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Timothy A. Brown is the owner and founder of Profitable Practice. His insights, research and experience in the dental field have made him a highly sought after professional speaker and a respected author.

Timothy is available for private consultations, study clubs, conventions and as a key-note speaker.

Contact Timothy A. Brown
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Tributes And The Order Of Canada, Specialization And Feature Interviews

This issue of Profitable Practice honours Order of Canada recipient Dr. Marcia Boyd, a highly recognized educator and spokesperson for the profession. Her resume reads like a Who’s Who of the Canadian dental community. She continues to work and be heard as a senior associate at ROI Corporation Brokerage. In addition to Dr. Boyd, we pay tribute to Anita Jupp who retires after an outstanding career as a dental consultant and a practice management lecturer.

Specialization of services

In recent years professionals have steadily moved to an area of specialty and in many cases—an area of hyper-speciality. Things are more complicated today—buying a house, establishing workplace rules, doing income tax, developing a marketing plan or performing reconstructive dental surgery. Many decisions people must make are complicated by new laws, covert legalities, culture and fashion changes, political correctness, and taxation/financial considerations—name a few. As individuals we seek the best person available to guide us through our travails and troubles.

Today many available service options exist. Generalists claim to be able to do any task within their profession and espouse a one-stop-fits-all approach, often at bargain rate prices. Bad advice is costly—just ask the high-wire walker who was told to use shoes with stillets he used. This is why ordinary people and professionals go to specialists to get answers and direction.

Profitable Practice will continue to feature articles written by specialists in their respective fields that are current and informative for our readers to consider. Listed in the next column are a few examples found in this issue.

- James Ruddy

James Ruddy is the Editor of Profitable Practice Magazine and can be reached at editor@profitablepracticemagazine.com

For back issues of the magazine go to profitable-practice.com/magazine/dental

• Peter Lovero of BMO analyzes income and expenses with developing a budget in mind.
• Mariana Bracie of MBClegal promotes debate about inter-generational dental industry respect and how dentists should transition their practices.
• Daniel Piek of FCM suggests that dentists who acquire expensive technology should make their clients aware of how well they are being served.
• Andrea Chan of MNP introduces the concept of key performance indicators (KPIs) and why they should be a part of a successful dental practice.
• Jeremy D. Behar of Cirrus Consulting Group shares pertinent information on dental office leases and their expiration dates.

Feature interviews

Jerry A. Jones is an American practice management coach who reveals how he became a successful dental industry leader, author and owner Dr. Wayne Raborn’s interview (Part 2) traces his long and interesting career path. Dr. Sarah Mancuso and Dr. Tony Mancuso are a father/daughter team whose interview relates an unique perspective of mentoring and transitioning a practice within the family.

Things to remember

Subscription information can be found on the inside back cover of the magazine. Profitable Practice encourages our readers to send us comments and suggestions; if you would like to write for us or have a story to tell, contact: editor@profitablepracticemagazine.com.
Money In, Money Out
by Pino Loverro

In recent months the media has covered a number of stories on the overall decline in savings rates of Canadians to around four per cent of disposable income, and a coinciding increase in household debt to disposable income of 163 per cent, which is a record high. Stories on these statistics are not new and have generally included a comparison with American households, painting our households as being more fiscally conservative. The difference in the last several months is that the statistics for American households are now better—a better saving rate and a lower debt ratio. While interesting to read, it may be more interesting to compare your own situation with the average.

If you don’t know, it may be time to get a clearer financial picture and develop a budget. Sitting down and drawing up a budget is about as enjoyable as watching paint dry, but it is a necessary exercise if you wish to achieve your financial goals—such as debt reduction or retirement savings.

Step one is to figure out the ‘money in’ for your household. This should be a relatively straightforward exercise in adding up the money that came into your bank account over the last twelve months including items such as salary, draws, professional fees and investment income. If you have some variability month-to-month, then pick the lowest ‘money in’ month for budgeting purposes.

Step two is to determine the ‘money out’ over the latest twelve months of bank statements, bills and credit card statements and come up with a total. If you don’t have a full year’s worth of paperwork, try gathering at least three months. Out of this determine what amount is attributed to fixed expenses, such as mortgage payments, taxes, utilities, loan or lease payments, and of course insurance. Lastly, calculate the monthly average from the total fixed and variable expenses.

Step three is to subtract average ‘money out’ from the lowest ‘money in’ month—this should be a positive number. If it isn’t, then you have two choices—make more or spend less. As you probably have more immediate control over spending, rationalizing your expenses and sticking to a budget by category is critical to help you achieve larger financial goals of savings and debt reduction. Not sure if what you are spending is reasonable? Here are a few guidelines to consider: total housing costs (mortgage payment, insurance, tax, utilities) should be limited to 30 per cent of gross income, transportation at 12 per cent and savings of at least 5 per cent to gross income.

The above sounds like a lot of effort because it is—but the fact remains that budgeting is proven to work. Fortunately there are some banks out there that have online tools that with a few clicks can illustrate the amount of money that is coming in and what you are spending it on. I am pleased to say that BMO Bank of Montreal is one such bank that launched such tools as BMO MoneyLogic. If you are a current personal customer it is free, kind of cool and might even help you reach your own goals (perhaps even restoring our household financial picture over our American neighbours!)

Bottom Line: This article advises (step by step) how to analyze income and expenses to budget for the future.

Pino Loverro
Pino Loverro is the National Director, Healthcare Professionals at BMO Bank of Montreal, which provides banking and financing solutions for dental practices. Pino can be reached at 1.877.629.6262 or pino.loverro@bmo.com.
Feature Interview: Drs. Sarah Mancuso and Tony Mancuso

Sarah: Growing up with my dad being a dentist I was given insight into how professionally satisfying his career was to him, as well as how it provided a wonderful family life for us all. In today’s society, I think it’s very rare to see someone who so enjoys his career and is so passionate about his work—and my dad is definitely that guy. I was lucky enough that it must have rubbed off on me a little. My dad to this day is still taking CE courses and learning new techniques—I can only hope I maintain that passion after almost 30 years in the industry.

How much did your father influence you in becoming a dentist?

Tony: Yes—already done!! We have agreed that she will be taking over the practice—sooner than later. I have delegated to her all the protocols of the new guidelines in running the office that we have been inundated with. I have already cut back my hours to 4 half days per week and Sarah oversees most of the hygiene recall exams for the three hygienists. My goal is to slow down and get away from the day-to-day hustle and bustle?

What are your areas of dental specialty or of major interest to each of you?

Sarah: Growing up with my dad being a dentist I have always enjoyed the role of teacher and mentor to both Sarah and our newest and youngest associate. I have always enjoyed the role of teacher and mentor and so I will continue in that capacity.

Tony: My main areas of interest at this stage of my career are the complex multidisciplinary cases, often involving aesthetic dentistry, implant dentistry and occlusal rehabilitations. These are often problem solving exercises that I really enjoy solving. I also enjoy the surgical aspect of dentistry.

Sarah: Since graduating in 2011, I have been continuously taking CE courses and programs in a variety of fields—trying to see which I enjoy the most. For the time being I am heavily involved in Invisalign and enjoy cosmetic cases, but who knows what the future holds.

What do each of you do to unwind and get away from the day-to-day hustle and bustle?

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Can you see a time when you would transition the practice to Sarah and take on a lesser role or even retire?

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What do each of you do to unwind and get away from the day-to-day hustle and bustle?
Sarah: To relax and unwind my husband and I love to travel. I enjoy reading, relaxing with family and friends, and taking our Great Dane to the dog park.

What gives you satisfaction?
Professionally
Tony: Seeing the end result of a complex rehabilitation in which the patient is comfortable and extremely happy.
Sarah: Satisfaction to me is having healthy, happy patients. I enjoy working with children, and get satisfaction when they leave with a positive experience.

Personally
Tony: Seeing my four children become successful adults in their own right. I am extremely proud of all four.
Sarah: I am very proud of myself for completing my DDS degree and working hard to have the career I am enjoying now.

How would you describe your father?
Sarah: My father is a very generous and hard-working man. He puts family first and is unrelenting in his dedication—whether it be to his kids, soccer or his practice. His favourite mantra is: “Firm in principle, flexible in practice” and I think that sums him up best. He is also the best dentist I know—his wealth of knowledge is unbelievable.

