

MEGA TRENDS

IN DENTISTRY



Position Yourself for
PROFITABILITY
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MEGA-TRENDS IN DENTISTRY

Position Yourself for Profitability

by Ken Runkle – America's Profitability Expert™

What are the major shifts and trends impacting the world of dentistry today?

In our ongoing mission to help grow the hundreds of dental practices we serve, five major trends have risen to the surface. Successful dental practice leaders understand that the world of dentistry presents a constantly changing landscape. The practice which fails to react quickly or plan proactively, tends to be left behind.

The brief discussion of the trends below will hopefully help you re-evaluate your practice in light of the new world in which we live.

1. The Whole World Has Changed

Digitization rules America. Manufacturing continues to leave the country. Consumer debt swells daily. Jobs remain scarce. Dentistry today is different than dentistry ten years ago.

The world has changed, but the future of dentistry remains bright for those who acknowledge the changes and develop strategies to proactively engage the new world. Successful dental practices continue to reengineer their approach to meet these changes.

In the past, a dental practice could survive with underperforming hygienists, below-average assistants, weak customer service and sub-par marketing. Today, growing practices no longer settle for average or below average in any area of the practice. The competition is too strong and the economic environment is too challenging. Growing practices must be excellent, must be productive and must have great teams.

As the world has changed, we see growing practices requiring more from their dental team. No longer are dental hygienists allowed to simply “show up” and work their schedule. High-performing practices have hygienists who have ownership of the practice’s success and act more like entrepreneurs than employees. For example, achieving hygienists may go the extra mile to confirm appointments from home on Sunday night or pursue opportunities on their own to draw in new patients. With more and more hygienists available in the labor pool, doctors are refusing to put up with bad attitudes, poor work habits and difficult employees.

Practices are becoming leaner, more productive and more focused. Dentistry has changed. Has your practice?

ACTION QUESTION

Has your practice adjusted to significant changes in the world?

2. More than Ever, Focus on Value over Price

During a recent travel day, I enjoyed a Starbucks coffee in the morning at the original store in Seattle; then flew cross-country and drank another cup of Starbucks coffee in Orlando. Not surprisingly, they were identical. In the same way, Coca Cola and Crest toothpaste are the same whether you buy them in Seattle or Orlando. This is called “commoditization.”

When we purchase commodities, it makes sense to find the lowest price possible. Crest toothpaste at a superstore for \$2.39 is a smarter move than paying \$3.99 at your local market. It is the exact same product.

If we choose to sell dentistry as a commodity, in the same way that dental chains do, we will always have to compete based on price. In today’s new world, competing on price is becoming more and more challenging. However, if we choose to offer dentistry as a “custom service,” value becomes the deciding factor. Unless you have the buying power of a chain or you want to attempt to compete by offering low-price dentistry, customization and value must be your selling point.

What does that look like? When asked the cost of a crown, rather than offering a one-price-fits-all response, a practice driven by value over price will answer, “it depends.” The cost of a crown depends upon the patient, the state of his or her mouth, your availability, and other factors. You offer custom solutions and custom dentistry because every patient, every mouth and every situation is unique.

When shifting to a practice driven by value over price, it is critical to re-educate your entire dental team to the mindset that value trumps price. Train your staff to understand that you are willing to compete on value, but not price. Patients will always invest in what they value. If they value their dental health, they will invest. If they value a new boat, RV or truck more than their dental health, they will invest in those things. I believe eighty-percent of all patients can get all the dentistry they want in the next seven years if they value it. Ten percent may never get past price, but the vast majority will understand the value of a customized, personalized approach to their dental health.

Your dental team must believe in the value of your services, sell the critical value of dental health, promote the benefits of a pleasing smile, and never lower the value for the sake of competing on price.

ACTION QUESTIONS

*Have you made a decision not to compete based on price?
Does your staff believe in the value of your customized services?*

3. Happy Rabbits Produce a Happy Practice... ...a Happy Practice Produces Happy Patients

According to the Chinese calendar, 2011 is the year of the rabbit. We are encouraging our clients to make it the year of the Happy Rabbit – the Happy Rabbits are your dental team.

