

# If You Build It, Will They Come? Implementing Growth Strategies

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If you're considering building a new facility, this is probably a time of great excitement and enthusiasm. This is your chance to fulfill a dream—and here are a few tips to help you avoid any nightmares along the way.

## Breaking It Down: Practice Investment Areas

The best way to escape all nightmares is to have a good business investment strategy for your practice. After all, a new facility is a major commitment of every resource you currently possess. The allocation of these resources, particularly your money, needs to be consistent with the current position and goals of your practice in *all* investment areas. The investment strategy outlined here should guide you from your current position on to the next step: Once you've evaluated your practice and discovered where you are now, you can determine where you want your practice to go.

This strategy came out of the examination of data from hundreds of dental practices, in which four significant areas for practice investment have been identified:

1. **Credentials/Training:** Clinical and management training for the dentist and the entire team.
2. **Equipment/Technology:** State-of-the-art technology and ergonomic equipment for delivering high-quality care consistent with everyone's skill levels.
3. **Marketing:** Utilizing internal and external marketing for your practice's growth.
4. **Facility/Location:** A thoughtfully designed modern facility located in an area that can support the quality of care your team is committed to providing.

*Credentials and Training.* The data shows that the most important investment any practice can make is in credentials and training. Good training with an emphasis on excellent performance heavily impacts quality of care, especially when providers are confident that they offer the best care available. Investments in training are just like any other investments in business: They return more because they are continually reviewed and refreshed. When a dentist invests in a modern facility with excellent technology and operator equipment but ignores training for key clinical personnel and management, for example, the practice will fail to reach ownership goals. Conversely, many practices in marginal facilities or locations can do better because they have an expert practitioner and dental team, versus others whose facilities only seem to look better.

### *Equipment/Technology and Marketing.*

Investment in equipment/technology must go hand-in-hand with an investment in marketing. Your operator systems (Care Suites) should be designed with the health of the clinician and the patient in mind. They should create a measurable increase in efficiency and productivity based on time and motion standards. Make sure your equipment maximizes the roles of your personnel utilizing true four-handed dentistry not just assisted dentistry. On the contrary, why have equipment that forces the dentist to constantly stop and start to reach, pick-up, turn twist and even change the focus of their eyes when the assistant could actually anticipate the need?

These caveats make budgeting for the practice crucial, though there is no standard dollar amount or percentage of revenue you should allocate for any of these categories. As your practice evolves into an Independent Practice Model, maximizing the return you get on your investment is critical. With limited resources, you cannot afford to squander them on inappropriate or ill-timed investments.

You're wise to approach these investment areas in a repetitive cycle: Invest in the technology, then invest in the marketing of the practice, then earn a return on your investment and, finally, invest again. For example, if you were to invest in intraoral microscopic technology (more advanced than intra oral camera) for perio care, first you'd purchase the equipment, and then you'd acquire the skills to use the technology. This new, competitive service could and should be used as a springboard to marketing, and as the marketing brings in more patients, the increase in profitability recoups the initial investment—and sets the stage for the next investment. No matter where your practice currently lies in this investment cycle, be sure to complete each step before moving to the next.

Where should you start: at technology or marketing? *Consider where your practice currently stands. Consider having an exhaustive evaluation completed before planning and before purchasing anything- no different than a comprehensive exam you would require for best patient care.* Keep in mind that all practices are at differing levels and varying degrees of implementation in investment strategies. Many practices are evolving into high-end general practices with focused components, such as cosmetics, implants, orthodontics, sleep apnea, and occlusion. Hygiene departments are evolving into “Wellness Centers” caring for the “oral systemic connection” and going far beyond a soft tissue management program. Three factors combine to make this a powerful model for creating a special identity which generates new patients from marketing, enthusiastic patient referrals and even referrals from physicians:

- the modern lifestyle bringing heart disease, diabetes and cancer into the news
- the wealthy baby boomer generation seeking health and infinite youth
- the research on the “Oral Systemic Connection” which shows that periodontal disease is intrinsically connected to these systemic diseases and treatment of periodontal disease can measurably reduce their r

A well-established practices evolving into this model might be well-served by investing in their own brand-recognition programs. On the other hand, the injection of improved technology into an established practice with a stable client base can revive the enthusiasm of your guests/patients

*Facility and Location.* Although the prospect of building a new facility can be exciting, in many cases it is the last step in a practice's investment strategy. As you probably are aware, the cost can be prohibitive, and it's easy to run over-budget! Before you proceed with this last investment, know your numbers and stick to them. Perhaps most important, do your research to find the most suitable location. Are you building in the most appropriate area for the style of practice you want to develop?