Same question—how would you describe your daughter?
Tony: Sarah cares very much about her patients. She gets frustrated when she knows she can provide excellent, ideal dentistry but the patient does not want it or can’t afford it. I can see how it bothers her—it’s one of those things that has bothered me for almost 30 years. She is also very exacting and likes things done right—a good trait for a dentist.

What advice would you give to young dentists about to start their career?
Tony: Find a mentor. Take lots of CE—for life! Get involved with organized dentistry as the rewards greatly surpass the time you put in.
Sarah: Same—find a mentor. School teaches you the basics and the ideal treatment—but real life unfortunately isn’t always about ideal treatment. As dentists we are treating real people with different priorities, and financial supports and so a mentor can really help you navigate through when ‘ideal’ is not a viable option.

What changes do each of you see for dentistry and for yourself personally in the next five years?
Tony: CAD/CAM and digital everywhere and anywhere. Standard of care will become higher and higher—an example would be that in the next five to ten years I can see the CBCT x-ray being the standard of care prior to any implant surgery.
Personally, I would like to spend the winters in Florida and return to have fun doing interesting dentistry, part-time over the next five years or so.
Sarah: I think scanners/digital software will be in every office while paper charts, impression materials, and models will be a thing of the past.
Personally, over the next five years my husband and I would like to start a family and travel some more.

Any regrets?
Tony: Professionally, absolutely none. Personally, I wish my mom had lived to enjoy the fruits of my labour.
Sarah: Hindsight is 20/20. Having only practiced the past three years and still being in my 20’s, you’ll have to re-interview me in 25 years and I will let you know then.

Bottom Line: This interview presents a positive look at dentistry from a father/daughter dental team who offer unique insights into their professional careers.

Dr. Tony Mancuso
Dr. Sarah Mancuso
Dr. Tony Mancuso along with his daughter Sarah operate a dental practice in Welland, Ontario. They can be reached at Drsmancuso.dds@gmail.com or at 905.736.9221.

You’re A Successful Professional. Are You A Successful Investor?
by Michael McCloskey

PROFITABLE PRACTICE

After decades of hard work it’s finally time to retire and enjoy the fruits of your labour. You were fortunate to secure a fantastic selling price for your dental practice. Or maybe you are just starting to think about your retirement and are putting away money for the future. In either case, the cash in your bank account is earning next to nothing.

Dealing with the realities of inflation and your own longevity mean that you need to keep your money growing during your lifetime. In today’s low interest rate environment, a material portion of your investment portfolio is likely to be in equities. So how should you go about doing that? Should you do it yourself or do you need some help?

Many smart and talented business people are intimidated by the prospect of investing and often make poor financial decisions. As we age, the importance of making wise decisions only increases.

Doing it yourself
One key to successful investing is recognizing that a stock is really an ownership interest in an operating business, not a piece of paper. Just as any buyer would do on the purchase of a professional practice, before buying a stock you need to study the underlying business:
• Is the business an attractive one?
• Does it generate high returns on capital and free cash flow?
• Is the industry likely to prosper or face headwinds in the coming years?
• Does management look after the owners (shareholders) or only themselves?
• How attractive is the valuation of the business relative to other investment opportunities?

Successful investing also requires that you put in some help:
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It is a straightforward and basic question, yet I have
2. What are your historical returns?
your wallet and head for the door.
in his/her own products, I suggest that you hold onto
money manager doesn’t have enough faith to invest
If you have made the decision to get professional
Hiring a professional
If you have made the decision to get professional
help with your investments, there are a few simple
questions that you should ask before entrusting
someone with your hard-earned savings. The answers
that you get back should tell you almost everything
that you need to know.
1. Do you invest your own money
alongside your clients?
It never ceases to amaze me how many professional
money managers recommend their products to oth-
ers and yet they won’t “eat their own cooking”. If a
money manager doesn’t have enough faith to invest
in his/her own products, I suggest that you hold onto
your wallet and head for the door.
2. What are your historical returns?
It is a straightforward and basic question, yet I have
dealt with many people who cannot get a straight
answer out of their financial advisor. “It’s complicated”
is a common refrain. The answer should be specific
and the manager should have a long-term track record
of delivering for his/her clients. I suggest that you
measure their performance over several years.
3. What is your investment style?
Different managers have different styles and the
investment approach of the money manager you are
considering should resonate with you. As we ap-
proach retirement, capital preservation becomes more
important. A money manager’s historical portfolio
management practices should also be consistent with
their stated investment style. Style drift is something
that would make me nervous. Discipline is an impor-
tant element of successful investing.
Do your homework
I suggest that you also take a quick look online to
confirm that the candidate is properly registered with
the securities commission in your province and has a
complaint-free track record. Requesting a few refer-
als from existing clients and speaking with them is
also a good idea.
A few key common sense questions should tell you
most of what you need to know. Don’t be afraid to
ask the tough questions. You spent decades building
up your practice. Make sure that you take the time
to set yourself up for continued financial success as you
approach retirement.
Bottom Line: Investors have the option of going it alone, or
hiring a professional to manage their money. If you choose the
latter, ask the right questions and take your time to ensure the
hiring of a professional advisor you have chosen suits your investment style.

In my travels visiting different dental offices, I am always very impressed by the investments
being made in equipment technology such as digital imaging, laser dentistry and CAD/CAM systems etc. Dentists are always eager to
show me their technology and express how much they enjoy working with it. However, the
majority of the conversation usually pertains to size of the financial investment and the time put
out in technology and training. There is very little mention of the financial gains being real-
ized. It seems as though these dental offices are investing tens of thousands of dollars into their
technology, but are doing very little to promote the technology or even announce its existence.
The technology is there but it is almost a secret. I
encourage you to ask yourself the following
questions: How many cases do you need to
deliver for your technology to pay for itself?
How would one more case per week improve
the annual gross income of your practice?
Simply stated, for expensive technology to pay
for itself and then become a steady revenue
driver, you need to start showcasing it, as well as
the many great benefits that it provides. Dur-
ing my “Discovery Sessions” meetings, I also ask
dentists to rank on a ten point scale how aware
they feel their clients are about the technology
and training that exists in the practice. Eighty
per cent of the time, their ranking is 3 or 4. But
imagine if the 3s or 4s turned into 6 or 7.
One of the main purposes of marketing is to
attract new clients and increase gross income.
You must use your equipment technology as an
asset and apply it to the five key areas of your
marketing approach. These five areas of market-
ing are carefully linked together to project the
image of a confident, progressive-minded and
technologically savvy practice.
1. Digital presence – Is your technology promi-
nently displayed and easy to access on your
website? Are you posting information and
success stories relating to your technology?
Do you have a video introducing your
technology on your website and on Facebook?
Your technology is a great way to differentiate
yourself and a promotional video will make a
bold statement about the benefits of
your technology.
2. In office display system – Are you promoting
your technology inside your practice? Proudly
introduce and showcase your equipment
technology to everyone visiting your practice.
Creating promotional prints or a video display
on the key walls of your office are two very

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Michael is the Founder and President of
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Turn Your Technology Into
Your Marketing Advantage
by Daniel Pisek

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Marketing and sales materials are powerful tools for
your business, but their full potential is not achieved
without a well-planned and executed strategy.

Your Marketing Advantage

In my travels visiting different dental offices, I am always very impressed by the investments being made in equipment technology such as digital imaging, laser dentistry and CAD/CAM systems etc. Dentists are always eager to show me their technology and express how much they enjoy working with it. However, the majority of the conversation usually pertains to size of the financial investment and the time put out in technology and training. There is very little mention of the financial gains being realized. It seems as though these dental offices are investing tens of thousands of dollars into their technology, but are doing very little to promote the technology or even announce its existence. The technology is there but it is almost a secret. I encourage you to ask yourself the following questions: How many cases do you need to deliver for your technology to pay for itself? How would one more case per week improve the annual gross income of your practice? Simply stated, for expensive technology to pay for itself and then become a steady revenue driver, you need to start showcasing it, as well as the many great benefits that it provides. During my “Discovery Sessions” meetings, I also ask dentists to rank on a ten point scale how aware they feel their clients are about the technology and training that exists in the practice. Eighty per cent of the time, their ranking is 3 or 4. But imagine if the 3s or 4s turned into 6 or 7. One of the main purposes of marketing is to attract new clients and increase gross income. You must use your equipment technology as an asset and apply it to the five key areas of your marketing approach. These five areas of marketing are carefully linked together to project the image of a confident, progressive-minded and technologically savvy practice.

