



CONSULTING: A SMART MOVE IN TODAY'S ECONOMY

By Roger P. Levin, DDS



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The Dentist's Dilemma

You worked hard to get where you are today as a dentist. You studied intensely to earn your undergraduate degree and then pass the Dental Admissions Test. You attended at least four years of dental school, then applied for and earned your license. And you've been caring for patients and running your own business since then. You have done everything you were supposed to do in order to succeed as a dentist. So why isn't your practice doing as well as you hoped?

Although the Great Recession officially ended in 2009, the economic downturn continues to affect you and your fellow dentists today. According to the Levin Group Data Center™, 75% of practices have suffered production declines since 2008. A 2014 study¹ by the ADA's Health Policy Institute (HPI) found that dentists' average incomes are still falling. With dental schools opening in nearly a dozen states, the eventual influx of new practitioners will likely mean greatly increased competition and "a 'new normal' of flat dentist earnings could be emerging."

The increase in economic pressure has led to another pervasive issue in the dental profession: escalating stress. The 2014 *Dental Economics / Levin Group Annual Research Report*² found that stress among dentists had increased to a record level, with more than 38% of participants reporting high or extremely high stress.

Levin Group identifies these outside forces harming dentistry as the *8 Permanent Game Changers*. When profound, everlasting changes such as these occur in the business world, innovation becomes essential—and the same is true for dentistry. Regardless of earlier success, dentists must now look for new and better ways to manage their practices.

Wise Reliance on Experts

Your education prepared you well for providing excellent clinical oral health care. But it didn't prepare you to run a million-dollar business, especially in a difficult financial climate. During four years of dental school, the average student spends only *two and a half weeks* studying practice management, less than 2% of the total curriculum. If your practice is struggling, it's not because you're a bad dentist—you simply lack the business skills necessary to run a successful practice in the face of such adversity.

Given this lack of business education, most dentists turn to experts when it comes to certain services. For example, you probably hire an accounting firm to keep the practice's books and file taxes. For retirement planning, you consult an investment manager to ensure that you'll be financially prepared. Similarly, it makes sense to seek a practice management consultant when your dental business isn't meeting expectations. An independent advisor can conduct an objective analysis, make sound recommendations and help implement them successfully into the practice. Even large corporations that employ their own CPAs and business strategists turn to third-party consultants to conduct periodic assessments of their business and advise them on how to make improvements. Dentists who do the same will have a huge advantage over their competitors.

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Finding the Right Expert

If you search the internet for dental consultants, your web browser will likely return several pages of results. Choosing the best advisor for your practice may seem overwhelming, given the number and variety of consulting companies available. But if you focus on finding a firm with the following characteristics, you'll likely make a great match for your practice.

- 1. Dental Expertise.** As a dentist, you run a small business with unique challenges. Not only are you the CEO, but you're also the primary producer for the practice. You need a consultant who knows how your profession operates, understands the financial implications of today's economy, provides you expert solutions based on your unique situation, and ultimately gets results.
- 2. Depth of Experience.** The best consultant will have experience with numerous offices in a variety of communities, from single doctors in rural towns to multiple-doctor franchises in large cities. This wealth of knowledge provides consulting firms with best models for creating dental-specific practice management and marketing systems. It also gives them the background to know what will work for you in your specific situation.
- 3. Longevity.** Make sure you choose an organization that has been in business for several years. Inexperienced consultants may charge less, but they don't offer the same level of intellectual capital. To make a smart choice, you'll want to check a company's track record and references, which younger firms may not have.
- 4. Affordability.** Even an experienced firm should provide consulting that a dentist can afford. Levin Group has found that almost every dental practice has 30% growth potential, so the return-on-investment can be much greater than you anticipate. If you invest \$30,000 in consulting, the results could be millions of dollars in revenue over the life of your practice.

Final Thoughts

Today, like it or not, dentistry has become a "real-world" business that requires sound advice from business-savvy advisors. Many dentists have waited for the economic situation to improve instead of adapting to reality. They are now three, five or 10 years behind, facing an uphill battle to improve the practice quickly and catch up to the competition.

There are *proven* techniques for keeping 98% of your patients scheduled at all times, collecting 99% of your fees, increasing the flow of new patients and generating more referrals, to name a few. Most dentists just need a practice management expert to show them how. Hiring a suitable firm can catapult your practice toward reaching its goals and put you on a straightforward path to earning greater income and enjoying your career again.

¹ Munson B and Vujcic M. Dentist Earnings Not Recovering with Economic Growth. Health Policy Institute Research Brief. American Dental Association. December 2014. Available from: http://www.ada.org/~media/ADA/Science%20and%20Research/HPI/Files/HPIBrief_1214_1.ashx

² Trending Upward, Though Results are Mixed. Dental Economics. November 2014. Available from: <http://www.dentaleconomics.com/articles/print/volume-104/issue-11/features/the-dental-economics-levin-group-2014-annual-research-report.html>

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Dr. Roger P. Levin

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 North America. A keynote speaker for major dental conferences, Dr. Levin presents more than 100 seminars per year. He has authored 68 books and more than 4,000 articles. In 2014, he received the Dental Excellence Award for Best Practice Management Consultant from *DrBicuspid.com*. For the past 12 years, he has been named one of the "Leaders in Dental Consulting" by *Dentistry Today* magazine.



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