Creating a successful and profitable practice in the recession

Ash Parmar details steps you can take to be successful in today’s economic climate

The world is in economic turmoil at present. If you watch the news, we are constantly being reminded of doom and gloom. Have you wondered how this may affect your dental practice? This article will look at the fundamental concepts that every practice owner needs to really focus on in 2013, not just to survive, but hopefully to thrive in. Remember, a practice cannot just stay where it is. If you do nothing, your business will probably decline. By taking positive action and working hard, the business will grow.

1 The Law of Attraction (pic 1)

The Law of Attraction says that you are a living magnet. Any thought you have, combined with an emotion, positive or negative, radiates out from you and attracts back into your life the people, circumstances, ideas and opportunities consistent with it.

The Law says that if you have a very clear idea in your mind of your desired goal (eg having a successful private practice), and you can hold that idea in your mind on a continuing basis, you will draw into your life the resources that you need in order to achieve it. So whatever type of new patients you want to attract, have a positive focus and attitude, and this will happen. If you successfully used this concept in setting up a state-of-the-art private cosmetic and implants practice two years ago (www.smiledesignbyash.co.uk).

2 Goal Setting (pic 2)

Goal setting is essential for success. Goals must be written with clear deadlines. Only the top three per cent of the most successful business owners have clearly defined WRITTEN goals! For example, to convert an NHS practice to a private practice may require a one - two year game plan with clearly defined and manageable monthly goals. This makes the task easier and minimises financial risks in the transition. The entire team needs to understand the journey of change, and support the business in the new vision and direction that the practice will take.

3 Improving your Practice (pics 3a, b)

The first important and practical thing is have a close look at your practice. To improve it need not cost that much money! Dentists spend thousands of pounds on equipment and fancy gadgets, but often fail to understand that patients will NOT really perceive these differences. They will however notice the aesthetic ambience of the practice, the nice aromatherapy vapour as they enter the premises, the beautiful music playing in the background, the smiling and smartly dressed professional team members. They will also notice the totally clutter free environment, the beautifully appointed bathroom, and the freshly made tea and coffee. They will also enjoy the classy hardback books in your reception lounge, the nice works of art and makeover pictures of your clients on the wall.

In summary, set a budget, have a team meeting, brainstorm the ideas of change you want to consider in your practice. Review what nice hotels and restaurants look and feel like. You CANNOT have a successful private Practice if you “don’t look the part”! This is obvious, but often ignored.

4 Review your Finances (pic 4)

It is vital to go back to basics and rethink your strategy going forward. The current economic climate is very unusual; even estate agents cannot predict what exactly will happen in the next twelve months! As dentists, we need to be clear of the following:

- Monthly turnover target
- Monthly expenses
- Cost to run each treatment room
- Profit made by the hygienist or associate working for you
- Marketing plan and budget
- Number of new patients you would like to sustain the practice

Once you are offering a superior service, increase your fees by 10 per cent. This will have the effect of increasing your profit by 28 per cent if your expenses are held at 65 per cent! In addition, review all expenses and tighten up wherever you can, and certainly avoid any major capital expenses. If you intend to do more cosmetic dentistry, then purchase important pieces of equipment or technology (eg a diode laser), ie things that have a very good return on investment.

5 Marketing the Practice

Allow a budget of five – eight per cent of the annual turnover for marketing your practice. You should then have a detailed marketing plan for the year, which will actually change as time goes on. This is because you need to monitor your marketing strategies and evaluate what is working and what is not. Some examples of successful and low cost marketing strategies are:

- Find time to develop excellent relationships with your clients
- Offer outstanding customer service at all times
- Learn how to ask for referrals
- Develop and send newsletters to your patients (keeping regular contact is important)
- Use Smile Questionnaires with new patients, recalls and hygiene patients
- Digital photography (one of the most powerful ways of non-pressurised selling)

6 Finance Plans for patients (pic 6)

If you do not already work with a financing company that offers finance plans for dental patients, then it is vital to immediately set this up. A company such as Medenta (www.medenta.com) can come and train up your treatment coordinator, including help with verbal skills. For a larger investment, most patients will want to spread payments over an extended period of time, and if possible enjoy the benefit of
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you would not have dreamed of. Dentists should mainly focus on actually doing the dentistry! It is likely that there is a team member you have that will have the requirements for being a great treatment coordinator. You simply need to identify this person and nurture them. I recommend Laura Horton to any dentist that wants their team trained to a very high standard (visit www.laurenorton.com).

9 Exceptional Customer Service (pic 12)
Patients (ie customers!) are very discerning nowadays. There is no room for complacency. The new patient experience has to be seamless from the minute the initial phone call enquiry comes. The team needs to be trained in adding value to everything that is said and done at work. The language between colleagues needs to be courteous and professional at all times. Many small touches in caring for the patient will add up to the overall experience being positive and totally comfortable. Having satisfied customers will create “raving fans” that will then refer more new clients. In this current economic climate the need to really look after people is even greater!

10 Bonus System (pic 13)
Having a fair bonus system based on practice turnover and team performance is a great way to appreciate hard work that is done by staff. The system needs to be simple, with clarity in everyone’s mind as to how it works. Bonus should be calculated on an average of three months turnover, and paid monthly (if applicable for that period) separate from the monthly pay cheque. It goes without saying that appreciation and compliments are equally important as financial rewards when it comes to motivating team members!

Summary
“Knowledge is Power” and the more you learn, the more you find out that you do not know. As human beings, we only use about three per cent of our true potential! Imagine what you will become and the practice success you will enjoy if you put your mind to it, and discover the right mentors…

About the author
Ashish B Parmar (Ash) is a private dentist and has a unique state-of-the-art practice in Chigwell, Essex called ‘Smile Design By Ash. Ash is a national and international lecturer and was one of the main dentists on the three series of Extreme Makeover U.K. He offers an outstanding eight-day course which includes training on leadership, vision creation, goal setting, step by step techniques in doing Smile Makeovers, treating advanced cases (e.g. wear cases), lasers, fibre-reinforced composite dentistry, photography, communication, case presentation skills, team development, ethics, etc. Ash has written numerous clinical articles in dental journals and is well recognised for his passion in cosmetic dentistry – using both composite and porcelain techniques. To review many other informative articles and FREE TRAINING CLINICAL VIDEOS, and to find out more about the unique training Course run by The Academy By Ash, visit www.theacademybyash.co.uk or send an email to training@theacademybyash.co.uk. Alternatively, you may phone Ash personally on his mobile number 07971 291180.

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Pic 13 - Bonus System