1. Digital presence – Is your technology prominently displayed and easy to access on your website? Are you posting information and success stories relating to your technology? Do you have a video introducing your technology on your website and on Facebook? Your technology is a great way to differentiate yourself and a promotional video will make a bold statement about the benefits of your technology.
2. In office display system – Are you promoting your technology inside your practice? Proudly introduce and showcase your equipment technology to everyone visiting your practice. Creating promotional prints or a video display on the key walls of your office are two very

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his clients at GreensKeeper. He can be reached
at 905.287.5596 or michael@greenskeeper.ca.
simple ways to boost the awareness of your existing clients.

3. Team awareness – Are your team members ready, willing and able to promote your equipment technology? This is an opportunity for everyone on your team to share the news of these exciting technological advancements and the many patient-related benefits that they provide to existing and new patients alike.

4. Patient announcement – Have you announced your new technology purchases and training to your clientele? The most straightforward way to make your clients aware of your new technology is to simply tell them about it. Doing so reassures your clients that your practice is the best choice for their dental care.

5. Local community marketing – Are you leveraging this new technology to distinguish yourself from the other dental offices in your local community? Your technology provides unique benefits and also helps position your practice as a progressive-minded leader. Always feature your technology in the external media used to attract new patients from the local community.

CASE IN POINT

Dr. S. – I met with Dr. S. in her Calgary dental office last summer for our first marketing meeting together. I took a seat in the waiting room while the doctor finished up with her patient. Right away, my eyes were drawn to a wooden display case containing the practice’s CEREC technology. I knew immediately what was in the display case, but the rest of the people sitting in the waiting room likely had absolutely no idea what CEREC technology is or the great benefits that it provides.

After Dr. S. and I said our “Hellos”, she led me to her operatory and we sat down to begin our discussion. She proudly pointed out her water laser system and operatory and we sat down to begin our discussion. After seeing these two very expensive pieces of equipment, I had to agree with her. I then proceeded to ask her if she believed her clients were aware of these technologies and their significant benefits. She could not give me clear answers. The purpose of our Stage 1 MAP – Marketing Action Plan – was set. It was time to go to work.

Four weeks later, things were much different at Dr. S.’s office. We updated her website to showcase her CEREC technology and water laser system. We sent her clients a short newsletter and specifically highlighted the new technology. The wooden display case containing the CEREC technology now has a promotional video board playing above it, introducing CEREC, the water laser and the other specific treatments and technologies that establish the practice as progressive-minded and client care focused. We also helped her team develop more confidence when speaking about the technology.

Dr. S.’ Stage 2 MAP will be focused on two areas. First, we will utilize the office Facebook page and post information and benefits associated with the technology, along with any other office news. Second, we will market her technology message in the local community to set her practice apart from the competition. While the short-term goal is to immediately attract new clients, the long-term goal is to start building a powerful brand identity for her practice in the local community.

To summarize, you must begin to think of your technology as an investment and as a tool to take your practice to a higher level. The right marketing approach will allow you to capitalize on this incredible revenue building opportunity and allow you to realize the benefits that equipment technology will provide your practice by way of patient care and business building. You have already spent the big bucks on your equipment technology, so now is the time to put your best foot forward and implement a marketing strategy that will showcase and leverage this investment.

Bottom Line: This article states that after you have spent the big bucks on technology—the next step is to ensure that your clients understand how well you are serving them.

When people think about dentistry, few can identify the very thing that turned the industry on its head 40 years ago. I’ll give you a hint, it’s not technology nor is it dental procedure or instruction. The biggest thing to happen to the dental industry in the past half century involves the emergence of dental brokers. Dental brokers forever changed the face of dentistry when the first dental practice was sold through a broker approximately 40 years ago by pioneer Roy Brown. Prior to brokerages, practises were sold for a mere $5,000 on average—a token amount. It’s odd to think that merely 50 years ago traditional payments of $1 for goodwill were standard and only existed to render transactions legal. Today, the game has changed; client lists now hold extensive value as there are disproportionately more dentists competing for the same patient pool of ten years ago.
As a result, purchasing an already established practice and thus securing a patient list is an attractive and popular option in today’s highly competitive market. According to a survey conducted by Canadian brokerage firm ROI Corporation Brokerage, between 85 and 95 per cent of patients return within one year after the sale of a practice, thus demonstrating the value in an established clientele.

The dental industry as a whole is at a very interesting point in time. This is because half of Canada’s dentists are currently between the ages of 50 and 70. Therefore, approximately 7,500 practices will sell before 2025, a significant growth in sales compared to the current average of 400-500 practices sold per year. There are multiple reasons why practitioners choose to exit the industry and sell their businesses, but they all have one thing in common—they begin with the letter D—death, divorce, disability and disillusionment all drive dentists to exit ownership.

Two core questions arise when a dentist considers selling their practice. First, they must decide if they are truly ready to sell their business, and second they need to consider whether or not they should employ a broker’s services to conduct the sale. I believe that once a dentist answers the momentous first question concerning the decision to sell their practise, the second question is easily resolved. Selling through a broker is, in my mind, the obvious choice as it will lead to better overall financial results in comparison to taking the FSBO (for sale by owner) route. The many benefits of partnering with a broker to assist in the process of selling the business far outweigh the fee charged by such firms.

Despite the fact that proportionately more dental sales involve a broker each year, approximately half of all practice sales today are still conducted FSBO. Before deciding which route to take, it’s important to be aware that selling the business yourself has a high failure rate. Often, the selling and buying parties accidentally withhold information from each other which can lead to negligence, turn into purposeful misrepresentation and even end in litigation. Brokerage fees fall between four and ten per cent and although some may see this amount as a cost, it should rather be viewed as an investment to ensure the success of the sale and smoothness of the transaction. Any seller who works with an established broker knows they are in good hands and that they have nothing to worry about. They can rest easy and enjoy the financial benefits and freedom of their recently sold practise stress free. The fees charged by brokers are negligible compared to the expensive legal fees and emotional toll of a deal gone awry.

As a parting word, selling your practice is a significant decision that merits time, serious thought, and a specialized business partner to ensure you get what you deserve without any hassle. The dental brokerage industry was built on the belief that dental practices were worth something and that dentists deserved to retire with dignity and profitability. More than forty years have passed since the first brokered sale of a dental practice—how things have changed over that time and will continue to change with market fluctuations and new trends. Brokers who have worked diligently and ethically, doing what is best for their clients and therefore for themselves will be in the forefront of these changes. This is why I believe that employing a specialized dental broker is certainly the best way to maximize one’s personal and financial value when selling a private practice.

Bottom Line: A commerce student’s overview of the dental industry and the role played by practice sales brokers.

Connor Long
Connor Long is a third year commerce student at Queen’s University with a passion for sales. His knowledge of the dental industry stems from a term paper he wrote for his Sales Management class that analyzed the emerging dental brokerage industry with a sales-based focus. He can be reached by email at connor.long@queensu.ca.
Order of Canada Tribute: Dr. Marcia Boyd

Marcia’s strengths lie in a solid academic background tempered by a practical, common sense approach to problem solving, truly caring for friends, colleagues and customers.”

~ Dr. Wayne Raborn

Marcia has achieved more than most any other Canadian dentist in recent history. Her contributions to the profession are too many to list. Marcia is an inspiration to three generations of dentists and will continue to contribute in her role as senior associate for ROI Corporation Brokerage. I am honoured and privileged to be associated with Dr. Marcia Boyd.”

In an earlier interview for Profitable Practice Dr. Boyd stated, “My academic interests have evolved over time. When I was at UBC my focus was on educational research and how to assist and maximize student learning and acquisition of psychomotor skills. Since retiring from that part of my career my interest is now focused on ethics and professionalism—which of course have significant relevance to the brokering of a dental practice.”

On learning of her Order of Canada, Dr Boyd stated, “I was truly overwhelmed. It was like a dream come true—and I never even had the dream. I am stillpinching myself! I thought about those individuals who I had heard of or I knew of who had received this esteemed honour and had a hard time placing myself in their company, such a distinguished group of dedicated and talented individuals who had contributed to making Canada an even better place. I count myself blessed and proud to be amongst them and proud to be a Canadian!”

When asked what is next for her, Dr. Boyd replied, “That’s an easy question… just keep doing what I have always done. When you are asked to contribute or lead you do your very best. I have always had a difficult time saying the ‘N’ word—NO… and that has led me into experiences that have provided me with opportunities beyond my imagination. So I will continue on that path and look forward to that.”