The location for this style of practice need not be in the most exclusive part of town. Secondly, a thorough evaluation of your current space, organization, and potential is a particularly wise investment that could yield a number of options that aren't obvious, particularly once your future goals have been considered. For the unprepared, particularly after the excitement of moving into a luxury location wears off, the reality of years of high payments could be discouraging. Evaluate a new building design in light of whether your existing office could be renovated into the office you want. Regardless, with so many improvements in the suites because of ergonomics, clinician positioning and posture, the need to manage materials and technology and the streamlining of transacting business, new and renovated office designs are requiring more thought and planning than ever. Be aware that a significant portion of your new facility's cost should come from the current practice profitability that has been budgeted for this investment. Don't rely just on bank loans. In this new era of entrepreneurial dentistry, a modern, properly designed facility is a necessity—and you can comfortably design and build a new one when you plan ahead.

## Growing Your Practice: The Z Factor and Comprehensive Re-evaluations

How do you increase your profits so you can start making your dreams of a new facility into reality? The “Z” factor offers you a framework in which to systematically grow your practice. The comprehensive re-evaluation allows you to do so with maximum potential for success with a low degree of risk.

*The Z Factor.* When growing any business, you start in the areas with the highest potential for success and the lowest risk to the business. The “Z” factor illustrated below shows that the easiest way to increase your profits is to **start with your current patients/guests and offer your current services/products**. These people know you and trust you, and they are the ones most likely to buy from you because of this established relationship. Your current services and products are easiest to offer them because you have the confidence in your skills and knowledge—and your existing guests/patients already know it. In other words, they know you, and you know your stuff.

The next step in building a business has a little more risk: **offering new services/products to established customers**. Your current customers know you and trust you, but because you are offering a new service/product, you might not be as confident in your skills. Isn't that why you practice most new procedures on your staff or family first? If the procedure isn't quite as successful as promised, they will understand, and you can make it right without losing a valued patient/guest.

The next highest risk in growing your practice is **offering current services/products to new patients**. This carries higher risk because, although you are confident in your skills, you haven't established a relationship with these people, so there may still be a question of trust. You and your team's ability to quickly establish rapport with new patients can positively impact this transaction.

The last scenario is the riskiest and the least likely to succeed, but unfortunately it's where most small businesses begin: **offering new services/products to new patients**. This is such a risky position for obvious reasons: You are not totally confident in your skills, and your customers are strangers coming into your practice.



*Comprehensive Re-evaluation.* So how do you *most easily* grow your practice? Because you're focused on maximizing potential for profit and minimizing degree of risk (a smart move for anyone planning a new facility). Start with making sure your current patients have had access to your current products, and your new products, a simple strategy taught for many years in the Dental Concierge® program with consistent success.

Only after you have begun to offer all of your patients the best should you then consider the implementation of an external marketing program to start working on the final two “zags” of the Z. Don't jump

the gun! Since you can anticipate a six- to nine-month lead time in implementing your external marketing program, start developing your marketing plan today.

You might be asking how you get your long-term patients to accept the best when they have been with your practice for years—and already thought they were getting the best. First, recognize that they were getting the best you could do at that time. But that was then, and this is now.

Invite them back for the comprehensive re-evaluation, the same kind of exam you'd give a new patient, but this one is for your loyal guests/patients to ensure that they're getting the best you have to offer *now*.

Let's say the patient is in hygiene and you're going to give them a chance to "say yes to the best." Here's one way you'd talk about it:

*Joe, you have two fillings in your lower right bicuspids. They are fine. I know they are, because I did them myself. I thought you'd like to know that over the years, the art and science of dentistry has improved. We now have new materials and techniques that weren't available before. I have completed a master's training in aesthetic care. If you wanted the best I could do for you, the best dentistry has to offer, you could replace those fillings with a more natural-looking, state-of-the-art material. You don't need them, but I feel all my patients have the right to know the best I can do for them. I would like to invite you to come back for a comprehensive re-evaluation to lay out a game plan for the best we have to offer you now.*

The words work yet the concept is what's most important. It's a simple truth that the art and science of dentistry has improved over the years, and you do have new techniques, materials and training. These long-term patients come to you because they trust your judgment—and you've explained up front that they don't need anything—but they at least have a right to know the best dentistry has to offer. You'd be surprised how many patients will have an interest. In particular, practices developing their focused components will have many existing patients willing to take advantage of the new levels of care.

When your practice implements the "Z" factor and the comprehensive re-evaluation, you can enjoy significant growth with low risk. Take those increased profits and apply them to an overall business investment strategy, and be prepared to see your practice soar—and your new facility to be a boon to your business.