Three essential lessons for every new dentist

By Sally McKenzie, CEO

After years of schooling, thousands of dollars in tuition, hours upon hours of clinics and exams, and tests and on and on, finally you entered the working world as a dentist. Just you and the patients. Wouldn’t it be great if it could really be that simple?

It’s likely that it didn’t take you long to realize that once your tour in dental school was over, your education was just beginning.

Moreover, there are at least three key lessons that we probably barely touched upon in the dental school curriculum.

Lesson No. 1: How to deal with people

I’m not talking about the patients. You’ve been trained to manage them. I’m talking about the people you see every day, the ones you work with or elbow to elbow, those you depend on to represent you, to make sure you have enough money to pay your bills, to keep your schedule on track, etc.

Obviously, I’m talking about your team. Your success as a dentist is directly dependent upon your employees’ success. Unfortunately, one bad hiring decision can cost you a small fortune — estimates range between 1.5 to 5 times annual compensation — it can also damage patient relations, staff morale and overall effectiveness of the practice.

Given what’s at stake, pay close attention to Lesson No. 1: Do your best to hire the best and never hire under pressure. Follow these steps and take a clear and measured approach to ensure that every employee you hire is the best fit for your growing practice.

Assess the systems before you bring in a new employee. If you’re hiring an office manager, look at business operations first. Are the business systems, scheduling, collections, recall, etc., working efficiently? If not, this is your chance to fix them, to integrate new protocols and establish up front how you will handle these functions in your practice.

Take 15 minutes. Set aside 15 minutes to think about what you want the person in this position to do.

Lesson No. 2: Lead your team to excellence

If you’re frustrated by what you perceive as average or below average team performance, determine if you’ve given them the foundation to achieve the standards you expect.

First, avoid the most common pitfall in leading employees: Assuming that your staff knows what you want. Don’t assume.

Spell out your expectations and the employees’ responsibilities in black and white, and do so for every member of your team.
from the beginning. Do not con-
vince yourself that because they've
worked in this dental practice for
x number of years, they know how
you want things done.

They don't, and they will simply
keep performing their responsibil-
ities according to what they think
you want unless they are directed
otherwise.

Recognize the strengths and
weaknesses among your team
members. All employees bring
both to their positions. The fact
is that some people are much bet-
ter suited for certain responsibil-
ities and not others. Just because
"Rebecca" has been handling
insurance and collections for the
practice doesn't mean she's effe-
ciently fulfilling her/his responsi-
bilities. Be prepared to discuss the
key points of the business as you see it as well as possible resolutions.

Use performance reviews to
motivate and encourage your team
to thrive in their positions. Base
your performance measurements
on individual jobs. Focus on spe-
cific job-related goals and how
these relate to improving the total
practice.

Used effectively, employee
performance measurements and
reviews offer critical information
that is essential in your efforts to
determine the rate of hourly produc-
tion. This calculates to $7,50 x 70 =
$450. Compare that amount to the
dentist's hourly production goal.
It must equal or exceed the identi-
"The Dentist." It is critical that you
completely understand the busi-
ness side of your practice.

For starters, routinely moni-
tor practice overhead. It should
breakdown according to the fol-
lowing benchmarks to ensure that
it is within the industry standard
of 55 percent of collections:
• Dental supplies: 5 percent
• Office supplies: 2 percent
• Rent: 5 percent
• Laboratory: 10 percent
• Payroll: 20 percent
• Payroll taxes and benefits: 5 percent
• Miscellaneous: 10 percent

Keep a particularly close ey e
on staff salaries. Payroll should
be between 20 and 22 percent of
gross income. Tack on an addi-
tional 5 to 5 percent for payroll
taxes and benefits. If your payroll
costs are higher than that, they are
hampering your profits. Here's what
may be happening:
• You have too many employees.
• You are giving raises based on
longevity rather than productivity/ 
performance.

The hygiene department is not
meeting the industry standard for
production, which is 55 percent of
total practice production.

• The recall system, if there is one,
is not structured to ensure that
the hygiene schedule is full
and appointments are kept.

Maximizing productivity. Hand-
in-hand with practice overhead
is production, and one area that
directly affects your production is
your schedule. Oftentimes, new
dentists simply want to help any
but it's more important to be pro-
ductive. Follow these steps to
maximize productivity.

First, establish a goal. Let's say
yours is to break $700,000 in clini-
cal production. This calculates to
$14,585 per week, not including
four weeks for vacation. Working
40 hours per week means you'll
need to produce about $364 per
hour. If you want to work fewer
hours, obviously per-hour produc-
tion will need to be higher.

A crown charged out at $900,
which takes two appointments for
a total of two hours, exceeds the
per hour production goal by $86.
This excess can be applied to any
shortfall caused by smaller ticket
procedures. Use the steps below to
determine the rate of hourly produc-
tion in your practice.

The assistant logs the amount
of time it takes to perform specific
procedures. If the procedure takes
the dentist three appointments,
she should record the time needed
for all three appointments.

Record the total fee for the pro-
cedure. Determine the procedure value
per hourly goal. To do this, take
the cost of the procedure (for
example, $900) divide it by the
total time to perform the proce-
dure ($900 ÷ 120 minutes). That
will give you your production per
minute value (= $7.50). Multiply
that by 60 minutes ($7.50 x 70 =
$450).

Now you can identify tasks that
can be delegated and opportuni-
ties for training that will maximize
the assistant's functions. You also
should be able to see more clearly
how set up and tasks can be made
more efficient.

A career in dentistry is one of
the most personally and profes-
sionally fulfilling fields you can
choose. With the right team, clear
leadership and effective business
systems, you can enjoy tremendous
personal success and lifelong
financial security for you and your family.

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