



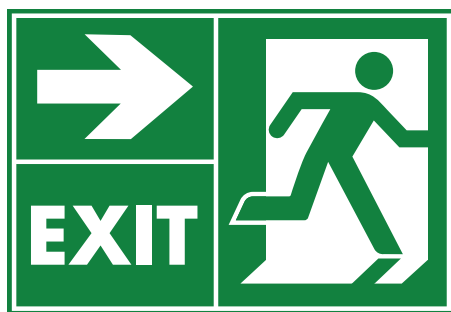
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HOW SMART DENTISTS PAINT THEIR EXIT STRATEGY

by Dr. Chris Griffin¹

You may be wondering why a 40-year-old dentist who doesn't plan to retire for at least 30 more years is offering you advice on how to exit your practice. You may question my credentials. Those are the same two questions I asked when I was invited to speak at an exit strategy summit earlier this year.

The answer I was given might surprise you and it should give you some insight as to what other dentists are encountering as they are trying to transition out of practice.

The number 1 reason I was invited was because all doctors must do an internal audit of their assets before they are advised to move into retirement. One of the biggest assets that any dentist has available for retirement income is the money they receive from the sale of their practice.

According to the summit organizers, almost all dentists who attended had practices that are falling woefully short of expectations. Now, many don't know that they are under producing. They just want to know how to retire. Exercises they did to determine their net worth led them to the conclusion that if their practice were worth more, they could speed up their exit by a few precious years.

Enter Dr. Griffin. I suppose I am the guy who shows them how they can ramp up their practice using simple strategies that will make their practice more valuable when they are ready to sell it.

Let me share my experience with the Exit Strategy crowd and hopefully shed some light on the whole exit strategy mindset.

I first noticed that almost all the attendees had production numbers that were close to the ADA national averages or below. Some of the attendees also were working 5+ days a week to produce that. I had also heard earlier in the Summit that many of these dentists were stressed out by their practice and that was one of the main reasons they wanted to retire or switch professions.

So, I began my lecture about some of the strategies that any dentist can use to bump up their production. I don't mind sharing them. They are not rocket science.

STRATEGY #1 - Make sure you are performing any procedures you do as efficiently as possible. I figured that most of the dentists in the room were good technically, but had never thought much about the process of performing individual procedures. There was a wild variance in the room in the amount of time it took to perform a simple core and crown. From my own experience of teaching dentists, I now know the reasons why there is such a difference.

Two very similarly trained and skilled dentists can sit down and start a crown appointment. Both dentists will finish with preps that look very similar in quality. However, one will have taken 20 minutes and the other will have taken nearly an hour. What's the difference? It is usually in the amount of

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TAKE THAT MOUNTAIN



by Vicki McManus²

Are there days when the mountain of responsibility before you seems too hard to tackle? I'm sure most dental practice owners know exactly what I mean by that question. Rising costs, marketing pressure from competitors, declining insurance reimbursement, staff turnover; these concerns can quickly stack into a mountain of overwhelm.

Recently, I had the opportunity to climb Mt. St. Helens. Taking on such a challenge definitely changed my perspective on life and inspired insight into how to effectively manage a dental practice. (At the end of this article, I'll reveal how the wisdom of an 18-year-old kept me going.) Let's explore three of those insights: identify the risks, understand your pace, bring your team with you.

IDENTIFY THE RISKS:

The primary risks in climbing Mt. St. Helens during the summer months are dehydration, sun exposure and falling. Address those risks by taking plenty of water, sunscreen and poles to help you stabilize. While that is an overly simple logic path, I encourage you to boil down your perception of business risk in much the same manner.

We all have a place in our mind that I call "What-if-Ville." My imagination is so large that I have an entire city! What if the volcano blows? What if I tumble headfirst down the mountain? What if it gets dark before I'm complete and wolves eat me in my sleep?

Our imaginations oftentimes amp up our fears and paralyze us before we've begun. Take a moment and visit "What-if-Ville" in your mind regarding your business fears; write them down, then put a circle around the top three that are the true threats to your company.

When you boil it all down, business risk in dentistry can be simplified into two primary risks: Patient Flow and Service Delivery. If you have the appropriate number of patients who need care, and a competent team to deliver the goods, everything else seems to work itself out.

