The price is right

Good business planning and implementing a strategic pricing policy is essential for the success of your practice, says Dr Paul Tipton

Establishing a new pricing policy that will immediately allow you to take one day off a week from clinical practice, but still make the same levels of profit, is one of the most important decisions a dentist can make.

How is this done?
Let's take an example. A dentists composite filling at £50. If the patient is willing to pay £50, you need to ask yourself whether you think they would pay £95.90. Still more, but not quite £60. The answer is that they would, probably. Putting the price up from £50 to £60 is therefore an increase of 20%. If this is applied across your whole practice, the result is approximately the same income in four days rather than five. Then allows the dentist to take one day off a week and grow his business.

Charging for lab fees
Simple issues such as missed appointments cost every practice on a regular basis, but have you ever considered the number of hours a year you lose in profitability terms through a failed restoration? A single crown that fails due to a production fault may cost you two hours of your valuable clinical time, seeing the patient again, removing the crown, new implants and a second visit for the fit. Instead, you could be using this time to generate income. Your laboratory may offer a replacement at a preferential rate, but what about the lost revenue in your clinical time. To overcome the situation illustrated, you simply ask your laboratory to register the Prestige Fixed Prosthetic Failure and Accident Warranty. This facility is designed to not only cover your clinical time on failures through manufacturing fault, but also for damage to a prostheses through accidental damage.

Whether it's a fractured porcelain on bonded crown and bridge work or failures of veneers and porcelain crowns due to a hairline crack in the porcelain or inlays, or onlays and veneers becoming debonded that can’t be re-cemented or even an unforeseen event which causes damage from extra oral impact to the prostheses or underlying tooth tissue whereby the existing prostheses is unable to be re-cemented. This particular bottom-line profit building opportunity is available through you laboratory and for a minimal fee of around £10 per unit, your lab can cover you for £550 per unit for up to three years, post-final fitting of a fixed restoration.

So, if in a given year problems occur with 10 crowns, 10 veneers, five three-unit bridges through manufacturing fault and five patients present themselves having had an accident you can re-introduce £4,000 to your bottom line profit.

Maintaining standards
Clinical excellence is one of our ultimate daily challenges. But to be able to offer clinical excellence for our patients, we also need additional clinical training and to run our businesses in a fashion that will allow us to maximise our profitability, enabling us to offer only the very best treatment plans, clinical experience, materials and equipment.

There are many articles in the dental press advising us on the business of dentistry, business strategies, ethical selling, tax issues and CPD for example. All of which are very useful and need to be taken into consideration over and above treating our patients. But sometimes we need to sit back and look at the basics. Where we generate our income and where we are losing potential profits that could greatly increase our bottom line success.

For information, contact Tip- ton Training on 0161 850 7496. For further details about the warranty explained, ask your lab to contact Prestige Dental on 01274 721567.