“In addition, the Governor General presented us all with the charge that this honour was just a ‘threshold’ and that we should be thinking about where we could all go forward today. So that is certainly a challenge to be embraced.”

Finally, some parting advice from a most worthy recipient of the Order of Canada. “Recent graduates should look for a mentor, keep growing and deal with the uncertainties to become leaders with a strong sense of professional self-esteem. As independent individuals they eventually will want and be able to lead and manage their own practice. Developing a life motto will serve as a guide in personal and professional life. Mine is ‘Seek knowledge, Conquer fear, Do justice.’”

More tribute for Dr. Marcia Boyd

Editor’s Notes: The following tribute is provided by Mary Banford who works with Dr. Boyd on a day-to-day basis and is a close personal friend.

In announcing the nominees for best actress in a motion picture at the 2014 Golden Globes Awards, Robert Downey Jr. explained how he would supplement his income if Meryl Streep won by leaving out a shipping container so she could put the award with the 200,000 awards she already received. So began the amusing comparison to Marcia Boyd as “the Meryl Streep of Dentistry” for her staggering number of accomplishments and awards and the tremendous respect and admiration she garners provincially, nationally and even internationally.

Like the plethora of former students, I was a sponge for Marcia’s quick wit and humour, life lessons shared generously as well as her immense clinical knowledge. Perhaps it was “throwing it out to the universe” when I wanted to call my first daughter “Marcia” (just for the confusion of the pronunciation of “Marsba” vs. “Marica”, true to form she happily responds to either). I am honoured and privileged to be able to call her my business partner, colleague, cherished friend and “sis”.

“Marcia, true to form she happily responds to either),”

Despite the numerous accolades and awards, Marcia is literally one of the most unassuming and compassionate people I know and possesses that rare gift of having you feel as if you are the only person in the room when in conversation. She is immediately engaged, usually wanting to be updated on the status of one’s career, details of family and children, and, as an animal-lover, always the family pet.

Anyone who has the pleasure of working with Marcia must be prepared to turn off the reminder “ping” announcing new emails, lest you be alerted at 1:00 or even 2:00 a.m. . . . such is her dedication and stamina. Accompanying Marcia during the Pacific Dental Conference can be problematic when it comes to arriving at meetings or events on time, given the abundant “interuptions” of well-wishers or former students who want to share the impact she has had on their careers and lives.

Yet she is not a workaholic; she has a natural curiosity for life and nature, finding time to cook and enjoy fine food, garden, appreciate the arts and especially her many and loyal friends who may confide in her but ultimately end up sharing a laugh. I continue to remind her that she has enough admirers to easily fill BC Place Stadium. While I may not have a daughter named “Marcia” (just for the confusion of the pronunciation of “Marsba” vs. “Marica”), I end up sharing a laugh. I continue to remind her that she has enough admirers to easily fill BC Place Stadium. While I may not have a daughter named “Marcia” (just for the confusion of the pronunciation of “Marsba” vs. “Marica”), I continue to remind her that she has enough admirers to easily fill BC Place Stadium. While I may not have a daughter named “Marcia” (just for the confusion of the pronunciation of “Marsba” vs. “Marica”), I do not have a daughter named “Marcia” (just for the confusion of the pronunciation of “Marsba” vs. “Marica”), I count myself blessed and proud to be amongst them and proud to be a Canadian!”

*I SUGGEST THAT DENTISTS GET INVOLVED IN ORGANIZED DENTISTRY, WHICH CAN OPEN DOORS BOTH PROFESSIONALLY AND PERSONALLY, AND IS EXTREMELY REWARDING. GIVE BACK TO THIS WONDERFUL PROFESSION IN YOUR OWN SPECIAL WAY. REMEMBER, YOU ARE ENTRENUSED WITH THE FUTURE!*

~ DR. MARCIA BOYD
What Will Your Legacy Be?
by Mariana Bracic

In our work providing highly specialized HR-law services for dentists, we come across a spectrum of philosophies on selling a practice. On one end of the continuum, we work with dentists who care exceptionally about the state of their practice when selling, and the legacy they leave behind. This type of dentist does everything possible to ensure that what they give in exchange for the buyer’s cheque is in the best possible condition. In our firm, we like to refer to such dentists as “Gold Standard Sellers”.

At the other end of the continuum are dentists who seem to say, along with Louis XV, “Après moi, le déluge.” The “Louis XV Seller” is interested in getting out of practice ownership as soon as possible, and is not bothered by thoughts of what problems the buyer will be left to deal with as soon as possible, and is not bothered by thoughts of what problems the buyer will be left to deal with.

With everything from surface cosmetic issues to much more important ones such as the quality of staff contracts and policies, the Gold Standard Sellers take all measures possible to ensure that everything is properly in order before sale. Gold Standard Sellers want a legacy they can be proud of, rather than something that will give the buyer many sleepless nights and cost them tens of thousands of dollars, more than they expected. If you are in the market to purchase a practice, you are well advised to look for the tell-tale signs of a Gold Standard Seller, most importantly, the quality of their staff contracts and policies.

We are consulted in our practice all too often, unfortunately, by young dentists who bought practices from Louis XV Sellers. Typically, such young dentists tell us that the senior dentists had “assured” them that the staff were “great!” and would not cause the buyers any problems—certainly there was no need to implement written contracts and policies with them before closing, according to the seller.

The unfortunately trusting buyer then closed the deal, having taken over the seller’s staff with only oral, (or written but poor-quality) contracts in place. Months later, the buyer was miserable and ultimately contacted us to put their HR issues in proper order at last. But by that time, the poor buyer has gone through many months, sometimes years, of incredible stress. They frequently recount the staff being highly resistant to any changes they wished to make in the practice (hours, software, etc.). At times passed after closing, the staff became increasingly entitlement-oriented and the young dentist was increasingly dismayed to learn of the many claims the staff had of perks the seller had “always given them” (e.g., large Christmas bonuses, vacation time and pay well in excess of market norms, etc.). Such a buyer often tells us that the staff see the new owner as a young upstart, who has no business coming into “their” practices (after all, according to the staff, the previous owner came to see the staff, not the new dentist whom they don’t even know!) and making unnecessary changes when the staff want to do things “the way they always have been done”. Many such dentists feel positively bullied by the staff.

Not surprisingly, the dentists in these cases often begin to hate going to work. Having spent often the better part of a million dollars or more on buying the practices, they are now miserable and ask us whether they should just sell. In the end, we can invariably rectify the situation for them, putting their HR issues and financial and mental well-being in good order, but it is tragic that they had to endure the months or years of misery in the first place.

It is understandable that, after practising dentistry for thirty years or so, a seller might feel tempted to exit quickly and retire into the sunset, leaving the purchaser to clean up problems in the practice, and to arrange matters according to their preferences. I would like to submit respectfully, for the reader’s consideration, however, that it is not the best approach for at least two key reasons.

I. Being a Gold Standard Seller is the Right Thing to Do

Personally, I often reflect on what I would like MBC to look like when I bring it to market years from now. I would like to feel good knowing that I will have passed my business on to a younger buyer with every advantage for their success. It is no coincidence, in my view, that time after time we see that when the dentist is selling their practice to one of the dentist’s own children, they take a Gold Standard approach (and implement the Practice Protection Package18 (my firm’s trademarked name for gold standard contracts and policies) before the transition.

Personally, I would love it if one of my children graduated from law school and took over my business in the future. (Alas, my twins are only twelve now!) But whether the future owner of my business ultimately decides to turn out to be one of my children, or someone else’s child, I want my legacy to be a business that has its affairs in excellent order. Among the most important of those matters is good lease terms or building ownership options and secondly and most crucially, comprehensive contracts and policies with every staff member. I want my business to enjoy my retirement nearly so much if my legacy were anything less.

The frequency with which we hear almost identical stories from trusting dentists who bought from “Louis XV” sellers, it seems odd that there is a deafening silence in the dental profession about the issue. In the legal profession, many regulatory bodies and associations have been exhorting lawyers for many years to increase civility within the legal profession. In my view, it is similarly desirable to increase the respect between generations of dentists, especially in their conduct at the time of sale. I hope this article contributes to the start of a dialogue on the issue of inter-generational respect within the profession.