In the new world in which we live, happiness wins. If your patients are happy, your practice will thrive. Happy patients, just like happy rabbits, produce more happy patients. To produce happy patients, you must have a happy team.

We view staff meetings as the fuel for your team's happiness. With that in mind, here are a few tips to making staff meetings happy:

1. Rotate the facilitator every meeting so that every team member has the opportunity to contribute. Variety and involvement leads to happier meetings.
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2. Make each meeting valuable by bringing a constructive pearl, a solution for life issues, or helpful clinical insights. Adding value to your team makes them happy.
 3. Cancel your staff meeting. Every other month or once a quarter, surprise your team by cancelling your staff meeting to celebrate an accomplishment over free lunch. Fun celebrations together lead to happy rabbits.
 4. Create a rewards system to honor happy rabbits. Hand out 3x5 cards at the end of every day for team members to vote on the most helpful team member that day. Give out one award every week to the most helpful team member and put the rest of the cards into a drawing so everyone has a chance to win something. Rewards and winning produces happy rabbits.
 5. Celebrate good patient surveys and encouraging words from patients. Affirmation from patients produces happy rabbits.

If your staff meetings become something your staff looks forward to, your practice becomes a happy place. If your staff loves your practice, your patients will love your practice.

ACTION QUESTION

Do your staff meetings produce happy rabbits?

4. Case Acceptance is more important than ever before

As many of the practices we work with surpass the two million annual revenue mark, we see specific elements fueling their phenomenal growth. Among the common characteristics are consistent practice habits, productive team leaders and effective new patient strategies. But, the most important distinction we find is that thriving practices are very good at case acceptance.

In a competitive environment, case acceptance rates become the decisive factor between average and excelling practices. Practices with the highest case acceptance rates are very “assumptive” – meaning they assume patients will accept the cases presented. They do not assume patients will object, not pursue or complete the case, or not be willing to pursue payment options and plans. The assumption is that patients will gladly accept the opportunity and privilege to receive comprehensive and customized dental solutions. Dental team members from growing practices use carefully chosen words in their assumptive approach:

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1. They offer Treatment SOLUTIONS rather than Treatment PLANS
 2. Treatment is an INVESTMENT rather than a COST
 3. Patients GET TO experience dental health rather than HAVE TO

The essential team member for practices with high case acceptance rates in the new world is a confident sales professional serving as a Treatment Coordinator. Case acceptance boils down to sales and effective selling is about confidence. Your Treatment Coordinator must be confident in your services and in their own ability to close the sale for the benefit of the patient – believing that your product is essential, not elective.

ACTION QUESTION

Do you have an assumptive, effective and confident Treatment Coordinator who successfully and consistently moves patients to full case acceptance?

5. You need more NEW patients because.... ...the U.S. Census Bureau says you do

Americans are more mobile than ever before. The single greatest migratory movement occurred between 2000 and 2010. People continually move away from their traditional hometowns to pursue jobs, better weather, and richer life experiences. With that understanding, dental practices must realize this movement creates a continual shifting of existing patient populations and potential new patients. If you believe everyone in your market area is aware of your practice simply because you have been there for thirty years, you are probably missing many potential new patients.

In the mobile world in which we now live, successful dental practices are engaging in more awareness campaigns involving television, radio, billboards, yellow pages and an aggressive Internet presence.

Growing practices view strategic online campaigns as a priority. Ten years ago, dental practice websites were merely digital brochures. Today, practices with profitable new patient campaigns, utilize social media avenues like YouTube, Facebook, Twitter, Blogging, Video Blogging and even mobile applications. With a major shift to more cell phone Internet usage in the United States, more practices are designing mobile applications and mobile websites.

ACTION QUESTION

Do you have a comprehensive and effective awareness strategy to promote your practice to potential new patients in your area?

Ahead of The Curve

Change is a constant in our world. Growing practices not only respond to change, but anticipate change. Some of the trends addressed above may be flooding your practice or just beginning to creep in. Now is the time to act. Do not get caught behind the curve playing catch-up. Keep your eyes wide open and your practice moving forward.

Go for it!

– **Ken Runkle, America's Profitability Expert™**, is the founder and president of Paragon Management, Inc. and has been helping dental practices reach peak profitability for twenty-four years.
