Eleven tips for success in your dental clinic

Part IV: ROI and PEST

By Dr Anna Maria Yiannikos, Germany & Cyprus

Welcome to the fourth part of the series Eleven tips for success in your dental clinic. Our new tips are about knowing how to choose the right investment for your clinic in order to have the greatest possible ROI.

Now what is ROI? ROI stands for the acronym Return on Investment. Let’s explain the term a little bit further. It shows our clinic’s ability to use its assets to generate profits. How many of you have bought a new equipment bursting with excitement and six months later, had completely forgotten about it and never used it? How many of you bought an intraoral camera and are still using it?

We are responsible to choose the investment with the highest ROI and we can do it by asking our patients for their needs based on an efficient protocol, for example by asking them questions such as: What are the most important treatments for you? Are you getting what you are expecting from us? What new treatments and trends are you interested in?

Never ever buy a new piece of technology because your friend/competitor/colleague has done it! Why? Because he does not have your patients. Please also remember this: It is very important!

Furthermore, you can assess your patients by yourself. What is your main target group? To which society groups do they belong? Are they afraid of the dental procedures or are they comfortable with them? Do you have a lot of patients and need to make more fillings in less time?

Know thyself and thy clinic

You can achieve this by learning in which areas we should improve ourselves (clinic) and in which areas we are in advantage. We can do that by using a very essential tool every six or twelve months, the so-called SWOT analysis. This is composed of four elements: our strengths, weaknesses, opportunities and threats as dentists. And we have already talked about it in the first part of this series (please see laser 9/2015).

Analyse your environment

The third component of the protocol that I would love to share with you is PEST analysis. PEST stands for political, economic, social and technological environment. By knowing potential problems in advance, you will be more prepared and capable of finding the correct solutions. By making effective use of PEST analysis, you ensure that what you are doing is positively aligned with the forces of change that are affecting our world. By taking advantage of change, you are much more likely to be successful than if your activities oppose it.

Good use of PEST analysis helps you to avoid taking action which is condemned to failure for reasons beyond your control.

PEST is useful when you start operating in a new country or region. Applying PEST analysis helps you to break free of unconscious assumptions, and helps you to quickly adapt to the realities of the new environment.

Its four components include:

- Political aspects: government type and stability, regulation trends, social and employment legislation, tax policy and trade/tariff controls, environmental and consumer protection legislation, likely changes in the political environment.

- Economic aspects: stage of business cycle, current and projected economic growth, inflation and interest rates, unemployment and labor supply, labor costs, tax system, corporate tax: 10% in Cyprus, likely changes in the economic environment.

- Socio-cultural aspects: population growth rate and age profile, population health, education and social mobility, and attitudes to these, population employment patterns, job market freedom and attitudes to work, press attitudes, public opinion, social attitudes and social taboos, socio-cultural changes.

- Technological environment: impact of emerging technologies, impact of Internet, reduction in communications costs and increased remote working.

Some years ago, Cyprus held the monopoly in communication services, but now the prices have dropped dramatically since there is a lot of players in the market. For example, changes in the government policy may affect the nature of treatments that may be available, for example under the NHS. Changes in the economic climate can have a direct impact on the spending power of patients. The so-called ‘feel good factor’ amongst home owners where interest rates are low and house price inflation is high is one example of how the state of the economics affects the mood of consumers.

Social changes can also affect our practice. People are tending to work longer hours. This could have an effect on your practice opening hours. Or maybe there are many people in your area who are older than 60 years old and, as a consequence, there is an increased need to treat them. People under the NHS. Changes in the NHS and how they may affect the nature of treatments that may be available, for example under the NHS. Changes in the economic climate can have a direct impact on the spending power of patients.

Social changes can also affect our practice. People are tending to work longer hours. This could have an effect on your practice opening hours. Or maybe there are many people in your area who are older than 60 years old and, as a consequence, there is an increased need to treat them. People under the NHS. Changes in the NHS and how they may affect the nature of treatments that may be available, for example under the NHS. Changes in the economic climate can have a direct impact on the spending power of patients.

Good use of PEST analysis helps you to break free of unconscious assumptions, and helps you to quickly adapt to the realities of the new environment.

By taking advantage of change, you are much more likely to be successful than if your activities oppose it.

The above protocol is one of the tools that you can be taught by the DBA educational programme full courses and seminars, including how to design your own ELIT. In the next issue, we will reveal two brand new tips and practical solutions that will help you access new opportunities and potentials of your dental clinic and change the way you see and make business in dentistry. Until then, please remember that not only are you the dentist in your clinic, but you are also its manager and leader.

You can always send me your questions and request for more information and guidance at dba@yiannikosdental.com or via our Facebook account.

Looking forward to our next trip of business growth and educational development!