For those sellers who will stay on as associates for some period, it is useful to remember that it is not the best approach for their success. It is no coincidence, in my view, that time after time we see that when the dentist is selling their practice to one of the dentist’s own children, they take a Gold Standard approach (and implement the Practice Protection Package18 (my firm’s trademarked name for gold standard contracts and policies) before the transition.

Bottom Line: This article is designed to stimulate discussion about inter-generational respect within the dental industry and the enlightened quality with which dentists should transition their practices.

II. Being a Gold Standard Seller is in Your Enlightened Self-Interest

While a startlingly high proportion of young dentists come to us to clean up the HR problems in the practice after they have already bought it, a very significant and rising proportion of our clients shows impressive savvy before they purchase. They call us and ask very astute questions about potential employment liabilities. The most important advice we must give them is that the purchase price is not fully represented in the Purchase and Sale Agreement (“PSA”). To that PSA amount they must add whatever it will cost to clean up the seller’s HR issues, which often adds six figures to the price.

Most industry experts agree that the current sellers’ market will start to turn shortly, given the enormous demographic impact of retiring boomers. As buyers are increasingly savvy even in this sellers’ market, it stands to reason that it will be ever more important in your financial self-interest to be a Gold Standard Seller in the impending buyers’ market. As Daniel Pink argues in To Sell Is Human, there will be a transition from a market characterized by caveat emptor to one of caveat venditor (i.e., as a seller you are responsible for providing all information in the market, it shifts from “buyer beware” to “seller beware”).

Whether because it is the right thing to do, or because it is in one’s enlightened self-interest, I respectfully submit that each of us should aim to leave the legacy of a Gold Standard Seller when transitioning our practices to the next generation, whether they are our children or someone else’s. What will your legacy be?
Do It Yourself Investing. Do You Really Need an Investment Adviser?
by Dr. Milan Somborac

The red line in the chart represents an annual 6 per cent withdrawal rate for the DIY portfolio. For a portfolio managed by an investment adviser charging the common 2 per cent fee, the investor can safely withdraw only 4 per cent. That is 33 per cent less than the 6 per cent safe withdrawal rate for a DIY investor. For 2 per cent, read $20,000 fees paid out each year per million invested.

The chart and the table show that our DIY portfolio example outperformed the commonly used benchmark, Standard and Poor’s 500 Index over each of the four time frames. The blue line with the diamond quarterly interval markers shows the performance of the Toronto Stock Exchange (TSX) overall, another commonly used benchmark. Yes, adjusted for the US dollar/Canadian dollar difference, the TSX has been underwater for over four years.

How good is the S&P 500 index as an investment objective?

Well, the S&P 500 index is an excellent proxy for the American economy as a whole, the world’s strongest for the foreseeable future. Investing successfully to match or beat it over the short run, after fees, happens fairly commonly. Doing so over a long period is nearly impossible. However, if the fees are low, the investor can come pretty close. Investing in Vanguard’s S&P 500 Index Fund is one good example that will achieve that realistic goal.

I have a standing $100,000 bet with any adviser who can beat this simple strategy over a decade, with the loser paying the money to the winner’s favourite charity. This is the investment strategy which Warren Buffett wants the executors of his estate to follow. I am still waiting for takers.

The evidence-based rules for successful stock market investing follow:

1. Deposit 10 per cent or more of your annual net income into a low-cost, broadly-based US index ETF such as Vanguard’s S&P 500 Index Fund throughout your entire career.
2. Don’t look at your index ETF retirement fund until your actual retirement some 30 or 40 years later.
3. Withdraw 6 per cent annually and live happily ever after.
4. Just before you do look at your account when you retire have a friend standing by to pick you up off the floor — your account will be so unbelievable large!

You will have both the magic of compounding and of dollar cost averaging working for you. Barring a meteor strike that destroys the earth, in this uncertain world, that outcome is as close to guaranteed as death, taxes and a dental extraction. Incredibly, it is as simple as that. Simple does not mean that it is easy. You have to save. Americans are bad and getting worse at saving with an annual rate of less than 7 per cent. Canadians are even worse. By way of contrast, the global savings rate is 20 per cent annually and the Chinese savings rate exceeds 50 per cent annually! So yes, it can be done.

How can the investor do even better than in the chart and table? My upcoming book, Monday Morning Millionaire will describe techniques of doing so but with no similar guarantees of excellent performance. The higher-reward potential of the strategies the book describes also entails higher risk.

Conclusion

On average, dentists are easily as smart or smarter than money managers, some of whom haven’t finished high school. Unless they are bored by the subject or insecure, dentists should consider being DIY investors.

The chart and the table above actually show how a do-it-yourself portfolio has done last month, in the last 3 months, in the last 12 months and in the last 4 years + 3 months. With very few exceptions such as Warren Buffett, you will find no money managers who would post their performance record in a similar way. After management fees, 80 per cent or more of money managers cannot equal the Standard and Poor’s (S&P) 500 Index, a commonly used benchmark, let alone match the DIY portfolio in our example. Their talent in marketing exceeds their talent in investing.

The TSX 1918

Editor’s Note: Profitable Practice is pleased to serialize chapter summaries of Monday Morning Millionaire previously available online and written under the pen name Friedrich the Austrian. The author’s real name is Dr. Milan Somborac, a Collingwood, Ontario based dentist. He has removed the book’s availability online, as he believes its investment advice will be adversely affected if it is in wide circulation. Profitable Practice will continue to serialize Monday Morning Millionaire in future issues.

The TSX 1918
with Editor

Dr. Wayne Raborn (Part 2)

Readers may remember Part 1 of Dr. Raborn’s interview in our last issue. Featured here is Part 2 which traces his journey as a young American dentist—including his service time in Viet Nam and many stops in the US—to the forces which led him to Canada and the distinguished career he had and continues to have in our nation.

Editor: You had a long and distinguished involvement/career in dental academia. How did you get to this point?

Wow, this is going to take a couple of minutes as I have been involved with dentistry for approximately 54 years, including time as a dental student at the Medical College of Virginia, beginning in 1961. Following graduation in 1965 with the degree of Doctor of Dental Surgery, I joined the US Navy Dental Corps as a resident at the Hospital in Camp Pendleton, California, a Marine Corps base. After special training there for a year, I was stationed aboard the USS Princeton as a dental officer and part of a surgical team. We made two deployments to Viet Nam while transporting the 3rd Battalion, 5th Marines. The Princeton, a landing platform for helicopters or LPH served as the mobile hospital and surgical support for casualties taken from several major helicopter driven assaults behind enemy lines. We saw lots of various kinds of injuries ranging from heat prostration and tiger bites to ingestion of ground glass (inserted into cold drinks sold to the marines on the beach). Obviously, we saw gunshot injuries; blast injuries bayonet wounds and shrapnel wounds. That was, indeed, invaluable education despite it being a gut-wrenching, sometimes sad and often extremely hectic existence aboard ship. On several occasions, we med-evacated members of the South Vietnamese army for treatment aboard ship. In 1968 I resigned my regular commission and served for a year for the university.

In 1981, after three exciting and experienced packed years at UNC—Michael Jordan was playing for the Tar Heels at that time—I was recruited by Drs. Jim Plecash and Gordon Thompson (Dean) to the University of Alberta in Edmonton as associate professor of oral diagnosis. The opportunity in Alberta was a good one as it allowed me to increase my student contact hours both in clinic as well as via lectures and seminars. The most important impact of my joining UA was my subsequent opportunity to become involved in clinical trial research. I was the coordinator and chief investigator for several clinical trials over the next 31 years. Originally, our team consisted of Dr. Lorne Tyrrell, Dr. Tim McGaw and Dr. Michael Grace as our bio-statistician. Many years later (1994), Dr. Tyrrell was to become Dean of the Faculty of Medicine and later to become an integral part of the process to save the Faculty of Dentistry from being closed on the Alberta campus. More will be said about this situation later. One of the most exciting and professionally rewarding parts of my time at UA was the six years that I spent as the director of the Dental Residency Program (GPR) at the University Hospital with 3 new dental residents annually.

Returning to University of Alberta in 1992, we never in our wildest imagination would have foreseen the dire situation that was to develop due to the provincial budgetary constraints of 1994. The Alberta Government had decided upon a 21 per cent cut in funding to higher education. Each institution was to decide how it would manage that serious funding problem. As an example, the University of Calgary decided that each university program would determine how to effect the cut and that they would keep all of their hard earned and functioning programs intact. Alternatively, the president of the UA at the time, Dr. Paul Davenport, decided upon a different approach. To simplify his “white paper” written at the time, the UA football team was to lose all university funding and be closed; the College of Education was to have a 30 per cent cut in their funding; and, the oldest dental school in Western Canada (UA circa 1917) was to be immediately closed. Current students were to be farmed out to other Canadian dental schools. This closure would save something in the range of 3 to 4 million dollars per year for the university.

