Accountant Geoff Long looks at some of the reasons dental practices are failing in the current downturn and suggests ways of making sure you stay afloat.

Spending too much

Murphy’s Law on money

Over the past year I have noticed the economic downturn affecting more and more dentists. Twelve months ago, it was just referral practices or private practices suffering. Now, virtually every dental practice I visit is experiencing the downturn – even the NHS ones.

My new research on dental practice failure has led me to conclude that failure always is down to three things:

i) Spending too much money
ii) Low gross
iii) Poor appointment book control.

The worst case we came across involved total indebtedness in excess of £2 million. And that was just for one dentist.

Low gross income

The second reason for failure is not grossing enough income on a day-to-day basis. So how can you increase your gross income? Here are some ideas.

1. Written treatment planning would help. It is surprising the positive response you will get from patients when you give them options of differing sophistication and quality. Remember, patients will always buy the best quality they can afford, providing the choice is given and the quality of solution is perceived. If you don’t believe it, think about the car you drive and why you bought it?

2. Recommendation system. Dentists produce some excellent work but few, if any, have a system to ask the patient for a positive recommendation. This is made worse by the fact that patients are often busy people themselves and forget all about your amazing dentistry the moment they walk out of the door. In any case you’ve a state of the art surgery with all the mod cons – you obviously don’t need any new patients do you? If only they knew the truth!

3. Intra oral camera. A picture is worth a thousand words. Intra oral cameras can now be purchased for as little as £600. Forty times magnification can be a powerful persuader when selling your dentistry.

4. Practice brochure. This tells the patient your philosophy and explains your particular unique style of dentistry. It also lists the services the practice provides. And words he can’t understand and the brochure is too complicated.

5. Questionnaire. When the treatment is completed, hand out a questionnaire. Try, say, six a month. Useful questions include:

Appointment control

A common problem for NHS dentists is that they are simply inundated with patients. So why can’t they make any money; after all they are often seeing 60 patients a day.

Remember the old adage: Too many patients means not enough dentistry is being done, which means not enough gross income. The fact is, you will gross more out of seven to 10 patients a day treating them properly than you will seeing 60 patients for three minutes each. In the latter case, no dentistry whatsoever will be done. The solution here is a proper appointment book control.

Remember dental practice failure can always be traced back to the three basic problems:

i) Overspending
ii) Insufficient gross
iii) Poor appointment book control.

Indeed, the most profitable practices will generally mix NHS and private to some degree. To gross in dentistry you must regain control of your appointment book. So how do you do it?

1. Set an upper ceiling on the number of patients you see in a day.

2. Cross out the first and last appointments of the day as independent.

3. Next cross out the appointments either side of lunch too.

4. Then make the appointment at 5.30pm (the end of the school day) independent. Otherwise the mums will have this one booked ahead for four months!

5. Lastly, cross out your daily emergency time morning and afternoon.

You need to change the ethos of the practice to one where the practice supports your lifestyle, insists that dentists simply go private. No, there is a lot more to it than that.

About the author

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