



# Successful Management of Today's Dental Practice

## **THE DENTIST AS BUSINESSPERSON**

# Successful Management Elements of Today's Dental Practice

1. Know Your Numbers
2. Meetings That Get Results
3. Hire the Best Team
4. Performance Appraisals and Salary Reviews
5. Take the Drama Out of Tough Team Situations

WORKING HARD FOR  
SOMETHING WE DON'T  
CARE ABOUT  
IS CALLED STRESS;  
WORKING HARD  
FOR SOMETHING  
WE LOVE IS CALLED  
PASSION.

Simon Sinek

#33



#1

Know Your  
Numbers

Getting Real With Your Overhead



The path to a successful practice is in the understanding of your numbers.




#

**Numbers**  
allow you to be  
proactive.



#

**Numbers**  
give you focus  
and identify your  
priorities.



# How do Numbers and Core Values inter-relate in your practice?

**Profitability  
leads to**

**Ability to help more patients.**

**Ability to pay excellent team members.**

**Ability to provide training.**

**Ability to purchase best equipment and supplies.**

# The Annual Plan

- Understand the profit and loss statement.
- Identify your “true” overhead.
- Learn fixed and variable expenses.
- Know the budget and healthy expense norms.
- Establish goals for production, collection, new patients, and case acceptance.
- Know your real active patient numbers and understand attrition levels.



# SAMPLE PROFIT & LOSS STATEMENT

John Bicuspid, DDS, Statement of Revenue & Expenses, Income Tax Basis  
For the 1 month and 12 months ended Dec 31, 20\_\_\_\_

	Current Period	%	Year to date	%
<b>Revenue</b>				
Professional Fees Received	67,217.90	100.44	781,027.75	100.36
Less Refunds	<u>(291.80)</u>	<u>(0.44)</u>	<u>(2818.30)</u>	<u>(0.36)</u>
Total	<u>66,926.10</u>	<u>100.00</u>	<u>778,209.45</u>	<u>100.00</u>
<b>Expenses</b>				
Advertising	0.00	0.00	801.68	0.10
Bank service charges	85.09	0.13	776.56	0.10
Benefits – staff med reimbursement	0.00	0.00	45.00	0.01
Billing system expense	0.00	0.00	2,419.73	0.31
Business meals & entertainment	387.75	0.58	3,579.60	0.46
Computer maintenance & repair	23.90	0.04	779.02	0.10
Consulting services	690.00	1.03	10,828.15	1.39
Credit card merchant fees	416.97	0.62	6,289.72	0.81
Depreciation	2,108.83	3.15	31,407.74	4.04
Dues & subscriptions	231.00	0.35	4,536.75	0.58
Education & seminars	497.15	0.74	2,956.77	0.38
Insurance	4,942.77	7.39	16,752.71	2.15
Interest expense	502.75	0.75	7,165.93	0.92
Janitorial services	0.00	0.00	2,695.00	0.35
Laboratory	4,373.46	6.53	49,973.23	6.42
Laboratory supplies	74.54	0.11	828.83	0.11
Laundry & uniform	0.00	0.00	599.68	0.08
Legal	0.00	0.00	872.67	0.11



