Three essential lessons for every new dentist

By Sally McKenzie, CEO

Success

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. Would’n 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 elbow to elbow, those who depend on you to represent them. I’m talking about the people 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, collections, recall, etc., working efficiently? If not, this is your chance to fix them, to integrate new protocols and establish up front how to fix them, to integrate new protocols and establish up front how they will be done. Develop an ad and place it on multiple websites and in different publications.

Keep the copy simple but answer the reader’s questions — job title, job scope, duties, responsibilities, benefits, application procedures, financial incentives and location.

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

Watch for sloppy cover letters. The applicant may have poor attention to detail. Flag resumes with “yes,” “no,” or “maybe.”

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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 identifying the better candidates for specific positions.

Check ‘em out. Once the interview and testing process has enabled you to narrow the selection down to a couple of candidates, check their references and work histories. Check their references and work histories.

Budget for training. Give your new employee the tools and the knowledge to achieve her/his best, and you’ll both benefit significantly.

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 your employees’ responsibilities in black and white, and do so for every member of your team.

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.

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, you’ll not get better after she/he is hired.

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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: Assuming 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 and would be a much more valuable employee if she were assigned those duties. Don’t be afraid to put your best people in the most critical areas. Look at results.

Use performance reviews to motivate and encourage your team to thrive in their positions. 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.

Lesson No. 3: Keep your hands in the business

Certainly, it doesn’t take long to recognize that there are many hats the dentist has 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 tomorrow in 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. Take on additional costs to 5 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.

A hygienic 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.

Maximizing 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 $835 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.

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