

Want to Know the Secret to Getting Out of Dentistry Alive...

by Steve Parker¹

Yogi Berra famously said, "If you don't know where you're going, you'll end up someplace else." I can't think of any more appropriate description of how too many dentists plan their career.

According to the American Dental Association (ADA), the average retirement age of dentists in the U.S. has now crept past 70, and only 4% of dentists are able to retire at 65. The Academy of Dental CPAs says the reason has less to do with their love of practicing dentistry than it does with the fact that the average savings of dentists at age 65 is less than \$50,000. In a recent survey, the majority of dentists reported that their "retirement plan," was essentially to sell their practice, and use those funds. Unfortunately, as the data points out, that plan doesn't work out for most.

Wherever you are in your dental career, it is imperative that you have a realistic plan for starting out, handling setbacks along the way, and transitioning into retirement. More important is a routine plan to review your progress at key points along the way, and make adjustments necessary that keep you on track.

I've consulted with a lot of dentists over the years, and have noticed some distinct, almost predictable, patterns.

Typically, they graduated with a big student loan anchored around their neck, did a few years as an associate before

striking out on their own, piled on a practice note of \$300,000 to \$500,000, and maybe a loan for operating capital for another \$50,000 to \$100,000, and their career as a sole practitioner was under way. A few years later, if they had survived, they were finally cash-flowing the business, had a relatively stable staff, growing patient base, and were ready to finally tackling that debt load. A decade later, the student loan and practice loan were mostly gone, and they had resolved to "play it safe," and never live that way again. Now, here they were at the sunset of their career, wanting to retire, or at least scale back, with little savings, hoping to find an associate willing to follow the same path. The bad news is, there are fewer and fewer of those around these days. They want a better outcome after a lifetime in dentistry.

I'm a big believer in goal-setting throughout any organization, but I must admit, even with a solid business plan, and key metrics in place, I watched too many clients continue to struggle with their financial future. Meeting payroll, paying debt, making up for declining insurance reimbursements, buying supplies and keeping equipment working consumed their days, weeks, months and years. Retirement was so far into the future, they couldn't even see it... until it was right on top of them. I saw this situation every single day.

Then one day, my wife and I were talking over dinner, when she said, "Wouldn't it be great if we could live our lives backward? We would know exactly where we were going to

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end up, how long it would take to get there, what to avoid and what to embrace, who to take with us and who to leave behind. Most of the mistakes we make in life are because we make decisions without really knowing where we're going."

I thought about that for a long time, and eventually developed an approach I call, "Beginning At The End." The idea is to set personalized, realistic, long-term and short-term goals, then back into a strategic plan to reach them. As simple as it sounds, this approach is in sharp contrast to how most of us operate. Sure, we have a general idea of where we want to take our business, but, for the most part, we are more focused on getting through individual days and crisis.

So, with my next client, I developed a series of exercises and questionnaires that started with visualizing, in broad terms, how the doctor saw his dental career ending. I had him actually sit down, close his eyes, and just start talking about how he "visualized" the end of his career in dentistry.

Not surprisingly, he wanted to travel, and planned to sell his practice and use that money throughout retirement. I asked, "How much do you think you'll get?" He had no idea. I asked, "How much do you think you'll need to travel?" He didn't know. I asked, "What if you can't practice for a year, or cut-rate dental insurance sweeps through the industry, or a large group practice moves into your neighborhood, or you struggle to find good hygienists and assistants, or your office manager embezzles all your savings?" He suddenly questioned why he had hired me. But, as he eventually learned, along with so many others, this exercise of visualizing the personal career trajectory YOU choose, from the "end to beginning," is a valuable, and somewhat critical, exercise.

Much like a financial planner would do, we established the income he would need during retirement to do the things he wanted to do. We calculated the number of years he had to build up that nest egg with personal investment. Because he was 38, time and compounding interest were his friends, and he had plenty of time to build a substantial net worth out of practice income, if he stuck to the plan.

Then, we did the same exercise with his practice. He could not really see himself as part of a small group, so we focused on how he would build practice value as sole practitioner for a future buyer. We had the practice valued based on its current balance sheet and performance, and developed a plan to build that value along the way. Again, I believe going through this exercise gave him a real, hands-on understanding of how his

dental practice would be valued by a potential buyer in the future, and how he could positively impact the value on his way to transitioning.

