Three essential lessons for every new dentist

By Sally McKenzie, CEO

After years of schooling, thousands of dollars in tuition, hours upon hours of clinics and exams, and tests and on and on, finally you entered the working world as a dentist. Just you and the patients.

Wouldn’t it be great if it could really be that simple?

It’s likely that it didn’t take you long to realize that once your tour in dental school was over, the learning process had only just begun.

Moreover, there are at least three key lessons that were probably barely touched upon in the dental school curriculum.

**Lesson No. 1: How to deal with people**

I’m not talking about the patients. You’ve been trained to handle all the technical issues that are available to dentists. However, the one huge hiring decision can cost you a small fortune — estimates range between 1.5 to 5 times annual compensation — it can also damage patient relations, staff morale and overall effectiveness of the practice.

Given what’s at stake, pay close attention to **Lesson No. 1:**

*Do your best to hire the best and never hire under pressure.*

Follow these steps and take a particular close eye on the people you see day after day, the ones you work with elbow to elbow, those you depend on to represent you, to make sure you have enough money to pay your bills, to keep your schedule on track, etc.

Obviously, I’m talking about your team. Your success as a dentist is directly dependent upon your employees’ success. Unfortunately, one bad hiring decision can cost you a small fortune — estimates range between 1.5 to 5 times annual compensation — it can also damage patient relations, staff morale and overall effectiveness of the practice.

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**Keep the copy simple but answer the reader’s questions — job title, job scope, duties, responsibilities, benefits, application procedures, financial incentives and location. Direct prospects to your website to learn more about your practice and the position.**

**Read the resumes; don’t just scan them. Highlight those qualities that match the position’s requirements. Look for longevity in employment.** Be careful of those applicants that only note years, such as 2008–2009. Chances are this person was hired in December of ’08 and fired in January of 2009.

**Watch for sloppy cover letter.** The applicant may have poor attention to detail. Flag resumes with “yes,” “no,” or “maybe.” The “yes” candidates are the first to be considered.

**Pre-screen applicants on the phone.** Address your most pressing concerns up front. If there are gaps in employment history, now is the time to find out why. Ask the applicant what salary range she/he is expecting. Listen for tone, attitude and grammar on the phone, particularly if the position requires handling patient calls. Based on the applicant’s phone demeanor, would this person represent your practice well?

**Prepare for the interviews.** Conduct interviews using a written set of standard questions for each applicant so you are able to compare responses to the same questions.

**Avoid asking any personal questions.** Ask follow-up questions based on the applicant’s responses. Jot down personal details to keep track of who’s who. The candidate is likely to be on her/his best behavior in the interview. If the applicant doesn’t impress you now, it will not get better after she/he is hired.

**Test for the best.** Take advantage of the interview and testing process has enabled you to narrow the selection down to a couple of candidates, check their references and work histories. This step can yield tremendously helpful information and will save you from multiple hiring horrors.

**Budget for training.** Give your new employee the tools and the knowledge to achieve her/his best, and you’ll both benefit significantly. Above all else, when it comes to staff hiring, make your decisions based on real data, not a candidate’s sunny disposition or your “gut feelings.”

“Give ongoing direction, guidance and feedback to your team so they know where they stand.”

**Lesson No. 2: Lead your team to excellence**

If you’re frustrated by what you perceive as average or below average team performance, determine if you’ve given them the foundation to achieve the standards you expect. First, avoid the most common pitfall in leading employees: Assuming that your staff knows what you want. Don’t assume. Spell out your expectations & the employee’s responsibilities in black and white, and do so for every member of your team from the beginning. Do not convince yourself that because they’ve worked in this dental practice for X number of years, they know how you want things done. They don’t, and they will simply keep performing their responsibilities according to what they think you want unless they are directed otherwise.

**Recognize the strengths and weaknesses among your team members.** All employees bring both to their positions. The fact is that some people are much better suited for certain responsibilities and not others. Just because “Rebecca” has been perceived as average or below par in various areas of the business side of your practice.

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**Take 15 minutes.** Set aside 15 minutes to think about what you want the person in this position to do. Make a list. Consider what you are looking for in this individual.

**Write a job description.** Once you’ve given some thought to the position, update or write a job description for the job tailored to attract the employee you need. Include the job title, job summary and specific duties. This clarifies what skills the applicant must possess and explains what duties she/he would perform.

**Cast a wide net.** Develop an ad and place it on multiple websites & in different publications. Promote those aspects of the job that will have the greatest appeal, including money. Sell the position.

Certainly, it doesn’t take long to recognize that there are many hats for the dentist to wear. The hat that says “The CEO” is just as important as the hat that says “The Dentist.” It is critical that you completely understand the business side of your practice.

There are 22 practice system and you should be well-versed in each of them. If not, seek out training for new dentists. The effectiveness of the practice systems will directly, & profoundly, affect your own success today and throughout your entire career.

For starters, routinely monitor practice overhead. It should breakdown according to the following benchmarks to ensure that it is within the industry standard of 55 percent of collections:

- Dental supplies: 5 percent
- Office supplies: 2 percent
- Rent: 5 percent
- Labor: 10 percent
- Payroll: 20 percent
- Payroll tax & benefits: 5 percent
- Miscellaneous: 10 percent

Keep a particularly close eye on staff salaries. Payroll should be between 20 and 22 percent of gross income. Tack on an additional 5 to 7 percent for benefits. If your pay roll costs are higher than that, they are hammering your profits. Here’s what may be happening:

- You have too many employees.
- Use performance reviews to motivate and encourage your team to thrive in their positions.
You are giving raises based on longevity rather than productivity/performance.

The hygiene department is not meeting the industry standard for production, which is 35 percent of total practice production.

The recall system, if there is one, is not structured to ensure that the hygiene schedule is full and appointments are kept.

Maximizing productivity.

Hand-in-hand with practice overhead is production, and one area that directly affects your production is your schedule. Often times, new dentists simply want to be busy, but it’s more important to be productive. Follow these steps to maximize productivity.

First, establish a goal. Let’s say yours is to break $700,000 in clinical production. This calculates to $14,853 per week, not including four weeks for vacation. Working 40 hours per week means you’ll need to produce about $564 per hour. If you want to work fewer hours, obviously per-hour production will need to be higher.

A crown charged out at $900, which takes two appointments for a total of two hours, exceeds the per hour production goal by $86. This excess can be applied to any shortfall caused by smaller ticket procedures. Use the steps below to determine the rate of hourly production in your practice.

The assistant logs the amount of time it takes to perform specific procedures. If the procedure takes the dentist three appointments, she should record the time needed for all three appointments.

Determine the procedure fee for the procedure.

It must equal or exceed the identified goal.

Now you can identify tasks that can be delegated and opportunities for training that will maximize the assistant’s functions. You also should be able to see more clearly how set up and tasks can be made more efficient.

A career in dentistry is one of the most personally and professionally fulfilling fields you can choose. With the right team, clear leadership and effective business systems, you can enjoy tremendous personal success and lifelong financial security for you and your family.

About the author

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