Creating a Profitable Team
*First in a two-part series*

By Bill Blatchford DDS

In this New Economy, efficiency and profitability are still our focus in operating a small business. Our patients have embraced the New Economy of minimizing and making do. We are coaching our Doctors to have their overhead under control first by implementing strong systems that a smaller number of staff can effectively handle.

During the previous boom, many dental offices could operate at 75% overhead and there was enough margin to make it work. Now, times have changed. The largest expenditure in a dental office is staff. Spending 35% on staff, which includes payroll, matching costs, medical contributions, uniforms, education and training, is not uncommon. We believe, however, that you can reduce team costs to 20% with the right team members and strong systems in place.

What is it like to work in an office where 35% is spent on team? There may be layers of management with two or three people in the front, two assistants, several part time hygienists with a hygiene coordinator to fill the schedule and rush between patients. With team costs that high, there is a frenzied effort to outrun the overhead or produce and produce.

When your team expense is 35% during good months, what happens to it when the monthly production drops by $10,000? Often, the result is putting pressure on patients to accept treatment. This is not the type of reputation you want to create.

If you can divorce yourself from the emotion of it, it is much easier to see the team numbers for what they are. We coach that team costs should be at 20% of collections. Most successful dental practices can operate with a complement of three cross-trained, efficient, and competent team members: receptionist (so much more than that moniker), dental assistant (again, it doesn’t fully describe the contributions) and a hygienist. Three excellent and well paid people can handle a general practice producing to about $1.5M.

In many cases, we hire someone and they become swamped or overwhelmed so we hire them an assistant. Now, we have possibly two incompetents working with no training or systems. You can see how this could compound and end up with six or eight
staff members. Please notice the difference in “team” and “staff.” As one of our Blatchford Doctors said, “staff is an infection, we need team players.”

In order to achieve a 20% level for team, you will need to make sure that the appropriate systems are in place and are operating smoothly. We have found that the number of team players can be reduced when strong systems are in place. Some of these systems would be block booking, telephone techniques, firm financial arrangements and the all-important sales conversations.

Block Booking

There needs to be structure in booking. What are your goals? How do you envision your patients being treated and what is the reputation you want about your treatment in the community? Everyone is busy, even if they do not have a job. Time and the perception of time are critical.

Some rules for block booking:
- Create a daily Doctor goal and daily hygiene goal
- Who is accountable for the schedule reaching the daily goal?
- Share your goals with your team. A secret goal doesn’t work
- 80% of the Doctor goal must be completed in the morning four hours
- Diagnose long term treatment plans so patients are part of planning
- Be organized and do as much as possible at each visit
- If fillings and crown are scheduled, do the fillings first every time
- Always diagnose a crown with the endo
- Never tie financial arrangements with the appointment. Collect in advance
- Hold morning blocks open until 3 PM the day before

Block booking is much more than this. Discuss with your team more rules to make sure you reach your goal every day.

Part Two of this article will appear in the March 2011 Business Bite and will give you tips you need to know about telephone techniques, firm financial arrangements, and sales conversations.

Dr. Bill Blatchford, America’s premier dental business coach, concentrates on net return, more time off through better sales conversations, strong systems, teams who bonus and leadership. He has written two books, Playing Your ‘A’ Game and Blatchford BluePrints. His Custom Coaching Program creates $100K increase in net and 6-8 weeks off. He can be reached at www.blatchford.com and (888) 977-4600.