We factored in a few lean years, and planned for economic downturns. In the end, he had a business and career plan that was uniquely his, that he could see in his own mind, and see his role in it. Most importantly, we chose milestones for revisiting the plan along the way. At the end of each year, we look at the past year's numbers, compare them to where he wanted to be, and plan adjustments for the next year. It's a very necessary exercise for keeping his personal vision real and alive, especially when daily struggles become overwhelming, and remembering it's all part of the plan.

The good news about any business, even a dental business, is that they all work fundamentally the same. They are basically a machine that operates by using resources, primarily money, effort and time, to produce a positive result, called a profit; the money left over after everything necessary to operate the business is paid. The even better news is, every business, and especially a dental business, is full of components that can be adapted and improved over time to meet the goals you set.

But, for this doctor and so many others over the years now, the most important thing was to visualize his personal ending, and how he wanted to see his story play out during his career. By knowing where he wants to go, and how he wants to get there, as a dentist and business owner, every decision he makes is now measured against that plan.

I believe there is no more powerful force in business, and in life, than a well-crafted goal. Over 10 years later, I'm proud to say, my wife was right, living your life backward, from a vision you choose and hold firmly in your mind, helps you make better decisions, and end up where you choose, not where circumstances leave you.

I don't believe the 96% of dentists who will turn 65 this year and can't retire had any intention of ending up that way. And I also believe, the ones who start early and visualize where they want their own personal career to go, will end up exactly where they chose to be.

Steve Parker is a serial entrepreneur who speaks, coaches and consults to the dental industry on topics related to the systems and best practices necessary to build a successful dental practice or organization. He's a regular contributor to dental industry events and publications, and consults with manufacturers and industry organizations on the development and marketability of new products and processes, most recently, digital workflow and DSO business model development. Steve can be reached through The Profitable Dentist Magazine at (812) 949-9043, or at steve@theprofitabledentist.com.

DO YOU HAVE ENOUGH PATIENTS



by Berdj Feredjian, DDS, FAGD²

Ask 100 dental practice owners in the first 10 years of their dental career and at least 99 of them will tell you "NO, I don't have all the patients I need." In fact, since we began assisting dentists in 1988, we have not met any general dentist (at any stage of their career), who really thought their practice had enough fee-for-service patients.

The dental profession is all about quality patients. The only means of having a steady income is to have a steady flow of patients! Nothing else in your office really matters unless you have a solid patient base. You can obtain equipment, office space, staff and supplies easy enough, but none of the above guarantees a steady flow of patients into your practice.

Not having enough quality patients causes many young dentists to keep their office doors open 5 to 6 days each week (with an overhead of a 5 to 6 day a week practice) even when they really only have enough appointments to adequately fill 2 or 3 days each week. A growing dental office must remain open because that new patient may just call with an emergency. If the dentist is not in the office and ready for business that new patient may call the next doctor listed in the phone book. Remaining open for business is just merely a cost of doing business: an "Opportunity Cost."

Of course you could pick up more patients by signing up for the various managed care and capitation programs available. Actually these programs capitalize on unsuspecting doctors who have full-time overheads and part-time patient schedules. Those who do sign up will indeed find themselves much busier. They also feel better that the staff is working harder. But it doesn't take long for these doctors to discover that these types of new patients will not allow you to escalate to the income levels you desire. You are busy, but not very profitable... a bad trade-off! And, once you enter the managed care trap, it is quite hard to get free from that trap!

Let's assume that you have not made the managed care mistake and fall into the category of spending money to increase your patient flow. You are advertising heavily. You remain open every day because you are investing in your future. You have the overhead of a busy practice but you are not busy yet: an "Opportunity Lost."

Let us explain what we mean by an "Opportunity Lost." If your office rent is \$2,000 per month and you really only need the facility 50% of the time right now, then it is like you are investing the additional \$1,000 each month into your future growth. If your receptionist is being paid \$2,000 per month and you really only need her 50% of the time, then it is like you are investing the another \$1,000 each month into your future growth. If your assistant is paid \$1,500 per month and you really only need her 50% of the

time, then it is like you are investing yet another \$750 each month into your future. If you are advertising at the rate of \$1,000 per month (not an unrealistic amount) that is another cost to try to increase your patient base.

