a dentist, some factors are beyond your control. The good news: You control your own profit margin. The first step toward increasing profit is simple: Know your profit margin. Next, think about how you can lower your costs: Can you negotiating better deals with your suppliers or your landlord? Finally, think about how you can increase revenue: What additional services are you able to offer patients? If you offer superior services, don't be afraid to charge more than your competitors—many patients will pay more for better services.



Summary

Do you know the answers to these questions?

Why do my patients choose my dental practice?

Why do my patients return to my dental practice?

Why do my patients recommend me to their friends, colleagues, and family members?

What services do I offer that other dentists do not?

In what ways do I build trust with my patients?

How can I improve my office systems?

Does my practice rely on any single person?

What are the conversion rates of my lead generation programs?

What is my profit margin?

CHOICES

When choosing a dentist, patients have choices. As a dentist, you have choices, too. Choose to drive your dental practice to success by following these nine best business practices:

- 1 | Hire a Director of First Impressions
- 2 | Train Your Team to Prioritize Patient Satisfaction
- 3 | Treat Every Patient like a Yelp Reviewer
- 4 | Differentiate Yourself from Other Practices
- 5 | Offer Customized Care Plans
- 6 | Streamline Your Office Management
- 7 | Seek Out Areas for Improvement
- 8 | Crunch the Numbers
- 9 | Focus on the Bottom Line



Business Background Questionnaire

Name: _____ Business Name: _____

Business Phone: _____ Mobile: _____

Address: _____ Email: _____

CONFIDENTIALITY NOTE: The information contained within this questionnaire is confidential information, intended only for the use of your ActionCOACH and the person completing this questionnaire. If the receiver of this questionnaire is not the intended recipient, the receiver is hereby notified that any dissemination, distribution, copy or publication of the questionnaire is strictly prohibited.

Introduce Us To Your Business

To get started, we'd like you to tell us a little more about you and your business. The following questions have been designed to help us identify key profit building opportunities within your business, so that we can prepare to have a productive face-to-face meeting.

What type of business are you in? _____

What specific services do you provide? _____

How many staff do you currently have? _____ A year ago? _____

What is your approximate annual revenue? _____ A year ago? _____

What is your Net Profit Margin? _____ %

Describe your target market(s): _____

How long have you been involved with / owned the business? _____

What were your goals when you started, or took over the business? _____

How many hours do you work now? _____ How many would you like to work? _____

How much income do you take home now? _____ How much would you like? _____

Do you have a business plan? ☐ Yes ☐ No Do you have a marketing plan? ☐ Yes ☐ No

If yes, how often do you measure your progress against the plan? ☐ I don't ☐ Monthly ☐ Quarterly ☐ Annually

If you had one wish for your business in the next 30 days, what would it be? _____

Who other than yourself is involved in the decision making process within your business? _____

Is there anything else you'd like to share about yourself or your business? _____



Select Your Top 5-7 Business Priorities

Sales & Marketing

- ☐ Having turn-key, persuasive and inexpensive ways to generate more leads and prospects for my products and services.
- ☐ A step-by-step marketing plan that significantly increases my new customers, revenues and profits without taking all my energy away from day-to-day business.
- ☐ Creating customer focused advertising and online marketing strategies to draw willing buyers to my business every week.
- ☐ The most effective sales appeal for my products and services that uniquely sets my business head and shoulders above my competition.
- ☐ To build a more motivated, professional and profitable sales or telemarketing force that creates a far stronger sales conversion and average sale value.
- ☐ Having a strategy that will compel my former and inactive customers to come back and buy from me again and again.
- ☐ Boosting the average sale value and creating a far better sales result from every customer that we are currently doing business with.
- ☐ Introducing new and more profitable product lines or services to both win new customers and extend the value we provide with our existing ones.

Team Building & Leadership

- ☐ Helping me develop and build strong leadership skills and attributes so I can not only manage, but truly lead my people and my company.
- ☐ To help me find or re-find my passion and get my heart and mind back focused on enjoying running and building the business again.
- ☐ Using a recruiting system that is both efficient and effective to help me add the right, motivated and great people to my team.
- ☐ Developing an ongoing training system so people are more effective and more productive at their jobs and are ready for promotion as the company goes on.
- ☐ Training my team so they deliver superior levels of customer service and create raving fans and repeat buyers time after time.
- ☐ Helping me and my team get better use of our time and stop working reactively, and become more pro-active about building the company.

Running Your Business

- ☐ Developing a clear and powerful set of both personal and business goals and having a vision for my company.
- ☐ To get myself the freedom of more time away from the business, still knowing it is growing and creating increasing profits without me there.
- ☐ To help me understand how to re-invest my profits back into the business or how to make profits and invest them for passive income outside of my business.
- ☐ Getting a solid business plan of action so I and my team are focused on doing what matters, what is important and what will get the biggest results.
- ☐ To get the business and my people to a stage where they can run it profitably so I can take some time out each week and vacation each year.
- ☐ Developing a straight forward succession plan so I can replace myself with the right people at the right time and allow them to run it without me.
- ☐ Expanding the operation to multiple outlets or multiple territories so I can take advantage of an already solid and profitable business model.
- ☐ Creating a franchise system that both sells and creates profitable franchisees who can afford to pay me serious royalties.
- ☐ Assistance with taking the company international to profit from global markets, global costs and global currency values.

Systems

- ☐ Having a system for controlling, managing, and reporting the company finances so I can know I am building real profits.
- ☐ Working 'ON' my business rather than 'IN' it and create a systems dependent company rather than a people dependent one.
- ☐ Developing an organized chart and position descriptions and getting the company administration handled.
- ☐ Building consistency of delivery into my products/services giving better levels of service and more rewarding customer experiences.

Coaching

- ☐ Having a Hotline to a great coach who can help me stay focused, answer my most important business questions and help me grow the business.
- ☐ Other _____





**MULTIVARIABLE
SOLUTIONS**

For more information, contact:

(844) 433-3328

info@multivs.us

multivariablesolutions.com