To make a long and exciting story shorter, the next several months were fraught with many committee meetings and the formation of an alliance between the Alberta Dental Association and faculty members and staff of the Faculty of Dentistry as well as some interested and influential citizens. These people felt, wholeheartedly, that losing dental education in Alberta would be a huge step backward for overall health care in the province. As part of the process, Premier Ralph Klein became interested and a supporter. His management team quietly pushed

Subsequently, a particularly interesting offer came to our family in 1990 from Dean Jim Kennedy. That was to move to the University of Connecticut Health Sciences Centre in Farmington, CT where I served as an associate professor of diagnosis for the next 18 months while transforming a General Practice Residency Program in their hospital into an Advanced Education for General Dentistry Program with 8 residents while attracting funding from the US Department of Education for support of the program as well as beginning a clinical trial at the School of Dentistry.

As fate would have it, Dr. James Plecash suffered a health problem and decided to retire from active teaching at the University of Alberta. This created an opening for a Director of Oral Diagnosis. We were recruited back to Alberta by newly appointed Dean Norman Wood. Our family returned to the Edmonton area where the schools for our sons, David and Taylor, had become familiar and comfortable prior to our move.

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Eight Key Performance Indicators (KPIs)
To Build Practice Profitability And Personal Wealth

by Andrea Chan

If there were a simple way for you to strengthen the competitiveness and profitability of your practice and build your personal wealth—wouldn’t you want to try it?

Here’s your chance. Practising dentistry today is an increasingly competitive business. An expanding supply of dentists and hygienists, and more cost-conscious patients mean that you must be not only a skilled professional but also a skilled business operator. Running a thriving practice requires understanding how your business is performing and what you can do to strengthen profitability in areas that may be lagging behind your competition.

When you know how each area of your practice is performing, you can establish achievable targets, make decisions about improvement and growth strategies, measure progress and make informed decisions about hiring, specializing or expanding your practice. When you know how each area of your practice is performing, you can establish achievable targets, make decisions about improvement and growth strategies, measure progress and make informed decisions about hiring, specializing or expanding your practice. Even if you are contemplating selling it within the next few years, by measuring performance with certain key metrics you can work on any weak areas of the practice and ultimately achieve a higher selling price.

When you know how each area of your practice is performing, you can establish achievable targets, make decisions about improvement and growth strategies, measure progress and make informed decisions about hiring, specializing or expanding your practice.

Having accounting software with the right functionality is essential for proper set up and easy monitoring of these KPIs. Therefore, when purchasing or upgrading software, be sure that it has the following abilities:

− Integrates with all other office software programs (patient data, billing, etc.) so that numbers can easily be reconciled.

− Provides an audit trail of every transaction entry, adjustment and user as well as having the capability of drilling down for details.

− Generates data from previous periods and years.

− Delivers production reports by individual and by procedure code.

− Tracks origins of patients (referrals, advertising, etc.)

It’s also important to understand that your accounting program has IT support so you have immediate access to expertise for your questions and assistance with any problems you may encounter.

Your advisor can help you interpret KPI data and offer suggestions to strengthen any weak indicators. Once you get into the habit of regularly reviewing these profitability metrics, monitoring becomes quick and easy.

1. Profit

Subtracting total operating expenses from total revenues enables you to benchmark the profitability of your practice. This metric can help you determine whether you may need to adjust your...
service offerings to increase profits; it can also indicate if overhead expenses are falling out of line. It may be worthwhile examining major expense categories such as salaries, supplies or lab fees and comparing them with similar practices.

2. Production
Production levels in practices vary by number of procedures performed and fees charged for each type of procedure. Therefore calculating gross production (number of procedures multiplied by fees) provides a base measure of the productivity of your practice. Every practice should have daily, weekly, monthly and annual production goals, so that by tracking this KPI you will know whether or not production is reaching targets and if corrective action may be necessary. For larger practices or when considering a potential expansion or change in services, measuring productivity by provider, patient and procedure code can provide informative data to assist in decision making.

3. Collections
It’s important to know the percentage of fees charged that are actually paid. When fees for a procedure are not collected, not only do you lose the revenue for that procedure, you also lose the costs of providing the service as well as the revenue that you could have collected by delivering services to another patient. Calculate the three-month average of collections to account for the patient and insurance company payment cycle. Your practice should be collecting close to 100 per cent for the patient and insurance company payment cycle. Every practice should have daily, weekly, monthly and annual goals for your patient base.

4. New patients
Every practice should set achievable targets for growth. Your practice should be collecting close to 100 per cent of fees. If not, you may need to adjust your accounts receivable policies.

5. Treatment acceptance
A high acceptance rate (amount of treatment recommended minus the amount paid by patients for recommended treatments) helps to ensure healthy cash flow and profit for your dental practice. As well, the higher this rate—ideally in the range of 70-90 per cent—the fewer new patients you will require. If the rate is falling in your practice you may need to work at strengthening your case presentations to patients.

6. Recall/recare
By aiming to schedule 100 per cent of your patients for their next appointment and tracking reappointment results, you can continue improving your recall program along with the production efficiency of your practice. An effective recall program also increases patient retention.

7. Cancellations/no-shows
These can contribute to major revenue losses, which is why it’s important to track trends. You need to know whether more effort needs to be put into your scheduling system to quickly fill cancellations for no-shows. If this rate rises higher than one per cent, the practice has expensive gaps in the schedule that should be addressed.

8. Staffing costs
Since staff compensation accounts for the largest portion of overhead expenses, salaries have a major impact on overall practice profitability. While salary increases and bonuses should be based on job performance that increases profitability, many practice owners continue automatic annual pay increases and bonuses even when production falls. This is money out of a dentist’s pocket. By tracking salaries as a percentage of billings or collections, you can determine whether salaries are in line with norms in your marketplace, whether increases are merited or whether certain staff members need to improve efficiency. Once KPIs have been set up, weekly and monthly reviews should only require a few minutes of your time. By conducting regular KPI monitoring, you can quickly flag and address any performance problems and prevent profits from flowing down your drains.

Bottom Line: Key Performance Indicators (KPIs), performance metrics that are simple to set up, should be an integral part of every successful dental practice.

Feature Interview: Jerry A. Jones
with Editor

Profitable Practice caught up with one of America’s dental industry ‘gurus’—Jerry A. Jones. He took time out of his busy, focused and very organized schedule to answer the following.

What person, force or inspiration led to your present status as an author, seminar speaker, dental office owner, coach and consultant?

Over 20 years ago, I started working as a newsletter editor for a dentist here in Salem, Oregon, named Travis McFee DDS, FAGD. He was a partner with another dentist on the largest nationally circulated practice management newsletter at the time. He ended up publishing a number of newsletters and books, too. I progressed from editor to eventually managing his publishing business very quickly—in a matter of a year or two. In the process, I learned how to run a profitable business and the challenges dentists face in business.

Dr. McFee was an incredible mentor and inspiring character. After two short years, I bought a large part of his company. I grew revenues, and, essentially, repeated what I saw him do to become successful in dentistry. I wrote a lot, including books, published my own newsletters and a magazine sent directly to our clients’ patients as a retention and referral device; at the same time I was doing practice management seminars, coaching dentists and other entrepreneurs. I also created an audio CD subscription program covering the business of dentistry, a marketing membership program for dentists and much more. Over the years, my company has mailed millions of newsletters and postcards and other direct mail pieces for our dental clients. I owe a lot to Dr. McFee. In fact, he still practices right here in Salem, Oregon to this day. And, it’s also because of him that I ended up opening my own dental office, Wellness Springs Dental® of Salem, which consists of three dentists, and a full support team. I opened the office (and two others) to learn, first-hand, what it’s like to run a dental office, create new systems and develop best practices for my subscribers and members, to benefit them as well.

