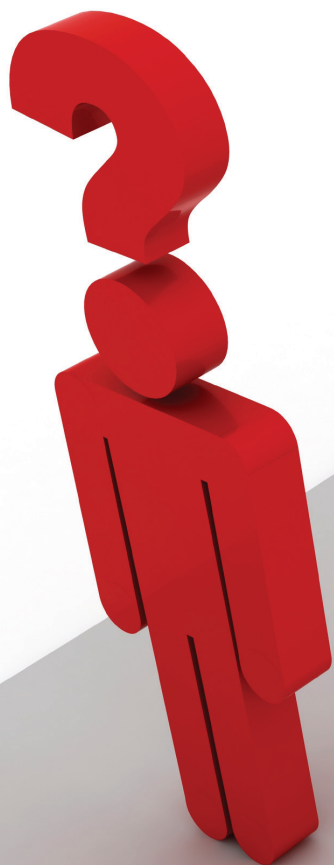




DENTIST AS CEO SERIES: RISK-TAKING AND MISTAKES

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Practice Production Whitepaper Series



Levin Group^{Inc.}



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Introduction

CEOs manage and lead by taking risks. You can't run a Fortune 500 company by sitting back and resting on your laurels. You have to always be looking for ways to innovate—what can be improved? What can be done faster or less expensively? What new service or product can be introduced that will generate new revenue?

Dentists have to be thinking along the same lines. How can I make the practice better? What services will patients want in the next year or five years? How can I ensure my practice will continue to grow?

In the past, dentistry moved at a slower pace, and dentists and specialists could be quite successful with few or no innovations. A dental license was almost a guarantee of financial success. Providing excellent care was the mainstay of a financially successful practice.

Today, the healthcare environment is more challenging. To create a growing practice, dentists and specialists have to be more willing to take risks. Of course, innovation in a dental or specialty practice is far more limited in scope than in a multinational company, but the principle remains the same. You can't just sit back and expect your practice to continually grow. It will not happen. The recent recession put that myth to bed, as the majority of dental and specialty practices experienced production declines during the last few years.

Fear of Mistakes

In this new economy, practice success requires active leadership on the part of dentists and specialists. That means taking calculated risks to grow the practice. The truth is that many dentists are micromanagers and have a tremendous fear of making any mistakes. As a third-generation dentist, I understand this mindset. Perhaps it is because we are afraid of offending or losing a patient, having a case rejected or simply receiving negative feedback.

Due in large part to our clinical training, we also tend to be perfectionists in everything we do. As healthcare providers, we have been trained that making mistakes is nothing short of terrible. In fact, we even have a name for clinical mistakes, i.e., malpractice. The very thought of malpractice can dampen—whether consciously or unconsciously—many dentists' willingness to take risks.

The pathway to increased success is often built by appropriate risk-taking. The fear of making mistakes can delay a practice from ever reaching its potential. Ironically, a no-risk leadership style is in itself a risky proposition. I have never met a CEO who grew and developed in his or her role without making mistakes. Mistakes can be minor, moderate or severe. The key is to avoid severe mistakes and learn from the minor or moderate ones and move forward. Dentists often struggle with this concept.

Learning Opportunities

As the CEO of Levin Group, I have seen dentists and specialists make almost every type of mistake imaginable. In many cases, the error is not particularly debilitating and harmful—it is what happens after the mistake is made that can set back a practice for years. Instead of chalking up the misstep to experience and learning from it, dentists become afraid to take any risk. They overthink every decision, wasting enormous amounts of time. **(Note: For more on this subject, see my whitepaper, "CEOs Make Decisions Quickly.")** Eventually, this lack of decisionmaking (and leadership) on the dentist's part causes the practice to plateau or decline.

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On the other hand, some dentists and specialists look at mistakes as learning opportunities. They recognize that errors are part of owning and operating a dental business. Nobody gets everything right the first time. It is those dentists and specialists willing to learn from mistakes who have the potential for tremendous growth and development.

