



# PRACTICE PRODUCTION WHITEPAPER SERIES

By Roger P. Levin, DDS 

THE 3-STEP METHOD FOR  
ACCELERATED PRODUCTION GROWTH

Levin Group Inc.



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The Great Recession and its uninspiring recovery have rewritten the rules for dentistry. Never before has a recession had so much impact on dentists and specialists. Many considered dentistry “recession proof.” No one is saying that now.

The Levin Group Data Center™ indicates that 75% of dental practices are still in decline relative to their pre-recession levels. Dentists and specialists are surprised to see this decline continue month after month and year after year. They don't realize that the environment has been changed permanently. Consequently, practices must react to these changes or face continued decline.

## A New Dental Economy Has Been Created

A new consumer behavior has had a ripple effect on dental practices in the following ways:

**Consumer purchasing habits are different.** In a recent *Wall Street Journal* article, it was pointed out that consumers now ask themselves the following three questions prior to making a purchase:

1. Do I really want it?
2. Do I want it now?
3. Do I want to buy it here?

This is a seismic shift in consumer psychology and behavior. Consumers are no longer making purchases more cautiously, which affects case acceptance in dental practices. According to the Levin Group Data Center™, the cost of the average accepted case is lower than the pre-recession era, the number of rejected cases is increasing, and more patients are settling for less-than-optimal treatment. Anxious and uncertain, many prospective patients have begun to either shop around for lower fees or postpone dental care altogether... further reducing production.

**Opening of New Dental Schools.** This is already having an effect and will lead to an even greater supply of dentists in the not-too-distant future. Saddled with debt, more young dentists will gravitate to dental service organizations rather than opening solo practices.

**Decrease in Insurance Reimbursements.** In 2011, a major dental insurance company cut reimbursement rates by 7%

in one state and by 15% in another. Dentists worried that this move was the beginning of a trend that would spread to other states. Their fears appear valid. Now, the company has revealed that it will cut payments to dentists in two other states by 4–5% in 2013<sup>1</sup>. It is only logical that we will see further reductions in insurance reimbursements in the future.

**General dentists are keeping more production in-house.** This includes the areas of endodontics, initial periodontal therapy, surgical implant placement and orthodontic aligners. This development has impacted specialty practices.

**Dentists Practicing 8–10 Years Longer.** At one time, being a dentist virtually ensured an excellent living. The patients would come and the dentist was set for life. Now, with so many factors interfering with practice success, dentists are seeing themselves less able to retire when they had planned. Many older dentists will continue working, which increases the supply of dentists that much more.

Due to the enormity of these changes, practices must adopt strategies that increase production quickly—even in a difficult economy.

## The Post-Recession 3-Step Practice-Building Method

After extensive study of other businesses to determine how top CEOs were addressing changing economic times, Levin Group created a new concept for dentists and specialists called *The 3-Step Method For Accelerated Production Growth*, which consists of:

1. Set Targets
2. Build Systems To Achieve The Targets
3. Optimize System Performance By Using Benefit-Based Scripting In All Practice/Patient Interactions

### 1. Set Targets

Vague goals are nothing more than good ideas that are seldom realized. Targets are measurable goals that practices need to accomplish annually. Targets include:

- Having 98% of all patients scheduled at all times
- Collecting 99% of all money due to the practice

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- Increasing production growth by 15% annually
- Using a minimum of 15 marketing strategies simultaneously
- Reducing the no-show and last-minute cancellation rate to less than 1%
- Decreasing overhead by 5–10%
- Having doctors spend 98% of all in-office hours directly involved in patient care

When realistic targets have been established, the practice can develop new systems for achieving them.

## 2. Build Systems To Achieve The Targets

It is no longer enough for systems to run the practice well or get the dentist and team through the day. Systems today should be based on reaching established targets, or the practice may plateau or decline. When step-by-step systems are in place, production increases and stress—especially financial stress—is greatly reduced.

In the new dental economy, practices without proven systems have been steadily falling behind. Systems that worked as recently as four years ago are no longer working today. New systems will lead to growth while obsolete systems invariably lead to decline. Practices must implement the most innovative up-to-date systems to enjoy ongoing growth. If not, they will struggle just to avoid slipping from a plateau into decline.

If businesses fail to reach their targets, top CEOs know that they have not done their job properly and, in some cases, may no longer *have* their jobs. Most dentists have the benefit of owning their practice and therefore have absolute job security. However, the value of owning the practice depends entirely on how much the practice produces. In an era when incomes are actually declining for four out of every 10 dentists<sup>2</sup>, this step is critical.

## 3. Optimize System Performance By Using Benefit-Based Scripting In All Practice/Patient Interactions

Systems don't run themselves. Smart teams have to administer them. And they have to know what to say to patients. Levin Group thoroughly reinvented how scripting works with scripts that create value, going far beyond merely saying the right thing. It is about the ability to influence people. This means systems for scheduling, case presentation, customer service and collections are more effective when teams successfully create value for the office.

Practices that implement effective scripting are optimizing their systems to achieve desired targets. For example, if a 90% case acceptance rate has been targeted, case presentations

should focus on the benefits of treatment for the patient to overcome any hesitancy or objections.

Scripts should be created for all routine conversations in the practice. This is a priority item because only with excellent scripting can a post-recession practice reach the necessary levels of patient satisfaction, team efficiency, practice production and profitability.

## Conclusion

The 3-Step Method For Accelerated Production Growth (targets-systems-scripting) is highly effective for achieving increases in practice production regardless of economic conditions. The changes in the dental economy are deep and permanent. If practices do not make changes to take advantage of the unique opportunities available today, they may well find themselves in either long-term plateaus or in a state of decline.

The lasting effects of the Great Recession are proving beyond the ability of most practices to combat. Attempts to reduce expenses worked initially but as the months, then years dragged by, such measures weren't enough. More fundamental improvements are now necessary if the downward trend is to be reversed. Levin Group's **3-Step Method For Accelerated Production Growth** serves as a leading-edge approach to help dentists and specialists grow their practices.



Dr. Roger P. Levin is a third-generation general dentist and the Chairman and CEO of Levin Group, Inc., the largest dental practice consulting firm in the world. Levin Group was founded in 1985 when Dr. Levin recognized a vital missing link that was preventing his fellow dentists and specialists from increasing practice production. As a leading authority on dental practice management and marketing, he has developed the scientific-systems-based consulting method that quickly increases practice production and profitability, while lowering stress.

Dr. Levin presents more than 100 seminars worldwide each year and is a keynote speaker for major dental conferences. He has been interviewed by *The Wall Street Journal*, *The New York Times* and *Time* magazine.

<sup>1</sup>"Delta Dental cuts reimbursement fees for New Jersey and Connecticut dentists," ADA News, June 18, 2012, <http://www.ada.org/news/7190.aspx>

<sup>2</sup>The Levin Group Data Center™, which houses proprietary data collected annually from thousands of dental practices, including clients and other dentists.



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