From your perspective, what are three common ‘practice management’ problems or concerns most dentists face today?
What advice would you offer to each of the following groups of dentists at different stages of their careers?

a) Young and recently graduated dentists about to begin their careers.
   Study business. Study marketing. DO NOT go into debt. Work as an associate at a well-run, efficient, high-profit practice and get your speed up.

b) What about dentists in mid career, looking ahead and expecting to retire in twenty years?
   Study business. Study marketing. DO NOT go into debt for anything. If you can’t pay cash, don’t buy it. My friend and private client, Dr. Darold Opp, says, “Don’t invest in new equipment until your overhead is at 55 per cent or less!” I think that’s a great measurement. I opened my dental office on a shoestring. Today, about 10 years later, it’s 100 per cent debt-free. It’s liberating and useful when the economy tanks to NOT have debt to service.

   Don’t get mired in yet another clinical CE course. Get out and explore BUSINESS and what other industries are doing to evolve, compete and stand-out/be unique. Stick with the basics. PREVENTION is huge. There is an incredible opportunity for you to grow your business just focusing on prevention of dental problems! Finally, think about your EXIT strategy now. Will you sell outright? Will you slow down to x days per week? Will you sell to a partner(s)? Will you sell at all? What will you sell?

c) What about dentists near the end of their career, looking to retire within two years?
   Time’s tight. Gut check time, really. Do you have enough to support yourself in the lifestyle you’re accustomed to now? If not, major changes are required for you. Also, if you haven’t yet identified how you’ll wrap up your career, or if they’ll have to pry your cold dead hand off the hand piece, then that’s a tough conversation you must have. I think that, if you have a successful, profitable practice that is not too narrowly niche to one specific procedure (like implants or cosmetics) or one that is hard to find a buyer for, why sell at all? Why not sell a piece and keep busy with “running” the practice and be an owner who doesn’t practice dentistry, like me? It’s proven to be profitable and a fraction of what it would have if the focus had been clinical and not business. That’s been a trend for decades in dentistry. My hope is that a few reading this will say, “Wow, he’s right. I’m not earning what I’m worth because of me. I need to dive head-first into this business and marketing!”

   I’m not talking about “going to school” to earn an MBA or PhD in business. Those, in my eyes, are where you should be putting your energy. There are incredible resources available today that do not require earning yet another degree. The multi-millionaires in business I hang out with are street smart. Many have no college degree. But…they understand people. They understand—not but probably don’t identify it as such—that they’re leaders first and technicians (as in “clinical” technicians) second. They have a vision and work like mad to see it come to fruition. They know that business is about finding, developing and keeping a paying customer or patient.

   Any regrets?
   I used to have a number of regrets. Today, just one: I wish I had served my country in the armed forces or the Coast Guard. I have the utmost admiration and respect for veterans here in the US and in Canada. They served so that you and I can walk free.

   However, I’ve come to realize as I’ve aged, that to live with regrets means you’re not living every day like you really want to.

   What final thoughts do you have for our dental professional reader audience?
   Right now is the best time I’ve seen to be a dentist! The profession is on the radar of the public now, more than ever before. And, the best part is, it’s a POSITIVE image that’s being portrayed.

   Dentists have so many ways they can help individuals as well as their communities. It’s inspiring to be a part of the profession.

   And, frankly, there’s no reason why every dentist can’t be successful; however, they choose to define success. It’s far easier today than ever before.

   I’d remind dentists to invest in an equal amount of time working ON their business as they do attending clinical CE sessions. To lower stress, employ team members who are the best—10s, not 9s or 8s, 7s or 6s. Know that the best thing you can do in your practice to alleviate stress is to hire a true office manager or COO—some call them teams lead. Then, delegate everything you can (except the checkbook and marketing!). Get the best people you can find and keep training and tipping the bar for them. Business is tough. It’s not for the meek or timid. You will have tough days. Push through them. Better days will always follow if you keep on trying.
Anita Jupp is a highly sought after practice management consultant and lecturer, worldwide. She authored four books and a series of training tools on CD. Her advice to dentists at all career stages was to concentrate on building a strong dental ‘team’ consisting of associates, hygienists, support and office staff. She constantly reminded dentists to never underestimate ‘the importance of your team to your success’. Among the many topics she lectures on is transitioning a dental practice and preparing for retirement. Now Anita will take her own advice and retire... to travel and to enjoy ‘cottage life’ at Buckhorn Lake.

Anita’s lecture schedule took her around the world where she presented at many of the world’s leading dental associations including Canada, the US, UK, Caribbean, Hawaii, Hong Kong, Malaysia, Singapore, Korea, Australia, Spain, Sweden, India, Iceland and Greece. Anita is a gifted lecturer. She educates and she entertains at the same time using practical examples and humorous, real life accounts. Her audiences leave her seminars full of hope and highly motivated to achieve greater levels of success in their professional and personal lives.

Her colleague, Bill Alton, observed the following about Anita: “I have had the pleasure of seeing Anita Jupp speak to an audience of dentists and their staff on a couple of occasions. She was funny and very unsure of herself regarding her public speaking. But the moment she walked in the room and everyone knew Anita was there if you walked in the room and everyone was smiling.”

~ Robert MacDonal

Over the years, Anita has not forgotten to give back to the dental industry and the people it serves. She has given freely of her time and effort to aid dentists help the less financially fortunate who require dental care, especially children. One such excursion took Anita, along with a small team of dentists, to the island of Siquior in the Philippines where the children of low-income farmers were treated (see Profitable Practice Spring 2014 at profitable-practice.com/magazine/dental).

In recent years while working with ROI Corporation Brokerage, Anita has focused on helping dentists transition their practices. She has helped many dentists slide smoothly into partial or full retirement with a minimum of stress. Among others Anita has served as a coach for Timothy A. Brown, CEO of ROI Corporation Brokerage who related the following: “Early in my career I aspired to be a public speaker to the Canadian dental community. I was nervous and very unsure of myself regarding my ability and whether or not the content of my lecture would be well received. I turned to who I consider to be the leader at the time and that of course was Anita Jupp. She gave me an abundance of advice, but the one thing that stood out over 20 years ago and still resonates very clearly with me today is this; ‘Be sincere and use humour and your audience will love you’. And now and after delivering hundreds of lectures to the Canadian dental community I still look to Anita for advice when launching a new program, and she has continued to be a counselor and a mentor to me as she has to thousands of others in the global dental community.”

Anita is affable, outgoing and fun to be with. She is often the centre of attention in the room, generating laughter and goodwill. Anita will transition well to a slower, laid-back time in her life that allows her to spread a positive, party-spin to everyday events.

Welcome to retirement Anita! (Go to page 31 to see Anita’s excerpts)

Your patients are leaving… why?

Maintaining faithful patients seems easy enough to accomplish, when in fact, it is the biggest obstacle dental practices face today. Over the past century dentistry has come very far, as technology has redefined the profession. In those days, there were very few certified dentists and those who were often practicing in the basement or lower level of their home. When someone had a dental concern, they only had a few dentists to choose from. Dentistry has evolved tremendously since and we can learn a lot from the personal doctor to patient relationship, and how it has changed. The roles in a dentist’s office were much fewer and patients were seen only by the dentist. The result was a more personalized bond between the dentist and the patient. This sort of relationship can be very beneficial in contemporary dentistry. Patients are still seeking this sort of relationship: people want to feel like they matter and not that they are “just a number”. Patients want to be able to relate and want to feel connected with their dental care provider. Today, the average routine dental check up is with only a dental hygienist and lasts three to five minutes. Most dentists seem too busy for their patients.

Currently there are close to 9,000 dentists in Ontario alone. This means that the general public has many dentists to choose from. Thus, if the patients are not feeling a connection to the dentist or staff, they will leave. Many practices will rely solely on their new patient report numbers, which leads them to believe that the practice is thriving because their new patient numbers are maintained. In fact, the practice should be more concerned about how many patients are leaving the practice instead.

If a dentist attracts twenty-five new patients per month but loses sixteen within the same month, in order to maintain the patient base, the dentist really gained only nine new patients.

So often this business aspect is overlooked. This problem goes unnoticed when so much money is spent on attracting new patients to the practice as opposed to maintaining existing clients. There are ways to mend this issue by integrating more personal means to your practice.

Implement a patient survey

Give a survey to all of your current patients. Allow them to fill it out online from your company website. This will allow patients to answer discreetly and honestly. Even though it may be stressful to read reviews about your business on the Internet, it is strongly suggested that you do. You should know what has been said about your service by reading what is currently posted on the Internet. The reviews are an opportunity to learn and develop advantageously. One review said that the staff seemed to not really care and
that they seemed more interested in discussing their personal lives. This is valuable information for your practice. Read it and amend it.