# Expense Projection Worksheet

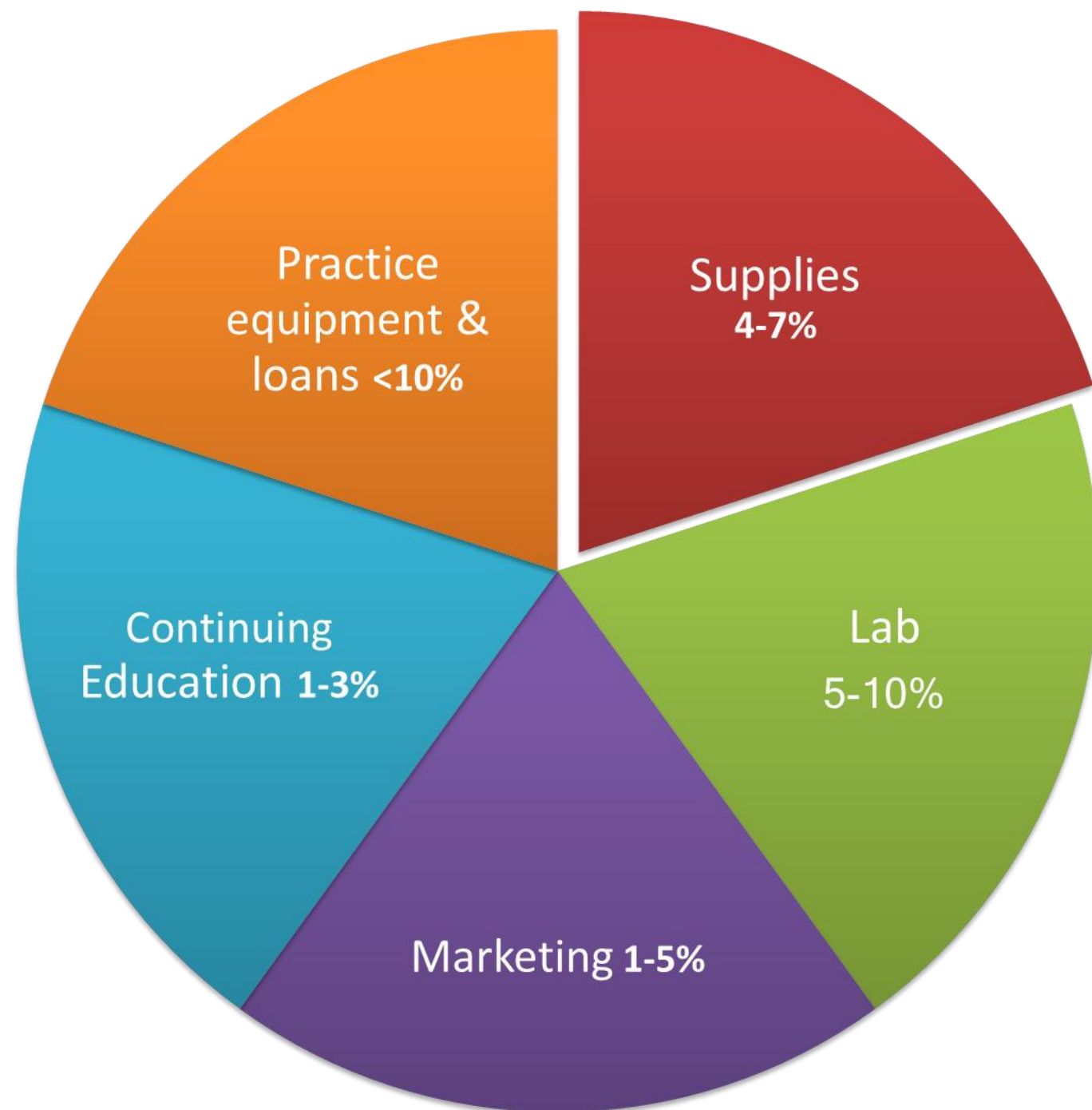
<b>Dental Supply Expense 4-7%</b>			
Hygiene			
Implants			
Restorative			
<b>TOTAL DENTAL SUPPLY EXPENSE</b>	<b>56,217 / 8%</b>	<b>45,157 / 6%</b>	\$3,983/Monthly budget
<b>Retail Supply Expense</b>			
Gel-Kam/Sonicare			
Other			
<b>TOTAL RETAIL SUPPLY EXPENSE</b>			
<b>Total Major Expense 39-55%</b>	<b>356,269 / 50.8%</b>	<b>399,548 / 53%</b>	
<b>Minor Expense 6-10%</b>			
Accounting	6,395	4,200	
Answering Service	1,000	1,800	
Bank and Credit Card Service Charges	4,723	5,337	
Collection Fees	1,350	250	
Computer Support & Supplies	2,300	2,300	
Consulting			
Employee Recruitment	12,300	1,000	
Magazine Subscriptions for Office	563	200	
Office Supplies	16,068	9,375	Eliminated personal items
Payroll Service			
Pension Administration			
Postage	1,500	1,500	
Laundry	960	960	
Legal	2,700	500	
Telephone	4,987	3,178	Eliminated personal cell
Other			
<b>Total Minor Expense 6-10%</b>	<b>56,112 / 8%</b>	<b>30,600 / 4%</b>	
<b>TOTAL MAJOR and MINOR EXPENSE 45-65%</b>	<b>412,381 / 58.9%</b>	<b>430,148 / 57.1%</b>	