For those readers who are thinking of abandoning this article because this is too simple, I'll provide you with the Business Risks we teach at Productive Dentist Academy.

5 RISK FACTORS OF DENTAL BUSINESSES:

1. *Team Buy-In: Bringing Vision and Goals to Life*
2. *Creating and Sustaining Demand: Marketing from the Inside Out!*
3. *Give 'Em What they Want: Optimizing Value through Expanded Services*
4. *Time is of the Essence: Scheduling and Productivity*
5. *Take it to the Bank: Profitability and Overhead Management*

UNDERSTAND YOUR PACE:

Many of you know me personally and know that I am by no means an athlete. I opt for water aerobics because I hate to sweat! While climbing the mountain was a personal accomplishment, I was definitely one of the least prepared climbers. The time it took to summit the crater at 8,350 feet and complete the nine mile adventure was estimated to take roughly 7 to 12 hours. I made it in 11 hours and 58 minutes (barely). My friends, who were in much better shape, beat me by nearly three hours.

Did it matter that my group was slower? Not really, in fact we may have enjoyed the sights a bit more (they didn't take the time to feed the chipmunks walnuts). What mattered was that we were all in tune with our minds and bodies and understood our pace. Attempting to accelerate for long periods of time outside your comfort zone can be dangerous. In this case, the risk of altitude sickness, heat exhaustion and strained muscles would have negated any benefit of moving faster.

How does this translate to the dental office? When most dentists think about productivity, their first thoughts move toward speed (pace) of practice. Nothing could be further from the truth. When we first began teaching concepts of productivity, my partner, Dr. Bruce B. Baird, was producing \$1,250 per hour. What is incredible is that he's continued

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to increase his productivity per hour every year for the past eight years. In 2004 he was working approximately 100 hours per month (\$125,000). As productivity increased, he began cutting back his time. For the past four years, he's maintained \$125,000+ per month productivity on just 2 days per week!

So how did he do that? He understood that his "pace" was different when he worked four days than when he worked two. The mental and physical relaxation during down time actually increased his focus and drive during working hours. The key to success is in scheduling to productivity, not to time. The way that we teach scheduling is very counter-intuitive. In the beginning we actually slow most doctors down! Example:

Productivity Per hour Goal = \$500 per hour (\$4,000/day)
Crown Fee = \$1,000 Time for procedure = 2 hours!

Doesn't make sense does it? Your mind is already telling you "yeah, but I do a crown prep start to finish in an hour." The challenge is - can you fill your schedule eight hours a day?

Most practices scheduling strictly by this "time" mentality live on a roller-coaster system of management. If today's schedule isn't full, you cram in as much as possible tomorrow, thinking that things will somehow average out. It doesn't - you never get that time back. Roller-coaster days lead to roller-coaster months and budgeting for overhead becomes nearly impossible.

There are simple steps that can be taken to engineer your schedule so that you have plenty of time for both productive and non-productive procedures, crown preps, emergencies and new patients. Our scheduling techniques can support doctors to improve \$300 per hour without adding any new technology or spending.

BRING YOUR TEAM WITH YOU:

Mountain climbing is both individual and team oriented. Having a climbing partner not only decreases risk, it provides companionship and fun along the way. I climbed with Patti Sooy, RDH and my 18-year son, Sean. Both of them played a key role in my experience. There is no doubt that my journey would have ended in a search party without them!

Surrounding yourself with people with whom you have 100% confidence and trust is essential (refer back to Business Risk #1). In seventeen years of consulting, working with hundreds of teams throughout the United States, I've identified only two fatal flaws in dentists: (1) fear of dismissing a patient from the practice, (2) fear of dismissing a poor performing employee.

"What ifVille" comes to life and the imagination spins out of control.

- *What if I fire her and she sues for unemployment?*
- *What if I can't find a good replacement?*
- *What if I let her go and my patients follow her?*
- *What if he/she says bad things about me?*
- *What if the rest of the team gets upset and quits?*

The reality is that dentistry has become more competitive in the past five years. You cannot afford to waste time, effort or money on toxic team members. With that being said, I'm not suggesting that you fire your team.

The first step is to make sure that you have a clear vision of your business model, an understanding of how you expect patients to be treated and how you expect team members to treat each other. Have you provided job descriptions and adequate training so they can support you? Do you actively solicit feedback and have one-on-one meetings with your team so that they can share their ideas?

