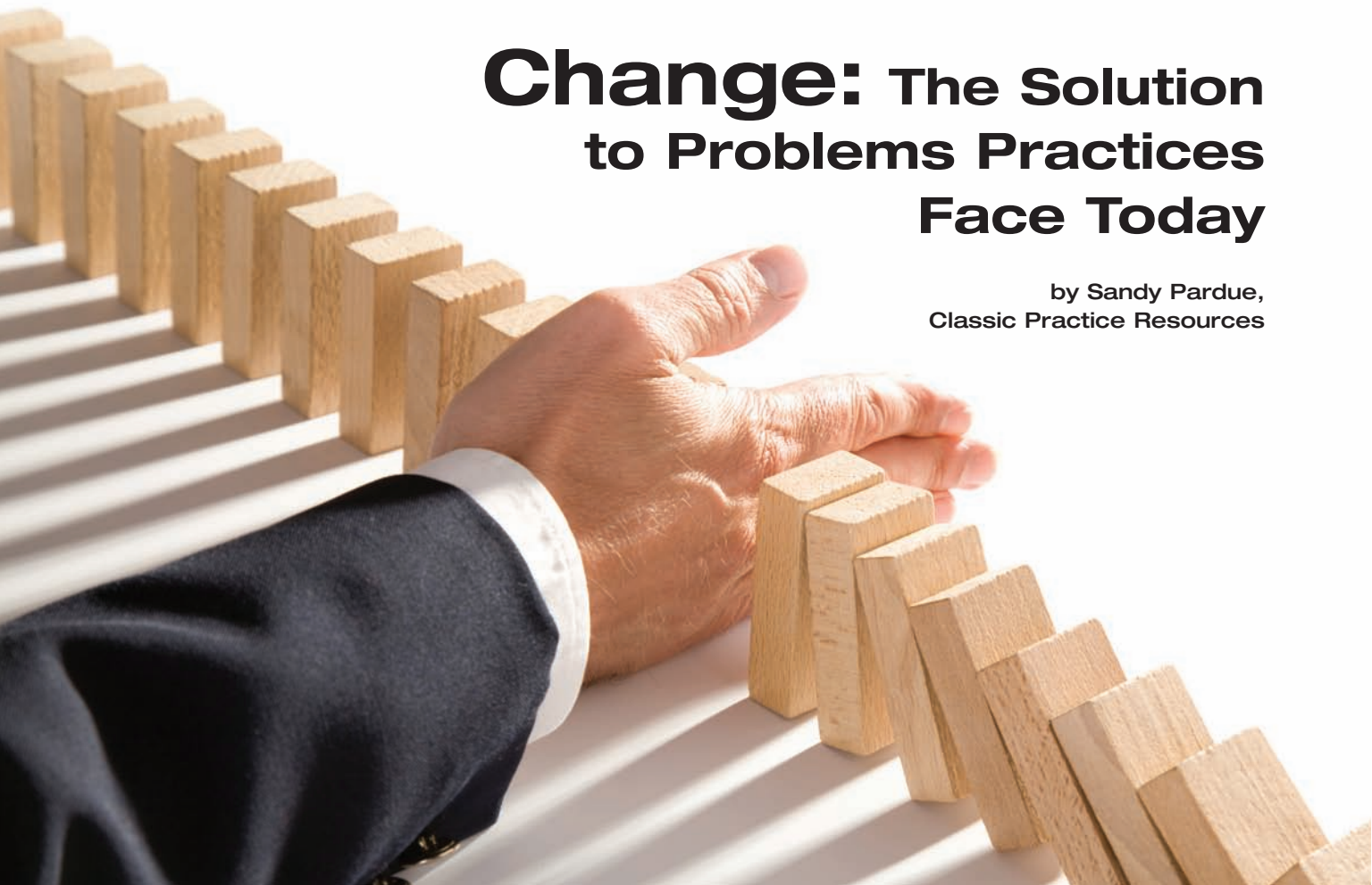


# Change: The Solution to Problems Practices Face Today

by Sandy Pardue,  
Classic Practice Resources



What's new and different in your practice? If you can't think of anything and you are doing the same things you did in previous years, it is no surprise that your practice is facing new problems in today's business climate.

Through our consulting services at Classic Practice Resources, we have learned that the majority of practices are missing many opportunities. They lack systems and protocols that focus on key functions that would increase their income, solve current problems and take away a lot of stress in the practice.

I recently devoted two full days of complimentary consulting to members of the Dentaltown.com. Through the process, I learned about each practice and the obstacles they currently face. As suspected, they share many of the same problems. I gave them protocols that will help them gain momentum during these difficult times. I've listed the key issues, along with suggestions for addressing each one. These problems can easily be turned around if they are willing to make some changes.