# Expense Projection Worksheet

Category Fixed/Variable % of Production	Last 12 Month Total \$/%	Next 12 Month Projected Total \$/%	Notes
<b>Loans and Leases (P+I)</b>			
Principal and Interest on Practice Loans	56,400	56,400	
Loan #2			
Loan #3			
Other			
<b>TOTAL LOANS and LEASES (P+I)</b>	<b>56,400 / 8%</b>	<b>56,400 / 7.4%</b>	
<b>Equipment (&gt;\$500)</b>			
Leases	3,300	1,500	
Purchase	7,000	3,000	
Purchase			
Repairs & Maintenance			
<b>TOTAL EQUIPMENT (&gt;\$500)</b>	<b>10,300 / 1.4%</b>	<b>4,500 / 0.6%</b>	
<b>Leasehold Improvement</b>			
Facility Design Services	7,000	2,000	
Other			
<b>TOTAL Leasehold IMPROVEMENT</b>	<b>7,000 / 0.1%</b>	<b>2,000 / 0.2%</b>	
<b>TOTAL EXPENSE &lt;70%</b>	<b>486,081 / 69.4%</b>	<b>493,148 / 65.5%</b>	

# How do your expenses align with industry averages?

Industry Standard



**What might need to change?**

# Numbers Meetings

Annual Plan Meeting  
Review Prior Year  
Establish the Budget  
Project Working Days  
Determine Production Goals

Monthly Number Meeting  
Number Analysis  
Action Plan for Success

# Compare Month-to-Month, Year to Date and Year-to-Year

- Production
- Collections/Accounts Receivable
- Adjustments
- New Patients
- Case Acceptance
- Expenses





# Why Meet?

- To exchange or provide information.
- To better manage the practice.
- To brainstorm.
- To work cohesively together.
- To establish goals or objectives.
- To motivate or inspire.
- To provide a social outlet...celebrate.

## Recommended Types of Meetings with your Team

- Huddle
- Numbers Meeting
- Action Plan Meeting
- Training Meeting
- Teamwork Meeting
- Departmental Meeting



# Meeting Ground Rules

- Choose a time that all team members can attend.
- View meeting time as sacred - start/end on time.
- Staff are “on the clock” and paid during meetings.
- Prepared agenda, roles identified before meeting.
- Follow up on action plans from last meeting.
- Create new action plans.
- Keep food to a minimum.

## Recommended Types of Business Owner Meetings

- Partner Meetings
- Meeting with your Support Team:
  - Accountant
  - Financial Planner
  - HR Specialist
  - Consultant
  - Transition Specialist
  - Architect- Contractor

#33



#3

Hire  
the  
Best Team



# What are the **ideal** team traits you look for on your team?



# Sample of Applicant Evaluation Form

Desired Qualities	Applicants			
	Trish	Mary	Becky	Kim
<b>Experience Level</b>				
<b>Licensed</b>				
<b>Has used full scope of license</b>				
<b>Strong in-patient education</b>				
<b>People – oriented</b>				
<b>Personality Style</b>				
<b>Detail – oriented</b>				
<b>Empathetic</b>				
<b>Caring</b>				
<b>Confident</b>				
<b>Positive outlook</b>				

# Sample of Applicant Evaluation Form Completed

Desired Qualities	Applicants			
	Trish	Mary	Becky	Kim
<b>Experience Level</b>				
<b>Licensed</b>	Waiting for results	Yes	Yes	Yes
<b>Has used full scope of license</b>	N/A	3	5	4
<b>Strong in-patient education</b>	2	3	4	4
<b>People – oriented</b>	3	4	5	5
<b>Personality Style</b>				
<b>Detail – oriented</b>	3	3	4	3
<b>Empathetic</b>	4	3	5	4
<b>Caring</b>	4	4	5	3
<b>Confident</b>	3	4	5	4
<b>Positive outlook</b>	3	3	5	3

#33



**Interview  
#1**

**Get to  
Know the  
Applicant**



# Sample Interview Questions

- What characteristics do you feel are most important for this position?
- Tell me about your current responsibilities? What do you like best? Least?
- What types of people do you work best with?
- What types of people challenge you? How do you handle it?
- If you could design the ideal but realistic job for yourself, what would it be?
- What is important to you in a boss? Your team members?
- What should my team know about working with you?
- What's been the highlight of your career and why?



