Leadership essentials for the ‘rookie’

By Sally McKenzie, CMC

Upon entering your first "real" dental practice either as an associate or as an owner, you’ll find that time, 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 leader, but here are a few essentials to follow from day one as “The Boss.”

No. 1: Never assume

This is the most common pitfall in leading employees: assuming that your staff knows what you want. Spell 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. Therefore, they will simply keep performing their responsibilities according to what they think you want with- or less they are directed otherwise.

For example, your scheduling coordinator may be very experienced in scheduling according to how other dentists want their days structured, whereas, in fact, be very different from how you want your days scheduled. Encourage your 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. 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 responsibilities and not others. Just because Brittany has been handling insurance and collections for the practice doesn’t mean she’s effective in those areas. Look at results. Brittany may be much more successful at scheduling and recall and would be better suited for those duties. Don’t be afraid to restructure job responsibilities to make the most of team strengths. Invest in training early and often to build loyalty and ensure excellence.

No. 5: 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.

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%
- Laboratory 10%
- Payroll 20%
- Rent 5%
- Taxes and benefits 5%
- Miscellaneous 10%

Salaries. Keep a particularly close eye on staff salaries. These can mushroom out of control and send overhead out the 70-80 percent range in record time. Payroll should be between 20-22 percent of gross income. Taek on an additional 5-10 percent for your jury costs out for hygiene leaves the dentist with $870. This calculates to about $15,958 per week (taking four weeks off for vacation). Working 52 hours per week means the dentist’s own production goal will need to produce about $456 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 $258/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 staff 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 have to worry about 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 success as a leader and your ability to lead your team effectively and manage your systems efficiently.

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