## Issue #1: Open time in Doctor and Hygiene Chairs

Set a daily target for the practice and each provider. Communicate the target to the entire team so they know what

they are supposed to work towards. Know what procedures need to be scheduled each day to achieve this goal. Determine the value of each unit of time on the schedule, for each provider. This is a real eye opener and gets everyone working harder to fill the schedule.

Open time is caused by productivity killers such as no shows, time never filled, late patients, cancellations, schedule changes and broken appointments. No matter what the reason, they wreck your schedule and they cause the practice to lose revenues.

Your practice must take necessary steps to gain control over broken appointments. You can start by learning why they occur.

### Reasons for Broken Appointments:

1. Confirming appointments too soon.
2. Not making financial arrangements before scheduling the patient.
3. Scheduling patients with a poor payment history.
4. Scheduling patients that are past due on their account.
5. Not confirming patients or speaking directly to the patient.
6. Scheduling patients too far in advance.
7. Not fully addressing the patient's concerns or answering their questions.

8. Scheduling patients that keep breaking appointments (Put them on a Short Notice Call List).

It is imperative that practices learn their computer software and fully utilize the recall program. Practices lose potential revenue when patients fall in the cracks and more importantly, patients are going without needed treatment. Continue communicating with patients, even when they have not been in for a year or more. They will need a dentist in the future. Don't give up on getting them in.

Practices should be constantly communicating with patients via mail, phone and e-mail. These actions should be occurring on a daily basis. Have your staff track the number of patient contacts they are making. There are services that can assist you with communicating to patients through newsletters, e-mail and text messaging. One service in particular – [www.dentalsenders.com](http://www.dentalsenders.com) – will provide the service at no charge to the practice.

### **Issue #2: Below Average Patient Retention**

You can gain control over patient retention if you are willing to look at things from the patient's viewpoint. Closing the back door is more important now than ever before. Patients have more choices and dentistry is becoming more competitive. Focus on customer service and having skilled staff that work with you on making your practice a pleasant experience for your patients.

Take a good look at your practice beginning with the patient's first and last contact. The person answering the phone should be the most skilled communicator. We see many missed opportunities at the initial contact patients have with practices. Ask each of your staff to list out the top five questions patients ask them about the practice or their treatment. Type these up with the appropriate answers and have everyone learn them. This is beneficial for many reasons, but the most important are that the staff will have improved verbal skills and they will be saying the same things to patients, which helps prevent patient upsets.

The true measurement of your internal marketing efforts can be measured by the number of referrals you get from existing patients. If you are giving current patients a good experience, they will tell others. If you are not measuring this, start today. List out ways you and your staff can make your practice better, the things you can change and improve.

One of the easiest and most successful actions is to implement a reactivation program in your practice. Utilizing your computer software, find out how many people in your practice haven't been in the practice in six months or longer and communicate with them as laid out in our reactivation checklist. You can download the reactivation checklist at [www.classicpractice.com](http://www.classicpractice.com).

Remember that being true to your purpose and your desire for change is what is going to make you successful.

*continued on page 58*

## **Financial Guidelines for the Dental Practice**

**Over the Counter Collections**  
*45% of total Collections*

**Total Office Collections (Monthly)**  
*98%-99% of Production*

**Accounts Receivable Balance**  
*1 Month's Production*

**Hygiene Production**  
*30% of Total Office Production*

**Total Staff Compensation**  
*25% of Collections*

**Front Desk Salaries**  
*8%-10% of Collections*

**Hygiene Targets**  
*Produce 3x Their Daily Rate*

**Office Administrative Supplies**  
*1.5% of Collections*

**Dental Supplies**  
*5%-6% of Collections*

**Facility Cost**  
*6% of Collections*

**Laboratory Costs**  
*9% of Collections*

**Continuing Education**  
*1% of Collections*

**Marketing**  
*3% of Collections*



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### Issue #3: Low Treatment Plan Acceptance

If you are seeing the backs of a lot of people's heads and things are not going well in your practice, you might need to change direction and revise your plan. Start by verifying that all incomplete treatment is current in your computer software and someone is following up with unscheduled treatment. Track treatment plans presented and accepted, so that you know who in the practice has the best success with getting patient acceptance. Patients should sign their treatment plan and receive a copy. Avoid overwhelming patients with huge treatment plans. Spend more time listening to what the patients are telling you about what they want. Now is the time for you to complete the photo album of before and after cases that you have wanted to put together. This gives patients a visual and does increase acceptance.

Once the patient leaves the practice without the next appointment, the chances of getting them back dramatically decrease. When we look at each patient that didn't schedule in the practice, often times we see that they were not given payment options. Some practices have no payment options for patients in regards to financing treatment, they want cash in advance of the appointment. This is extremely difficult in our

current economy and these practices tend to have lower revenues. If you help patients find a way to afford the treatment they need, you will see an increase in your case acceptance and in new patients. We have found that practices using an outside financing program such as CareCredit, have a higher collection percentage and an Accounts Receivable balance that is under control. In addition, this type of program will improve cash flow, decrease broken appointments and lower overhead associated with billing collections. Learn more about how CareCredit can help your practice at [www.carecredit.com/dental](http://www.carecredit.com/dental).