By implementing a patient survey, you will learn whether you are satisfying your patients, and to what degree. You may learn from what they suggest. Let them know you care about how they feel and that you welcome any suggestions or comments regarding your services.

Care calls
Care calls are a very personal method of keeping in touch with your patients. People love to get a call from their dentist. This is one easy way to make your patients feel special. Set time perhaps during the lunch break or in the evening to call your patients; remind them of your services and their personal health care needs. Remember you want to keep all of your patients instead of giving them away to your competition. You want to build loyalty.

If your practice has built strong relationships with your patients, they will be more open to communication. They will refer family, friends and coworkers who will help expand your business. Your patients will also feel as though they personally come from the image and brand of a dentist. There are companies that provide email services and e-newsletters to create a bond and connection with your patient. The e-newsletters are customized to your practice and look as though they personally come from the image and brand of a dentist. To today you must work much harder to stay in touch with patients between appointments.

Attracting patients to your practice. Why should potential patients choose your office? What do you offer that your competition doesn’t?

Patients choose a dental practice based on the following:

1. Location
2. Convenience
3. Staff
4. Dentist

Location
Is your location accessible and visible? Does your location offer plenty of free parking? Does your office offer a variety of hours? There are successful offices that are open from Monday to Thursday from 8 a.m. to 5 p.m. However, a not so successful office may be open Monday to Friday from 8 a.m. to 9 p.m. and Saturday and Sunday from 8 a.m. to 5 p.m.

Obviously the first office that is opened Monday to Thursday would have a very loyal patient base. In this case the office is in full control of the schedule. In the second case, the office hours are too excessive. What happens is that the practice ends up with large overhead costs because they have to have the staff to work all of the hours, and many times they do not have enough patients to fill all the open hours. Most of the time, the schedule falls apart and the practice is left with open time that equals lost production. It is a vicious cycle. Most dentists do not like the idea of reducing the appointment schedule and feel that their staff will be able to fill the open time. What happens as a result of having too much supply and not enough demand is that your staff feels frustrated. The workday is consumed with trying to piece together the schedule. It is vital to be in control of your hours and schedule by not allowing your patients to dictate your appointment book. Offer flexible hours but work smarter not harder. Measure supply and demand. Tighten back on the hours and then, open more hours depending on your client base. This will save you money in the long run and you will make staff more functional.

Convenience
Does your office have flexible hours? Does your office take the payment from the insurance company? Patients are looking for convenience. What can benefit them as consumers? If you know that your competition does not take assignment, it is recommended that you consider making your office “Managed Assignment” meaning that you accept payment from the insurance company; however, your staff collects the difference from the patient within the same day. This only works with very well trained staff. Your staff must completely understand that if they do not collect that difference and get a Visa or MasterCard on file; they could end up with a huge AR problem. So they are actually making their job easier by collecting the difference that same day. Having your office provide services your competitor does not will set you apart from other dental offices.

Staff
This is a huge topic as it is imperative to have a winning team. A practice cannot afford to have any weak members on their team. A lot of practices are afraid of confrontation and so they put up with a mediocre staff. A negative staff can be detrimental to a dental practice. Negative staff can bring down the whole team. Sometimes staff is inherited when a dentist purchases a practice. Now this is a tricky situation. In most cases staff have no idea that the practice is being sold until the transaction has already taken place. Once this happens, most staff feels betrayed and are full of questions. They also feel insecure because they are unsure of their future. They may not know the new owner. Some staff transition without any problems while others may become hostile about what has happened. As a business owner, you need to have a pulse on how your staff is performing. Is why an office manager is recommended. He/she can be a great addition to your staff; someone who works daily to strengthen your team and develop your business. Someone who can be your eyes and ears while you work.

Dentist
As mentioned before, the relationship between the dentist and the patient has changed dramatically with the advancement of dental technology. It has become less personable. Today you must work much harder to create a bond and connection with your patient. Greeting patients by name or remembering something personal about the patient is very beneficial to the image and brand of a dentist. There are companies that provide email services and e-newsletters. The e-newsletters are customized to your practice and look as though they personally come from the dentist. This is a great way to stay in touch with patients between appointments.

Bottom Line: This article provides helpful practice management advice to make a dental practice successful.

Julie Johnstone
Julie Johnstone has a wide and varied background in the dental industry and serves as a dental practice management consultant. If you would like to discuss this article with Julie with no financial obligation, please contact Julie at 905-200-3290 or visit www.custommademarketing.ca.

Excerpts from some of Anita Jupp’s articles.

Professionalism is the way we talk, the way we dress, the way we act and interact with others, arriving on time for work and meetings, controlling emotions when things are not going well and being fair and consistent. ~

This is not a dress rehearsal for life—this is it—why not enjoy going to work every day? Even after working in dentistry for over 30 years, I still have a passion for dentistry—I believe dentistry offers opportunities for both dentists and their teams. However, is everybody happy? The reality is that in any business there are good days and frustrating times. Stress is a concern in many practices for many reasons. ~

Often dentists suffer from information overload and do not know where to start. It does not have to be difficult—prioritize, communicate with your team and set goals that are attainable. Be honest about what your concerns are. Do not bury your head in the sand—that is an escape, NOT a solution. ~

The reality is not every patient is happy; some people are happy being miserable and no matter what you do, it never seems to be enough. A dentist told me that one of his gifts to his team each year was to divorce the patients from the practice that were difficult and rude, did not pay their bills and missed numerous appointments costing the practice money. Do you really need these patients in your practice? ~

The biggest mistake business owners make occurs when they procrastinate and do not deal with problems. They want all too often thinking and hoping it will get better on its own. The best advice I can give is to be proactive, even when it can be painful dealing with difficult situations.
**The Dangers of Missing Your Dental Office Lease Expiry Date**

Jeremy D. Behar

Have you ever considered what happens when you miss your dental office lease renewal deadline or expiry date? Timing is crucial, and letting your lease expire without a proper renewal plan can lead to a significantly negative financial hit to your occupancy costs, and to the overall value of your dental practice.

**Critical dates to be aware of in your Dental office lease**

**Expiration date**
The expiration date is a critical date to be aware of in your lease agreement. Being mindful of this date with the ability to negotiate your lease terms far in advance of its expiry will work to your advantage. The length of most lease terms is typically five or ten years.

**“Option to extend” expiration date**
The “option to extend” or “renewal” expiration date is the last day you can exercise your option to extend the office lease term. Dental professionals benefit from negotiating options into their leases because it provides flexibility for their practices in the future. Landlords view these “options” as the sole benefit of the tenant, and therefore often place limitations as to when they can be used with deadlines.

**Why you should never miss your renewal or expiry date**

Month-to-month tenancy
If you accidentally miss your dental office lease expiry date, you become a month-to-month or “overholding” tenant. This means that you’ve lost one of the most important protections that an office lease agreement offers any practice: long-term security in your practice location. The last thing you want is to be relocated from your current practice, being forced to rebuild it elsewhere, incurring hundreds of thousands of dollars in moving expenses along the way.

At this point, technically speaking, both you and the landlord have the right to terminate the lease by providing only 30 days’ advanced written notice to the other party. Imagine getting notice that your landlord has terminated the lease, is kicking you out of the building, and you have only 30 days to relocate! This is a harsh reality that thousands of dental professionals face every year.

Your monthly rent, doubled!
Allowing your lease to expire without a pre-planned renegotiation or renewal strategy may also lead to a significantly negative financial hit. Many lease agreements state that as soon as you go past your expiry date, the landlord has the right to charge you twice the normal monthly rent for each month past the expiry. That rental hike is enough to put any dentist out of business. We advise you to check the overholding clause in your lease as soon as possible to ensure that you’re aware of what your penalty rent will be.

**How to avoid these costly leasing mistakes?**

Never miss an expiry or renewal date again! Review your lease and identify your expiry date and option to renew deadline. If you have 24 months or less remaining on your dental office lease, begin to prepare your negotiation strategy now, leveraging the remaining time you have left to structure your lease properly.

Your landlord knows very little about the business of dentistry, but what they do know is that the closer they get you to the end of your term, the less time and leverage you have to negotiate a good deal with your landlord. Achieving a good lease with fair and affordable financial terms requires extensive research, preparation, and a strong negotiation strategy, so don’t wait, be proactive, and track your office lease dates!

Bottom Line: This article is a primer to understanding the intricacies of a dental office lease agreement.