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 manage the people you see every day, the ones you work with to elbowed, those you depend on to represent you, to supervise you. What you need to learn is how to take responsibility for the 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.

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 clear and measured approach to ensure that every employee you hire is the best fit for your growing practice.

Assess the systems before you bring in a new employee. If you're hiring an office manager, look at business operations first. Are the business systems, scheduling, collection, recall, etc., working efficiently? If not, this is your chance to fix them, to integrate new protocols and establish up front how to handle them. I'm not talking about the patients.

Take 15 minutes. Set aside 15 minutes to think about what you want. Don't assume. That your staff knows what you want. Spell out your expectations and the employees' responsibilities. This clarifies what skills the applicant must possess and explains what duties she/he would perform.

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

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 having a bad time in January of 2009.

Watch for sloppy cover letters. 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, don't get better after she/he is hired.

Test for the best. Take advantage of Internet testing tools that are available to dentists. Such testing has been used in the business sector for years to help companies identify the better candidates for specific positions.

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."

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: micromanaging. Make sure that your staff knows what you want. Don't assume.

Spell out your expectations and the employees' responsibilities in black and white, and do so for every member of your team.
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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 handling insurance and collections for the practice doesn’t mean she’s effective in those areas. Look at results.

Rebecca may be much more successful at scheduling and recall than she is at collections—perhaps even much more so. Don’t be afraid to restructure responsibilities to make the most of team strengths. Don’t be afraid to reallocate duties. Don’t be afraid to move Rebecca to a different position. She may be much more valuable to you in those areas. Look at results.

Nip problems in the bud and you’ll avoid numerous thorns in your side. If an employee is not fulfilling her/his responsibilities, address the issue privately and directly with her/him. 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.

Use 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.

Lesson No. 3: Keep your hands in the business

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 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, 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
- Laboratory: 10 percent
- Payroll: 20 percent
- Payroll taxes and 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 10 percent for payroll taxes and benefits. If your payroll costs are higher than that, they are hammering your profits. Here’s what may be happening:

- You have too many employees.
- You are giving raises based on longevity rather than productivity/performance.
- Hygiene department is not meeting the industry standard for production, which is 53 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.

Measuring productivity: Hand-in-hand with practice overhead is production, and one area that directly affects your production is your schedule. Oftentimes, 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 $1,385 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.

Record the total fee for the procedure.

Determine the procedure value per hourly goal. To do this, take the cost of the procedure (for example, $900) divide it by the total time to perform the procedure ($900 + 120 minutes). That will give you your production per minute value (+ $7.50). Multiply that by 60 minutes ($7.50 x 60 = $450).

Compare that amount to the dentist’s hourly production goal. 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.