One of the most common issues I currently hear dentists commenting about is their concern over the number (or lack of!) new patients and how to keep the practice above water in these austere economic times.

At this point, I would love to be able to wave my magic wand and bestow upon dentists and their teams the golden key that will unlock the door to practice prosperity and success, but we all know it is never that simple! We can all get lost in profit and loss accounts, cash flow or fixed versus variable costs and become confused by jargon about creating a marketing proposition, or carrying out business process reengineering. After all, how can we be expected to be qualified accountants, expert marketers' and professional management consultants, as well as qualified, expertly skilled dentists with an excellent chairside manner?

The answer is we can't, so it is necessary to have professionals around us to support our business. However, we all need to do a bit of groundwork if we wish our business to (a) function and (b) make a profit. It takes more to manage your business than to simply check the bank balance at the end of the month and hope that your year-end set of accounts will be adequate, with enough money left to pay the tax bill.

I believe in keeping that groundwork very simple so that I, and everyone supporting me, understand it. This way I'm much more likely to make it a priority rather than something I dread and relegate to the bottom of my “To Do” list where it never gets done.

One thing I have noticed recently relates to a small core of dentists I work with who have struggled in the last year to run their practices profitably. They are now telling me that they have “just had a run of three months in profit” or “just had my best month for over two years”. Could there be a common denominator as to what these practices are doing differently that is reversing their negative trend of practice profit?

Yes, there is! They have started measuring and reviewing key activities in their business using a few, well-chosen Key Performance Indicators (KPIs). These particular dentists are almost allergic to numbers and the “S” word (sales), but by keeping it simple they are now able to focus on what is making their work (or not) and then make changes to keep it on track.

A very dear, wise and astute friend gave me the following...
advice several years ago and it revolutionised my life:

“Measure what you value, and you get what you measure”

This is exactly what the principal dentists I mentioned earlier have taken on board and made a part of their daily lives. We can apply this motto to both our businesses and our personal lives. For example, many of us make resolutions about losing weight, getting fitter or spending more time doing the things we enjoy. How often do we fail in achieving any of these goals?

I spent years wishing I was thinner, reading lots of books and articles about weight loss and occasionally actually doing something about it. Sometimes I felt good, other times I knew something about it. Sometimes and articles about weight loss thinner, reading lots of books and articles about weight loss

and if I’m not losing weight and not on track, what I need to change or stop doing or eating

• Continue measuring even when I hit my target weight: keep measuring, reviewing and taking appropriate action regularly to stay on track

It is a natural law of the universe that once you start measuring something important to you, a high percentage of the time you will get what you want. The reason being is that the act of measuring and reviewing ensures a focus on the desired outcome, so you are far more likely to achieve it.

So, enough of the magic wands and laws of the universe, how does the losing weight analogy work for running a successful, profitable practice? Here’s how:

• Decide what things you need to measure in your business (KPIs) that are important for you to achieve your desired outcome. Start with a few simple, useful KPIs and evolve.

• Start measuring your KPIs by collecting the data. This gives you a starting point

• Set a target for each of your KPIs that you want to achieve in the next year

• Share those targets with key personnel in your business and your coach

• Measure your KPIs on a weekly or monthly basis (ie continue to collect the data), as appropriate

• Review the data on a monthly basis with your team and coach as appropriate and assess whether or not you are on target to meet your year-end goals

• Make decisions and take action. Make changes to ensure that you are on track to meet your year-end goals

It doesn’t matter how our first numbers are, you have taken a major step forward in your business because now you know exactly where you are. This is purely a starting point.

In my mantra of “keeping it simple, so I’m more likely to do it”, here is my minimum list of KPIs to measure in a dental practice:

1. Gross fees per fee earner versus target

2. Enquiries converted to new patient consultations versus target

3. Turnover versus target

4. Fixed costs versus target

5. Profit versus target

6. New patient numbers versus target

I am still surprised at the number of practices that do not set a forecast with targets and a budget for the year or measure and review how they are doing. Without these fundamentals, they are really relying on hope as a strategy (and it didn’t work for me in getting thinner). In the current economic environment, pure hope on its own is a very dangerous strategy.

For additional information or advice on running a successful practice, please call Breathe Business on 0845 299 7209.

The most popular X-ray unit in the world. Now with 3D!

Simply outstanding. The new ORTHOPHOS XG 3D combines all the advantages of digital panoramic, cephalometric and 3D imaging into a single easy-to-use system. Its optimized field of view ensures greater precision and opens up new perspectives for your practice, such as simultaneous prosthetic and surgical implant planning with CEREC. The fully automatic 2D / 3D sensor, intuitive operation and a finding-based workflow make your routine practice even more efficient.

Enjoy every day. With Sirona.

Sirona Dental Systems, Lakeside House, 1 Furzeground Way, Stockley Park, Heathrow UB11 1BD

Telephone: 0845 0715040

e-mail: info@sironadental.co.uk

www.sironadental.co.uk

Making targets that are important for you to achieve are a good first step.