#33



Interview  
#2

Skills  
Assessment  
Interview



## THE SKILLS ASSESSMENT INTERVIEW

Follow these Guidelines:

- A maximum of three hours

Evaluate the following:

- Skill level
- Self-motivation
- Communications skill with team & patients
- Professional attire
- Punctual
- Professionalism, courteous, respectful language
- Caring with patients



**EVALUATION**



## SKILLS ASSESSMENT TESTING POSSIBILITIES

### Dental Assistant:

- 4-handed dentistry
- Taking radiographs
- Chart documentation
- Sterilization procedures
- OSHA guidelines
- Scanning



## SKILLS ASSESSMENT TESTING POSSIBILITIES

### **Hygienist:**

- Request that the hygienist treat you or a team member.
- Evaluate pocket charting and recommendations made for possible periodontal care.



## SKILLS ASSESSMENT TESTING POSSIBILITIES

### **Scheduling Coordinator:**

- Telephone etiquette.
- Confirmation calls.
- Verbal skills when reactivating past-due patients.



## SKILLS ASSESSMENT TESTING POSSIBILITIES

### **Financial Coordinator:**

- Negotiate a Payment Arrangement.
- Complete a Truth-in-Lending form.
- Verbal skills used for collection calls.



In This Office: we are a TEAM, we are PASSIONATE about dentistry, we do FLOSS, we have FUN, we RESPECT each other, we create awesome SMILES, we LAUGH a lot, we strive for EXCELLENCE, we count our BLESSINGS, we GIVE back...

# Practice

## Expectations and Work Ethic

**WELCOME  
TO OUR  
TEAM!!**

- Each person's presence in this practice makes us stronger.
- We are lifelong learners.
- We are educators.
- We have a passion for dentistry and service to others.
- Tardiness is not part of our culture.
- We respect and support every team member, as well as all our doctors and we enjoy serving every patient.
- We are expected to take the next logical step without being told.
- We expect everyone to make some mistakes AND to learn from those mistakes, so they are not repeated.
- We are all leaders, and we are all followers.
- and more successful.
- We take problems to the source.
- Our office is a no gossip zone.
- We are always growing and learning, and everyone is expected to improve with us.



# Building a Strong and Engaged Team takes Training



#33



# 4

Performance  
Appraisals  
Salary  
Reviews



## Feedback comes in 3 Forms:



EVALUATION

---

Rates or  
ranks you



COACHING

---

Helps you get  
better



APPRECIATION

---

I see you; you  
matter

# Performance Appraisals

- Once a year.
- Forms to be completed prior to meeting.
- Separate and prior to Salary Review meeting.
- Employee is “on the clock”.
- Schedule a follow-up progress report meeting, if necessary.



# Salary Reviews

- Remember:
  - Once a year.
  - Should take less than 30 minutes.
  - Review philosophy on salary increases-based on merit and profitability.
  - Separate meeting from –Performance Appraisal.
  - Employee is “on the clock”.



