

Creating A Growth Budget For 2010

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Last month I discussed the necessity of using sound business principles to develop an operating budget for your dental practice for 2010. The budget I described was what I call a “break-even” budget where your current profitability would be maintained even in a flat year with increased expenses.

This month I want to discuss strategies for increasing revenue. Since we now have all the bases covered, we can have some fun looking into the crystal ball and estimating what could happen to the practice if we could actually achieve new areas of growth. Here are some suggestions.

Hygiene and Continuing care – I routinely find that in most general practices, 30-40% of the patients do not have a continuing care appointment. It is amazing how many patients fall through the cracks. After the close of a business day – or on a day when you are not seeing patients – the doctor and staff need to do the following four to five hour exercise. One person at the computer calls out the name of every patient with a scheduled appointment – doctor and hygiene – for a six month period. Just keep going one day at a time. Three or four people are at the wall of patient charts pulling out the charts when the name is called and placing them on the floor. Obviously there are going to be a ton of charts on the floor and it is an effort to keep them in some semblance of alphabetical order.

When you are done, take the remaining charts on the wall and condense them onto the lower shelves. This large group of patients without an appointment is an indictment of the effectiveness of your current recall system. Pick up the charts on the floor and put them back on the upper shelves. You now have two groups of charts in alphabetical order – those with and those without an appointment.

Next month I will describe in detail how to re-activate this large group of patients without an appointment. But for the purposes of this article, I think you would agree on the huge growth potential that could be realized if you were able to get a majority of these people to schedule an appointment.

Soft tissue management – My experience is that general practices are performing between five to ten percent therapeutic procedures in the Hygiene department. Therapeutic procedures are 4341 (scaling and root planing for a quadrant), 4342 (scaling and root planing of one to three teeth in a quadrant), 4355 (debridement), and 4381 (Arestin).

Add up those procedures and total them, and that number is the numerator of a fraction. The denominator is the total of 1110 (adult prophylaxis) plus 4910 (periodontal maintenance). Determine your percentage of therapeutic procedures. My goal would be to get that percentage up to 30+. According to the ADA, 75% of people in this country over the age of thirty-five have some type of periodontal problem. Don't you think some of them live in your neighborhood? So a real potential growth area for general practices is to transition from a prophylaxis palace and institute a

consistent, well outlined STM program. Perhaps easier said than done – but certainly not rocket science.

Oral cancer screening – Whether you offer Vizilite (not my preference for many reasons) or Velscope or Identafi 3000 ultra from Trimira (these oral cancer screening devices are what I prefer), you should be offering this service to your patients. Aside from the increased revenue, it is the right thing to do. Oral cancer is on the rise in this country. And 25% of the cases are in young people with no risk factors. You can save lives!

Marketing for new patients – If you have been reading my articles, you know that I am a big proponent of the power of the Internet. Take at least 2-3 % of your 2009 annual collections and allocate that amount for Internet marketing. Put that in your break-even budget. Just imagine what would happen to your practice if you attracted another ten new patients a month.

Adding new procedures – Invisalign, Sedation, Sleep Apnea, Botox – these are all in my recent experience very hot areas. There has been a lot of direct to consumer advertising about these procedures. Patients are asking about them. Patients are searching for them on Google. So take the necessary continuing education courses (put that in your break-even budget as well) to get educated and trained - and you can add considerable revenue.

Employing itinerant specialists – If you have a busy general practice, you are probably referring out many patients for endodontic and periodontal procedures. If you are too busy or don't have the interest or the inclination or the time to learn to do these procedures, you should consider the large profit potential of offering these services within your practice. In my experience with my clients, this strategy is working quite well.

We all know that change is difficult. But if you continue to just do what you have always done, you will just continue to get what you have always got. So go back to the drawing board and spend some serious time and thought working ON the practice and not just IN the practice. Get your whole team involved in the planning process. Set some targets – some realistic yet moderately aggressive goals. Measure them on a monthly basis to monitor your progress. Even in a mature practice – and even with a difficult economy – I see the potential for growth of 15-20 percent.

~Mayer

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