Leadership essentials for the ‘rookie’

By Sally McKenzie, CMC

Upon entering your first “real” dental practice either as an associate or as an owner, with the dental degree in hand and requisite experience on your resume, it’s likely that one thing became abundantly clear very early on: The learning process had only just begun. There is a whole lot more to a career in dentistry than most young dentists ever imagine.

Almost without warning, many are tossed into leadership roles seemingly overnight. And it’s that part of the job requirement that often leaves new dentists shaking their heads in bewilderment. Certainly, there is a lot to learn as a part of the job requirement that seems overnight. And it’s that part of the job requirement that many that 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.

For example, your scheduling coordinator may be very experienced in scheduling according to how other dentists want their days structured, which may, in fact, be very different from how you want your days scheduled. Most good employees want clear direction, and it’s tremendously frustrating for everyone when staff are forced to guess at what you want. So speak up.

No. 1: Never assume

This is the common pitfall in leading employees: assuming that your staff knows what you want. Spelt out your expectations and the employees’ responsibilities in black and white 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 that 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.

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No. 2: Staff success = your success

Recognize the strengths and weaknesses among your team members because all employees bring both to their positions. The fact is that some people are much better suited for certain roles while others are not. Just because Britannia has been handling insurance and collections for the practice doesn’t mean she’s effective in those areas. Look at results. Britanny may be much more successful at scheduling and recall and would be better suited for those duties. Don’t be afraid to restructure responsibilities to make the most of team strengths.

Invest in training early and often to build loyalty and ensure excellence.

No. 3: Give feedback often

Along with clear expectations, direction and guidance, employees crave feedback. Don’t be stingy. Give praise often and appraise performance regularly. Employees want to know where they stand and how they can improve. Verbal feedback can be given at any time, but it is most effective the moment the employee is engaging in the behavior that you either want to praise or correct.

If the assistant emphasizes to Ms. Patient just how much she is going to absolutely love her new veneers and steers the patient clear of second guessing this investment she is about to make, tell her! Express your sincere appreciation and emphasize the value of the assistant’s contribution to the practice. Similarly, if employees need constructive feedback, don’t be shy with that either. If the front desk helper is talking about how gross she/he thinks that whole implant thing is, she/he needs education and constructive direction.

Nip problems in the bud or you’ll suffer numerous thorns in your side. If an employee is not fulfilling her/his responsibilities, address the issue privately and directly. Be prepared to discuss the key points of the problem as you see it, as well as possible resolutions.

Use performance reviews to motivate and encourage your team to thrive in their positions. Base your performance measurements on individual jobs. Focus on specific job-related goals and how those relate to improving the total practice. Used effectively, employee performance measurements and reviews offer critical information that is essential in your efforts to make major decisions regarding patients, financial concerns, management systems, productivity and staff in your new practice.

Know the numbers

Certainly, it doesn’t take long for every new dentist to realize that just as important as your role as dentist is your role as CEO. It is critical that you understand completely the business side of your practice. There are 22 practice systems, 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 and profoundly impact your own success today and throughout your entire career.

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

- Dental supplies 5%
- Office supplies 2%
- Rent 5%
- Laboratory 10%
- Payroll 20%
- Payroll taxes and benefits 3%
- Miscellaneous 10%

Salaries. Keep a particularly close eye on staff salaries. These can mushroom out of control and send overhead into the 70-80 percent range in record time. Payroll should be between 20-22 percent of gross income. Tack on an additional 5-5 percent for payroll taxes and benefits. If your payroll costs are higher than that, here’s what may be happening:

- You have too many employees.
- More staff does not guarantee an improvement in efficiency or productivity. It does, however, guarantee an increase in overhead, unless you are hiring a patient coordinator who is going to make sure the schedule is full and production goals can be met.
- You are giving raises based on longevity rather than productivity/performance. If productivity is going down and overhead is going up, payroll cannot be increased. Establish a compensation policy stating that raises will be given based upon employee performance and only if the practice is making a profit.
- The hygiene department is not meeting the industry standard for production, which is 55 percent of total practice production. If the dentist steps back and takes a closer look at what is happening, he/she will find that the hygienists have far more down time than

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they should, patient retention is seriously lacking and periodontal treatment is minimal at best. The recall system, if there even is one, needs immediate attention to ensure that the hygiene schedule is full, the hygienist is scheduled to produce three times his/her salary and cancellations are filled.

Production. 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. Sure you want to be busy, but more important than being busy is being productive. Take the following measures to get your schedule on the path to productivity.

Start by using your schedule to meet production objectives. First, establish a goal. Let’s say yours is to break the million dollar mark. Taking 33 percent out for hygiene leaves the dentist with $670. This calculates to about $13,958 per week (taking four weeks out for vacation). Working 32 hours per week means the dentist will need to produce about $436 per hour.

A crown charged out at $950, which takes two appointments for a total of two hours, exceeds the per hour production goal by $59. This excess could be applied to any shortfall caused by smaller ticket procedures. Unfortunately, you are probably not doing crowns every hour on the hour.

Use the formula below to determine the rate of hourly production and whether you’re meeting your own personal production objectives.

1) The assistant logs the amount of time it takes to perform specific procedures. If the procedure takes the dentist three appointments, she/he should record the time needed for all three appointments.
2) Record the total fee for the procedure.
3) Determine the procedure value per hourly goal. Take the cost of the procedure — for example $215 — and divide it by the total time to perform the procedure, 50 minutes. The production per minute value is $4.50. Multiply that by 60 minutes to arrive at $270/hour.
4) The amount 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 setup and tasks can be made more efficient. Thus, you’ll be well on your way to achieving your own production goals, whatever those may be.

In your practice, every system directly affects your success, as does every member of your team. Each is an extension of you. Your systems and your team will affect whether you have enough money to pay your bills. They will keep your schedule on track or off. They will tell you what you don’t want to hear when you don’t want to hear it. They will be a source of great joy and satisfaction, as well as anger and frustration. But no matter what, your success as a dentist is dependent upon your ability to lead your team effectively and manage your systems efficiently.

About the author
Sally McKenzie is CEO of McKenzie Management, which provides success-proven management solutions to dentistry nationwide. She is also editor of The Dentist’s Network Newsletter, www.thedentistsnetwork.net; e-Management Newsletter from www.mckenziemgmt.com; and The New Dentist™ magazine, www.thenewdentist.net. She can be reached at (877) 777.8151 or sallymck@mckenziemgmt.com.

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