### Issue #4: High Overhead

Overhead is the cost of doing business. What changes do you need to make to drive your practice closer to a lower overhead? According to the American Dental Association Survey Center, 2007 Survey of Dental Practice, practice expenses accounted for 59.6% of gross billings among independent general practitioners. I've listed the steps you need to take to "put the pedal to the metal" and gain control of your practice and your money.

1. Learn your current overhead percentages.
2. See the chart on page 57 and get familiar with the suggested overhead percentages.
3. Get set up with a bookkeeping software such as QuickBooks.
4. Categorize expenses. You need to be able to see what you are spending. An example would be staff expenses. You need to know the amount of money you spend on staff bonuses, salaries and uniforms, individually, versus one lump sum. It makes it easier to detect an expense that needs your attention.
5. Print a Profit and Loss Report every month, look at your expenses and know where you should be in relation to recommended overhead percentages.
6. Set up a system to monitor inventory of administrative and technical supplies. Assign someone to the task and keep supply closets locked. Larger practices might consider a Purchase Order System.
7. Set a budget. Benchmark against past purchasing history. Setting a budget doesn't mean you can't spend money, it means you will now plan before making purchases.
8. You should be aware of your percentage of revenues that are being collected. If you are collecting less than 98 percent each month, this will have an effect on your overhead percentage.
9. Stay informed of overtime hours that result in additional wages.

We also recommend that you review insurance participation. Learn what percentage of your practice collections

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comes from insurance participation and what percentage of your fees you are writing off due to insurance. Look at what each plan is paying and don't keep plans that are costing you money. You will not learn this information unless you look for it and you might be surprised at what you find.

### Issue #5: Lack of Group Effort

The biggest change you might need to make will involve your team.

Today's dentists need more than a body working as a hygienist, an assistant or at the front desk, to accelerate their practice. They need staff to work with an "owner mentality," staff that care about the business. The dental practice can no longer have staff sitting in the background, watching the doctor struggle, second guessing decisions. Encourage everyone on your team to drop the blame game and take more responsibility for the success of the practice.

Call a staff meeting and talk to your staff about the future of the practice. Work on an office vision as a group and list out goals to get you there.

As a group, make a plan for implementing the change you agreed on.

1. Decide on clear cut definable actions to be implemented.
2. Specify who is responsible for each action, set a deadline and make it known.
3. Define measurable milestones to track the progress of the projects.
4. Make corrections as necessary.
5. Don't give up.

Change is a necessary part of survival. Once you decide to implement new protocols, implementation should be immediate. Involve your staff and empower them by encouraging and pointing out their strengths. Inspiring employees has to come from good management and it starts with recognizing and acknowledging each person's contributions. You can't throw money at the problem, you can't buy motivation. Begin by making every employee feel "above average." You'll get a lot more from them by building them up and motivating them.

Many times employees will ask for a slow pace when implementing change. They might be concerned about disrupting the practice or giving the staff time to adjust. Such recommendations seem logical, but they are generally wrong. I find they accept the change more rapidly if they are involved, so keep them informed. Abandoning a new system before it has a chance to prove its worth is a common error.

I challenge you to stop taking the path of least resistance, and take control of your practice by making these recommended changes. I challenge you to take on a new

viewpoint and become a "quick change artist" when something in your practice needs correcting. This viewpoint will help you to keep up with this competitive environment right now and in the future. ■

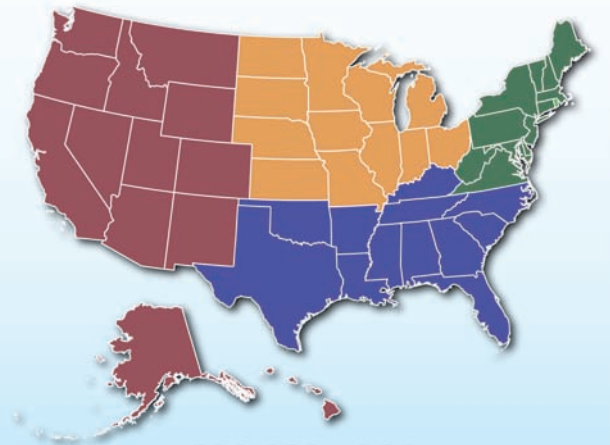
### Author's Bio

**Sandy Pardue** is an internationally recognized lecturer, author and practice management consultant. She has assisted hundreds of doctors with practice expansion and staff development over the past 20 years. She is known for her comprehensive and interesting approach to dental office systems, and offers a refreshing point of view on how to become more efficient and productive in a dental practice. Sandy is Director of Consulting with Classic Practice Resources. She is also a consultant to leading dental companies for product evaluation and design. For more information, please e-mail [sandy@classicpractice.com](mailto:sandy@classicpractice.com).



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