

## **WISDOM 101: ALWAYS BE READY FOR CHANGE!**

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*After 21 years of consulting in the orthodontic field you would think as an orthodontic systems consultant that I would have mastered the systems needed to grow your practice. Well just when I think I have the operating systems defined they need to be changed or there are another set of systems to install. Over 100 systems drive your practice and every one of them are important to you when creating your business strategy to reflect profitability, a positive treatment result and the time needed to enjoy your life's work. I share this insight to drive home the process of systems review. Your business plan is evolving, so the key to profitability and enjoyment while practicing orthodontics could be one system away. There is no magic solution to growing a practice! Many Doctor's spend a lot of time and money trying to find that mousetrap that creates security. What I have found to be true is only positive business strategies, solid treatment planning and surrounding yourself with a great team creates excellence and in turn growth for the orthodontic practice.*

*Let's take a look at some systems to have in place to grow your practice on a day to day basis. First, you must have a business plan whether you have been in practice for 1 year or 35 years. Any entrepreneur knows they have to project and work a solid business strategy. Define how many days you would like to work, how much money you would like to derive from those patient days and how many starts in dollars it will take to make this happen. Be realistic when setting goals based on what the practice is currently producing. If you are a startup practice of course you are looking at one start at a time! The days of just counting starts are gone as a start should be calculated in dollars. If your goals are \$8,500.00 per day that may be 1 full start and 1 phase I start. Growing an orthodontic practice is about putting contracts on the books! You can be very busy and not profitable. The question to ask here is why would you work a day without production?*

*Once you have established the number of days to be worked for the year and goal in dollars for each day, set up your schedule to reflect these numbers. Your schedule is the driving force of the practice and over 50 systems dovetail into the schedule. The facility will determine the number of chairs you may facilitate in the schedule. The number of chairs will determine the number of team members needed to efficiently maintain the schedule. When determining the number of team members to have on staff I use \$150,000.-\$200,000 in gross production per employee rule for a progressive and efficient practice. You may have the option to work more days with less team members or if your facility is large enough you may work fewer days with more*

team members. The question always is how do you want to live your life in orthodontics? In a startup practice I always hire one assistant and one front desk employee. Either the assistant or front desk employee may act as your Treatment Coordinator for a short period of time. As the practice grows the second level of your team would be a Treatment Coordinator who may also do the finances or an additional Dental Assistant/Lab Coordinator. In a start-up practice all team members are your Marketing Coordinators!

As you establish or redesign your schedule build in the goals. Any good Doctor/Assistant/Chair time schedule maintains the goals set just by filling it! Begin with the Treatment Coordinator column and the screening of your exams. I recommend screening exams based on case acceptance. I define my A-B-C exams as the A individual converting to treatment day of by either scheduling the start appointment or by the patient staying for a records appointment. The case acceptance for an A patient if screened properly is 98%. A patient who is screened as a B patient is a younger non phase I patient who converts to your recall/observation program –also a 98% case acceptance. The C patients are adults, second opinions, and transfer in patients who may only convert 50% of the time. This screening has nothing to do with credit checks or finances, it is put in place strictly to define potential for conversion. An A patient may also be what I would define as your observation ready or phase II ready patients. Next the schedule will be set up to facilitate the start and debond appointments. An orthodontic schedule is mathematical. Begin with the math- two A's, which equate to 2 starts in turn 2 debonds and 2 dismissals then all the appointments in between will fall into place. A start up practice will set up the schedule to focus on A & B exams which will strategically equate to starts! Many times I see two major errors when offices set up a orthodontic schedule the first being some practices tend to spread-out the appointments to give the illusion of working more hours in turn having holes during the day where both the Doctor and the assistants are standing around. The second process is just filling a blank template to give flexibility to the patients believing a Doctor/Assistant/Chair time template is too strict and not flexible enough for the patient schedules. Both of these processes cost the practice dearly in overhead and efficiency! If you want to give the illusion that you are working more days rotate the days so you serve the consumer Monday-Friday. Marketing 101 is having patients see patients in the practice so they know they have made the right choice! Always have templates in place otherwise I find the Scheduling Coordinator tend to bring patients in to frequently or put patients in the wrong appointment time which usually does not maximize doctor time correctly. When evaluating the schedule use your patient status report reviewing how many active and observation patients you have within the practice and the procedure code history report to evaluate the # of each procedure you would need per day for a 6 to 8 week period. An accurate schedule creates efficiency and lowers overhead by maximizing the facility and team.

*The next system I would like to address is the financial system within the practice. Set your fee schedule and stick with it! Do not negotiate! I am an advocate for auto drafting all monthly payments. If you are collecting a smaller down payment it must be with the auto draft process in place. Beware of lowering your down payment to the point where there is no or little commitment on the patient's part to follow through with appointments or cooperation with treatment. Give value to the specialty and present the end result provided as the procedure the consumer is paying for. The catch with the lower down payment is if the patient in the first 6 to 12 months transfers out or loses employment the practice has not even covered the initial start appointments with initial payments. The accounts receivable report is so important to the viability of the practice and the doctor should be reviewing this on a monthly basis. You must collect what you produce. In a growing practice the total projected income (monthly payments to come in the future) should increase on a monthly basis. In a practice that is in a decline the projected income will be in a decline 12 to 18 months prior to taking the same hit with the cash flow! The rule of thumb is that you should collect 95%+ of what you produce on a monthly basis in an established practice. If you are in the 1-2 year start up process there will be a lag between the production and collection as you grow. Always monitor your projected income.*

*These are just a few systems that will give a new and existing practice a great chance to build a solid foundation for growth. Other systems to review would be your personnel, marketing, treatment time and fee strategies.*

*Your business should be set up as you would set up your treatment plans. Beginning with the end in mind of how you would like the journey to be while achieving a positive end result!*