#33

# 5

It's  
About  
Leadership

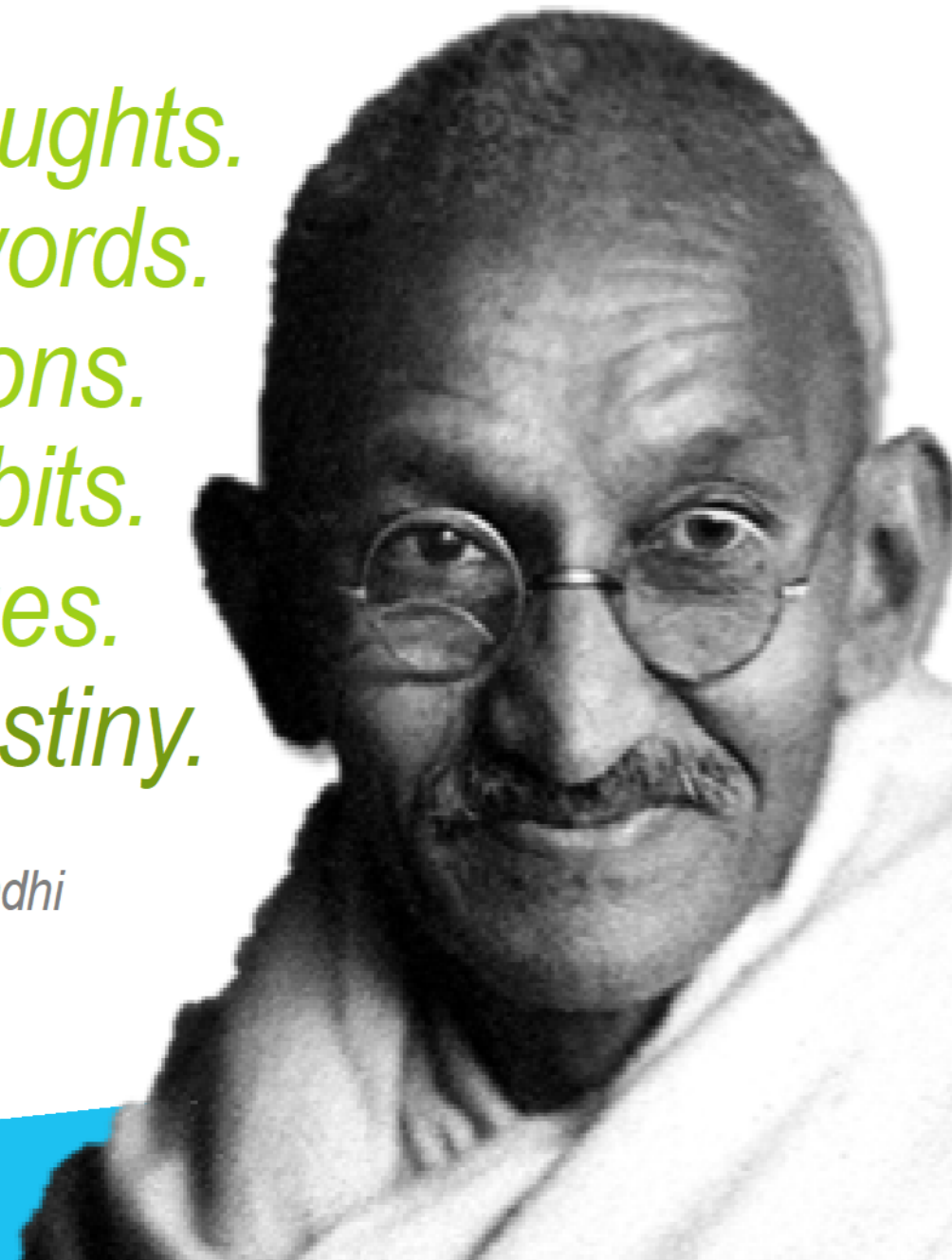
Take the Drama Out of Tough Team Situations

## Are You Allowing Consistently Bad Behavior?

- What constitutes “bad behavior”?
- What is non-negotiable and violates your purpose?
- What are the deal-breakers?
- Commit to being courageous!

***Your** beliefs become your thoughts.  
Your thoughts become your words.  
Your words become your actions.  
Your actions become your habits.  
Your habits become your values.  
Your values **become your** destiny.*

*Mahatma Gandhi*





# Are You Making the Best Choices?

## Experiment:

- Think of the last time you weren't happy with the day's schedule at work?
- What did you think?
- What did you say?
- How did the team react to your response?
- Could there have been a better choice?