Case Study

Cheryl became a Levin Group client about three years ago. Her practice was performing well, generating \$922,000 in her fifth year. She had a relatively happy staff and new patients were joining the practice on a regular basis.

On a review by her accountant, it was finally discovered that one of her front desk team members had been embezzling. Fortunately, the embezzled amount was small compared to other situations I have encountered. Cheryl was justifiably upset. First, she felt betrayed that she had placed so much trust in an individual who stole from her. Second, she couldn't believe that this team member had actually been involved in the theft. And third she was afraid that it could happen again. This fear caused her to overreact and become an extreme micromanager.

Within a year after firing the team member, Cheryl was spending 2–3 hours every night back at the office, reviewing reports, looking for embezzlement or other mistakes. She adopted an extreme micromanagement leadership style, which had a profoundly negative effect on staff. After two staff members left and told her how miserable they were working in the practice, she enrolled in the Levin Group's Total Practice Success™ – Management Consulting program.

No Trust

Her consultant quickly realized that the main problem was Cheryl's complete lack of trust in her staff. She stated that she was highly stressed, exhausted and not spending enough time with her husband and two children. She could not afford to leave dentistry as she was the main income earner for the family, but she was extremely unhappy in her career.

Within 90 days, several new systems had been put in place in Cheryl's practice. We worked with her accountant to set up checks and balances that would make theft almost impossible. Staff members were given new job descriptions and Cheryl began to delegate as she had originally in the first five years of her practice.

By six months, most of the major business systems had been implemented and Cheryl was no longer micromanaging. She had confidence in the new financial protocols and no longer worked nights and weekends. The staff felt respected and reported very high levels of satisfaction. As one staff member told us, "I don't know what you did to her, but it's made a world of difference."

Cheryl is not the lone example. Any time we meet doctors who are going back to the office during off-hours to "catch up," we immediately recognize this is a problem scenario. Fortunately, Cheryl was able to move away from her distrust and overcome the setback of having a trusted staff member take advantage of her.

I give Cheryl a great deal of credit for her willingness to trust the new systems. While embezzlement is a serious issue, she was hurting her practice through micromanagement and lack of delegation. Her fear of making another mistake had translated into a flattening production that could have continued throughout her career. Keep in mind, as I stated above, that Cheryl's salary was her family's main income for the family. By implementing new management systems and adopting a new leadership style, Cheryl was in a much better position to grow her practice and take care of her family.

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Conclusion

CEO's know they will occasionally make mistakes. That's the price of leadership. Good CEOs minimize mistakes by taking calculated risks. But when mistakes do occur, they view them as an opportunity to learn and grow. Don't let a mistake stop you from leading your practice. That's a risk you don't want to take!



Dr. Roger Levin is a third-generation general dentist and the Chairman and CEO of Levin Group, Inc., the largest dental practice consulting firm in the United States. As a leading authority on dental practice management and marketing, he has developed the scientific systems-based consulting method that will increase practice production and profitability, while lowering stress.

Dr. Levin presents more than 100 seminars per year and is a keynote speaker for major dental conferences. He has authored more than 68 books and 4,000 articles. Dr. Levin sits on the editorial boards of five prominent dental publications, serves as the practice management editor of *Compendium* and is managing editor of *Dental Business Review*. Dr. Levin is also a regular contributor to the *Journal of the American Dental Association*. He has been interviewed by *The Wall Street Journal*, *The New York Times* and *Time* magazine.

Levin Group is headquartered in Baltimore, Maryland, with offices in Phoenix, Arizona, and Marseille, France. For more information on Levin Group's programs and services, visit www.levingroup.com.

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Our Certified Practice Analysts are highly trained business experts. In addition to the insights gained from the over 150 practice visits they each make every year, our analysts continuously analyze Levin Group data, along with facts from other major organizations in dentistry to ensure that the most current and best possible information is included in every analysis they perform. They are expert business analysts who focus SOLELY on dental practices.

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