Highly productive and lower overhead businesses are staffed by self-directed teams. This takes years to develop and requires a financial investment in their success. Off-sight retreats, team CE and coaching all contribute to the group intelligence and sense of belonging.

Now is the time to embrace the social nature of your practice and provide an incredible environment for the team. Trust me, how they feel about you is going to be directly relayed to the patient. Gaining mutual confidence and enjoying the work you do together is the key to success.

READY TO FACE YOUR MOUNTAINS?

I came down from Mt. St. Helens with a renewed sense of purpose, and a clear understanding that my life was small in the grand scheme of things. When it comes to facing the mountains of our lives, the wisdom of my 18-year old son, Sean, and my good friend Patti, provided the greatest insight - "Don't think about the things that frighten you right now. All you have to do is take the next step."

Vicki McManus, is the managing partner of Productive Dentist Academy and founder of the dental network Neighborhood Smiles, Vicki is a nationally recognized speaker, consultant and dental hygienist.

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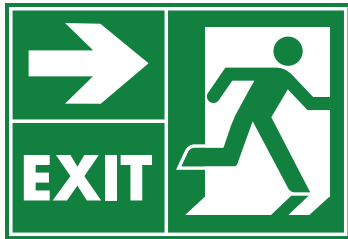
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work stoppages during the prep. Lots of dentists have a habit of prepping for a few seconds, stopping, placing their hand pieces back on the unit, picking up their air/water syringe, rinsing the tooth, drying the tooth, then inspecting the tooth for several seconds. Then, they repeat the process. I've seen some dentists do this upwards of fifty times for one prep. The ones who are through in 20 minutes don't have this habit.

STRATEGY #2 - Another major efficiency killer during procedures is ALWAYS the time it takes the assistants to set up the room for the procedure and then to break it down. We talked about some simple things that these offices could do to put their staff in the right environment to make everyone's lives easier. We, as dentists, don't always do a very good job of setting expectations. A lot of times we tell or show our assistants what we want ONE TIME. Then, we are surprised when we do a complex procedure, like a root canal, and the assistant leaves one or two instruments or supplies out of the mix. Then, you ask for something not there and the assistant leaves you sitting with an awkward few moments of silence while they look for the missing item.

It doesn't have to be that way. We could just set our assistants up for success by making the process of setting up even the most complicated room setups dead easy.

We accomplish all of this by using color-coding as much as possible. We use it in the cassettes we use. We use it on our supply setup wall to group the different supplies for each procedure, and we use it in the rooms themselves to give each procedure its own individual color. Then, we utilize specialized checklists to make room setups basically flawless.

STRATEGY #3 - Figure out how many new patients you are getting and where they are coming from. This seems almost too basic to mention, but there were plenty of dentists at the Summit and plenty of dentists are practicing out there who

don't have a clue about this statistic. I totally understand why so many of these dentists were stressed out considering they didn't have a clue how many new patients were likely to come in each month and they didn't know why those few were coming in to begin with. That would stress me out, too. Please, if you aren't already doing this, get someone to fill out a spreadsheet for you each month that shows where all your new patients are coming from. This gives you a fighting chance to increase your efforts in the areas that are working and stop marketing that which isn't working.

STRATEGY #4 - Develop a plan for all intra-office choreography. There are hundreds of little things that go on in a dental office each and every day. One of the biggest issues that I consistently heard that was driving dentists to want to exit their practice was the seeming chaos that exists on a daily basis in their offices. IT DOESN'T HAVE TO BE THAT WAY.

Chaos usually exists when there are no clear instructions for the daily tasks that exist in all practices. Those clear instructions usually are found in the form of job descriptions for each position in the office. Once you have spent the time and effort to produce these, they will pay dividends for the rest of your practice life. They will also make your practice seem much more sale-able to a potential buyer.

It is my hope that those dentists took my advice and made up their minds to greatly improve their practices before trying to sell them.

However, I also had an ulterior motive. I know they had all said they wanted to exit their practice, but I would be willing to bet that once they improve all those areas of their practice, they will see such an increase in their income and their quality of life, they won't want to sell the practice after all.

That would make me happy.