You could conclude that you are investing an extra \$3,750 monthly that will eventually payoff, but it will be very slow to develop! It takes years to accumulate a sufficient flow of quality patients to keep your office busy every hour you are open to see patients. Statistics show that your monthly investment will gain you an average of 3 new quality fee-for-service patients each week... that's hopefully 150 new quality fee-for-service patients each year... and perhaps 1,500 new quality fee-for-service patients over the next 10 years.

There is a Better Way to Get the Patients You Need...

Seems to us that a better investment would be to invest some of that same \$3,750 per month into receiving 1,500 new patients TODAY! And, I am not talking about managed care patients either... these are high quality, fee-for-service patients that are already accustomed to regularly visiting a dental office in your area. You could purchase a practice in your area and merge that practice into your practice tomorrow! You will be busier and more profitable immediately!

The monthly debt service on a small "Hidden Treasure" practice, with 1,500 or more quality fee-for-service patients, could possibly cost you \$2,500 a month, possibly even less, in debt service payments. The positive financial results will be immediate! That sure seems like a much better use of funds to us!

You know that there are a lot of different ways to do everything. Some are much better than others. As far as building a base of quality patients, it really does not make a lot of sense to spend the time and the money it takes to build a mature practice over the next decade when you could be exactly where you want to be now!

A practice merger acquisition could solve your problem today!

Dr. Berdj Feredjian, DDS, FAGD has been a transition consultant with PARAGON Dental Practice Transitions and is presently its Director of Recruitment and Advanced Training. He is also the co-founder of the Practice Mentors Group LLC. Dr. Feredjian is an Assistant Clinical Professor of Dental Medicine at a leading university in New York City. He also has served as a faculty in their Department of Behavioral Sciences in addition to being a member of the Admissions Committee. Dr. Feredjian is a Fellow of the Academy of General Dentistry, a member of ADA, OKU, and NYAOR. He is a general dentist and was in private practice in Montville, NJ prior to his retirement.

**2 Winter Street
Salem, MA 01970
p: 978.745.6900**

**85 Constitution Lane, Suite 200 D
Danvers, MA 01923
p:978.750.4500**

*Arnold I. Maloff, DMD, ABE
Sandra R. Makkar, DDS, ABE, FRCD(C)
Carlene Tsai, DMD, ABE, MPH*

Intraoral Camera as an Adjunctive Diagnostic Tool? Part 1

by Patricia A. Worcester, RDH, BS¹

Are your hygienist and dental assistant using the intraoral camera to discover the patient's needs? Remember the old saying, "A picture is worth a thousand words"? This is still true when the patient sees a picture of their mouth. People can see when their arm gets a cut or an infection, but they cannot see in their mouths. And most dental diseases are "silent" diseases with little or no pain.

I have had patients who have broken off half of their tooth and they have never felt it with their tongue or experienced any pain. So it is important for me to be able to show them their broken tooth because it helps them believe I am being honest with them.

Our new patients are astonished when we use the intraoral camera because most say they have never had it used on them before. Often the patient is shown a problem area and they ask "What can I do to fix that?" before I have the opportunity to tell them. We have been using an intraoral camera for around 23 years, so I am always surprised that they are used so little. Or maybe clinicians use it for their own diagnostic tool and do not share the information with the patient. But the important part is involving the patient in the discovery process of what is going on in their mouth. In addition, the operator can see very small definitive problems we would not be able to see even with loupes and a headlight.

The Intraoral camera is a huge diagnostic tool for the following dental issues:

- Cracked teeth because a cracked tooth usually does not show up on an x-ray. Not treating a serious crack can lead to needing a crown, RCT, or worse case scenario, extraction.
- The light from the camera can also be used for transillumination to see if the cracked tooth warrants a filling or is in need of a crown.
- Grey shadows, or halos, around old leaking amalgams are very clear when blown up on the computer screen. This usually means decay around or under an old, existing amalgam, which usually does not show up on an x-ray.
- Cracks in fillings and broken fillings are usually not visible on x-rays, but they can be detected with the intraoral camera.
- Worn teeth can be seen and the patient can see and understand the need for a night guard due to the visible wear on the teeth.
- Broken porcelain on a crown in the interproximal contact that is causing a food trap can be visible. The space between the two teeth shows why a new crown needs to close the contact ("gap").