# Best Practices

**Inspect  
What You  
Expect**

**24-Hour  
Rule**

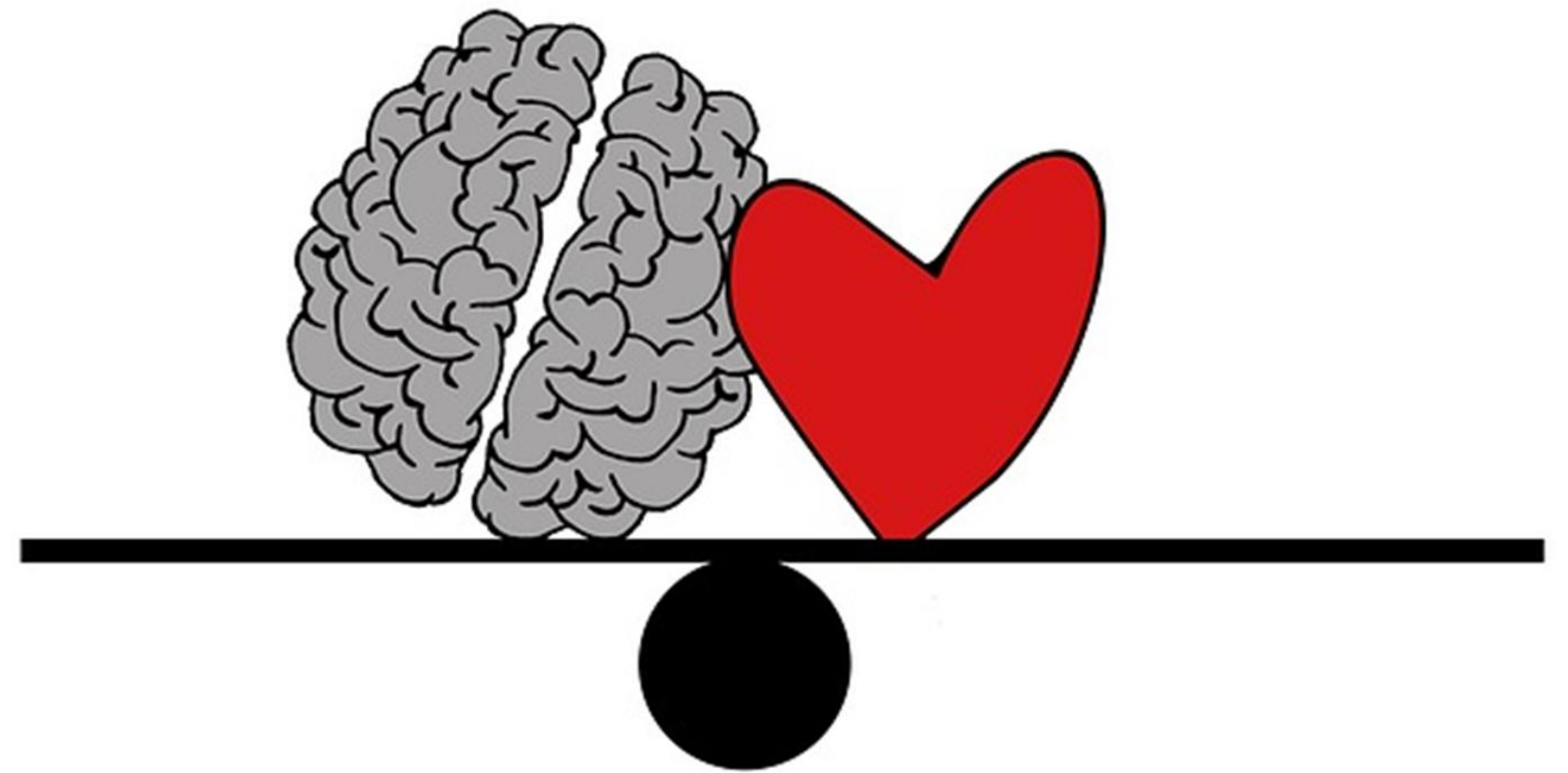
**Praise in Public  
Confront in  
Private**

## Let's Practice

- 1. Issue:** Your Financial Coordinator, Amy, is going through a divorce. She's always been somewhat moody; however, her abruptness and impatient tone has other team members walking on eggshells. She's also been significantly late for work 3 times in the last month.
2. Let's talk through how to address this situation.

# Show up, Slow Down and Breathe.

Connect your body to your head and heart.



## Team Agreement

*Our team members are passionate, engaged, energetic and committed to doing good for other people with joy! We each place value in conducting ourselves with an attitude of gratitude. All team members are leaders in our practice. As leaders we always act with respect towards each other and towards those with whom we interact. We collaborate, support and challenge one another. It's ok to take risks and make mistakes as long as we learn from the mistakes and use them to help make better future decisions. As leaders we embrace open and honest communication, which fosters trusting relationships. We believe that feedback is a gift and seek out others' perceptions of how we can improve to meet our core value of growth and learning.*

# ACTION PLAN

- Of the topics discussed,
  - Numbers
  - Meetings
  - Hiring
  - Performance Appraisals
  - Salary Reviews
  - Minimizing “Drama”
- Which topic deserves your attention on Monday morning...and why?
- What will be your action steps?



Debbie Castagna  
[CastagnaCoaching.com](http://CastagnaCoaching.com)

