

Practice Potential and Performance: Is There a Gap?

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As the new year begins and you renew and revise your vision of success, one key question will continue to arise: Is there a gap between practice potential and actual performance? In most cases, there is a simple answer—yes. Although at first this response may distress you, the solution lies in understanding why this gap exists.

The Good News

Let's start with the good news: For many progressive practices, the gap exists for a very gratifying reason—because you have unlimited potential. You have committed to a path of constant learning and growth, a race track without a finish line. With this commitment to retaining state-of-the-art clinical skills while recruiting and training highly skilled professionals who enjoy working hard, there will always be some gap between potential and performance. If this is the reason for your gap, then congratulations! You are evolving into the new era of entrepreneurial dentistry with your hard work and imagination.

The Other Side

If your practice has a gap between your potential and your performance for any other reason, there are some key areas you and your team can work on. Start with examining the structure of your business model.

“In the past executives had the luxury of assuming that business models were more or less immortal. Companies always had to work to get better, of course, but they seldom had to get different—not at their core—not at their essence.” * (Harvard Business Review, Sept 2003, The Quest for Resilience, pg 53. Gary Hamel, Liisa Valikangas. What will differentiate your practice from the dozens of other practices available to your guests? How capably do your president and vice president lead? Is your financial model supporting your practice model? Does your marketing really amplify your difference in the marketplace, and can you deliver that difference?

Differentiating Your Practice

If you are going to compete in the new era of entrepreneurial dentistry, it is time to go beyond the old models. Some questions follow to help you clarify your vision and implement a plan to be “different” by not getting locked into old models.

What is your strategy? Is your vision to be a high-end general practice (historical) or a high-end general practice with a occlusal aesthetic component or a occlusal aesthetic specialty? This decision will dictate where you can successfully compete, be it in the subscriber environment (a historical model dominated by insurance companies) or in the entrepreneurial environment. In the latter, you leave the insurance companies behind as a referral source—then the only limitation is your ability to compete.

Leadership. This includes you and your vice president. Some of the areas to examine in both positions are drive and ambition. How strong are your needs for rewards of success? How strong are your vice presidents? Do the individuals in these positions have the behavioral energy to overcome resistance? Do the individuals in these positions know

how to manage people into success, or are they still operating in a historical “parenting” mode? Do they know how to delegate responsibilities and monitor performance?

Team. This is a direct reflection of leadership abilities. Do you have a high-performance team or several all-stars (historical) carrying the entire show? Does this put the ownership in a vulnerable, dependent position? Is your team’s vision of success consistent with the practice? As a team, how do they handle conflict? Is it handled professionally, or does one person always get his or her way (historical) or, even worse, is all conflict ignored rather than being dealt with for improvement and growth?

Financial model. Does the practice have a budget? You won’t see many other successful businesses running without one. Is the budget consistent with the strategy? A simple example that regularly arises concerns laboratory costs, insurance-based fees and marketing. You can’t market your practice as utilizing a quality lab and being progressive, and then expect insurance-based fees to fit your financial model. It just won’t compute.

Marketing. Does your marketing really highlight your difference from other practices? Is your marketing done so professionally that you can compete with other discretionary purchases? Can you deliver this difference? As you differentiate your practice, your skills and service attitude becomes significantly different. Treating your patients as guests is critical, and your communication skills need to undergo a significant improvement. It is every member of the team’s job to communicate the wonderful possibilities your care has to offer. Expect nothing less from your team if you want the best return on your marketing budget.

Yes, a lot of questions have been raised. For the questions you do have answers, are they consistent with your long term goals? For the questions you do not have answers- set a game plan to get the right answers. How you and your team respond to those questions will have a significant impact on closing the gap between potential and performance.