



## **Underestimating Your Value causes Many Problems**

As I work with dentists around the country, I continuously see dentists undervaluing their services and apologizing for their expertise. I see the care, skill, and judgment provided and the longevity of high quality dentistry and it's value to the patient. I also painfully see these same high quality experts fully confident in their expertise, 100% chicken when it comes to setting appropriate fees and asking patients to pay for these services. It never ceases to amaze me that dentists want to do the best for others, but are willing to settle for less than the optimum themselves. They often don't realize that this low valuation causes many seemingly unrelated problems in their practice.

### **Case History**

I recently worked with a client who had a far better than average practice, but was working into lunch, after the office was supposed to close, then coming in early or staying even later to get all the work done. His practice was running him. Once we sat down and evaluated what results he really wanted and the amount of time he would really like to spend with his growing family, we came up with a strategic plan. First, he was a "preferred provider" for a few plans. He saw many people some with broken teeth and toothaches, some with no problems, some with minor problems. The result was his book over full but his satisfaction was empty. As we spoke, it was obvious that he was very frustrated with dentistry, his staff, the practice and life in general. Yes, he had the busy practice many dentists desire, but what he really wanted to do was to help his patients get the best dentistry that he was able to provide. Some of the solutions he had thought about or that were recommended were to:

1. Enlarge the office (He already had 6 ops)
2. Hire more staff (He had 7 of them)
3. Bring on an associate
4. Drop the "preferred provider plan"
5. Drop insurance altogether

Let's look at each and evaluate them.

#### **1. Enlarge the office.**

This would allow for more places for patients to sit and wait in the treatment areas. Last time I checked, I could only work directly on one patient at a time. Now I'm as interested in being efficient as the next person, but adding more chairs to the 6 already in place won't give him more time with his family.

#### **2. Hire more staff.**

My observation is that adding more staff is rarely the cure. The feeling that "we need more people" comes from the reaction to the problem- "We're too busy" A better thought would be to ask yourself, "Why are we too busy." What result are we looking for? If not busy, what would we prefer? What would we need to do to slow this busyness down?

#### **3. Bring on an associate.**

Many times when a practice gets too busy, an associate is recommended. Rarely is this a pre-planned event. Most often it is a reactionary step when the dentist is getting burned out or getting tired of doing the little things. Sounds like having someone else to carry part of the load is just the answer. Actually, it depends. Occasionally, an associate can stabilize a busy practice, but if something else isn't done differently, the root cause is probably still present. So now I have an associate and another employee or two and you got less busy doing dentistry, but more busy managing people. Is this a good trade?



#### **4. Drop the preferred provider plan.**

Being on a plan that pays you less than your already artificially low fee, generally is not a good idea. These reduced fee programs kill the high quality efforts of the dentist and over time will stretch and stress the finances of the dentist. When the overhead in the practice gets over 60% and you accept reduced fee programs, you can't make it up in volume. The more you do, the worse the situation becomes. Now here is the key. You must know, how much of your income is coming from these programs. If you were to drop them tomorrow, could you still be profitable with your current overhead? If not, you must implement a plan to replace the income to be lost before jettisoning the plan. You may choose to go slowly, one at a time or you may get out all at once. Just make sure you have made your decision on the facts and that you have the next phase of your plan implemented before proceeding.

#### **5. Drop insurance altogether.**

With all the exclusions and limitations of dental plans, the volumes of paper work, delayed payments, disputed claims, etc., getting out of insurance makes a lot of sense. But it doesn't make much sense without a course of action to replace the lost income from the dental plans. Where are your dollars coming from right now? Which plans are contributing little to the practice? Which plans would have a definite impact on your practice as it sits today? How would you offset those changes? I have seen many dentists make rash decisions with neither the benefit of the facts nor a carefully designed and orchestrated strategic plan. Unfortunately, the stress doesn't go away; we just trade one problem for another.

What should he do? Identify the real culprit! After evaluating the practice (the current circumstances) combined with the Dr's preferred future (the desired result), a plan evolved. The real problems were; he was too busy to be able to take the time to talk to his patient's about their long term dental care and prevention of problems, he had never clearly established in his own mind what he really wanted to provide for his patients, and his fees were dismally low causing him to have to work to see more people to pay the bills with less profit. Once these were identified, getting the plan implemented was easy. First, adjust fees to an appropriate level. Second, start eliminating low paying, low quality plans. Third, start talking to a least one patient per day about what is now possible for their long-term dental health. Fourth, put in place financing options that would allow patients to have alternative ways to pay without breaking their budgets. Fifth, start asking our enthusiastic patients who are not insurance dependent about seeing their friends and acquaintances as patients.

#### **The Results**

After a few months of implementing these solutions, doctor and staff get out on time for lunch and out on time at the end of the day. The days are more productive and more profitable. The volume of patients is less, but the days are more productive and more profitable and more time can be spent to talk with patients concerning the advances in modern dentistry and what that means to the patient. They have eliminated all "preferred provider plans."

The real problem- As you may suspect, the real problem stemmed from the doctors failure to place appropriate value on his services. One poorly based decision lead to another faulty decision and then to another.

The lesson- Pablo Picasso was once asked in a restaurant to scribble something on a napkin; the woman who asked offered to pay whatever it was worth. He scribbled and said, \$10,000. "But it only took 30 seconds", she protested. "No, Picasso replied, it took 40 years and 30 seconds."