

# USING SYSTEMS TO BUILD A SUSTAINABLE BUSINESS



By Roger P. Levin, DDS

Practice Production Whitepaper Series



Levin Group Inc.



# USING SYSTEMS TO BUILD A SUSTAINABLE BUSINESS

The job of a CEO is to maximize profit for the company's shareholders. To achieve that objective, CEOs must build a sustainable business that has the ability to:

- Seize opportunities in the marketplace
- Grow and maintain the number of customers
- Withstand competitive pressures
- Weather a challenging economy

Levin Group defines a sustainable dental practice as an ongoing enterprise that has excellent prospects for continuing to perform profitably in the long term. At first glance, it would seem that most dental practices would fall into this category. Yet, in recent years, a majority of dental practices saw decreases in production, doctor income and profitability. While very few of them were forced into bankruptcy, dentists across the country had to cut staff hours, reduce employee benefits and even lay off team members. The sluggish economy has shattered the illusion that dentistry is recession-proof.

Even so, many practices have managed to keep growing. They were able to sustain themselves, as good businesses do, during difficult times for one reason and one reason only—they had outstanding management systems in place. Carefully designed, up-to-date, step-by-step systems are what keep businesses going through good times and bad. In a booming economy, businesses with poor systems can still be successful. But in a tight economy, only those with excellent systems will grow and prosper.

## Building a Sustainable Practice Requires Systems

To be sustainable, practices must have step-by-step systems in place. A practice that depends solely on the knowledge and commitment of the doctor and staff is not sustainable. However, if excellent systems have been implemented, the doctor and team can simply follow the systems as they go through the day. There will be exceptions, of course... situations that the systems don't address. But with proper planning, these will be minimal. Overall, the systems-driven office operates smoothly, efficiently and sustainably.

The right systems allow the practice to significantly improve performance by hitting performance targets such as:

1. Practice production growth of at least 15%
2. Practice profit increase of at least 18%
3. 98% of all patients scheduled at all times
4. Less than 1% no-shows and last-minute cancellations
5. Case acceptance of 90% on all cases

## Finding the Practice's True Potential

For a better understanding of how step-by-step systems can benefit a practice, let's look at a recent study from our extensive client database:

*Dr. A became a Levin Group client eight years ago. Her practice had been producing \$1.1 million but was down to \$850,000 and dropping. She had cut expenses, which maintained her profitability for the first year, but in the second year she recognized that her income was going to drop and she had significant debt and expenses.*

*Levin Group provides a unique service called an on-site Practice Performance Analysis™ in which a Practice Analyst performs a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, identifying the practice's true production and profitability potential.*



# USING SYSTEMS TO BUILD A SUSTAINABLE BUSINESS

*The good news was that Dr. A's practice had huge potential for improvement. The bad news was that this was the result of a lack of systems. This shortcoming not only limited growth but was also causing high levels of stress, inefficiency and team conflict.*

*Dr. A had a wonderful personality, and patients liked her. However, more and more of them were cancelling appointments and turning down treatment. Her average production per patient was dropping precipitously. The analyst projected that Dr. A's practice revenue would soon decrease to the low \$700,000s.*

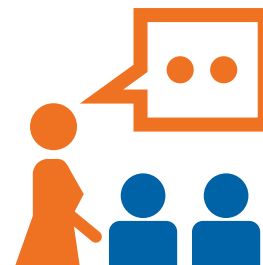
*Levin Group's approach is not to fix systems but to replace them. We learned decades ago that we would achieve the best results by introducing excellent new systems, customizing them for each client, and training the team with scripting to use the systems properly.*

*The analyst concluded that Dr. A's practice had a growth potential of 30% to 50% over three years... which is possible for the majority of practices if they implement new, step-by-step systems designed to achieve sustainability.*

*At the end of the first year as a Levin Group client, after systems and scripting were put in place, Dr. A's practice had grown to \$972,000. At the end of the second year, she had exceeded her previous revenue peak and was on target to grow another 16% in the third year.*

## Training—the Key to Making Systems Work

Many doctors ask me how to get their staff to use the systems correctly. As a CEO, the dentist must focus on helping team members understand the systems, training them thoroughly and working with them to follow the systems for the highest level of efficiency, productivity and enjoyment. I have never seen a team that was unwilling to follow systems... but I have seen teams that did not want to change from their old systems. Keep in mind that most employees in any business will cling to the status quo. They're comfortable with the current way of doing things, and any type of change represents a threat. It's up to the leader to help the staff understand why the changes are beneficial. Rather than *ordering* people to do things, it's far better to *motivate* them.



Dentists have a mindset that the current team will actually be there forever and don't make provisions for some level of regular staff turnover over the years. Once the proper step-by-step systems have been put in place, the practice should document all the steps involved in operating them. This will serve as the foundation for a sustainable, scripts-based training program. This kind of program typically cuts the time and cost of training in half. Not only that, when a new employee joins the staff, or existing team members need to be cross-trained, the practice can bring them up to speed quickly and cost-efficiently, thanks to this systems-documentation-scripting approach to training.

Most often, when dental team members fail to meet practice owners' expectations, it's due to a lack of proper training. This is why every dollar spent on training typically yields three dollars in new revenue.

## Final Thoughts

When excellent step-by-step systems have been implemented and documented, it's as if they are running the office rather than the dentist. This frees up the doctor to spend more time on direct patient care, which increases production—not to mention enabling the doctor to spend more time doing what he or she truly enjoys.

As one Levin Group client wrote in a year-end satisfaction survey, "This is the first time since my early years of practice that I've gone to work with the excitement I felt when I was a new dentist."

Sustainability means creating a practice that is built for long-term growth and success—not just getting through the day. Without systems, practices will never be able to reach their full potential. Systems provide the foundation that can sustain practices now and well into the future.

# USING SYSTEMS TO BUILD A SUSTAINABLE BUSINESS



## ROGER P. LEVIN, DDS

Considered the foremost authority on dental management and marketing, Dr. Levin has dedicated himself to creating greater practices for dentists. Dr. Levin is a third-generation general dentist and the Founder and CEO of Levin Group, Inc., a consulting firm that has worked with thousands of dentists.

Throughout his career, Dr. Levin has received numerous honors including the Dental Excellence Award for the best practice management consultant from *DrBicuspid.com* and being named one of the "Leaders in Dental Consulting" by *Dentistry Today* for 13 consecutive years.

## ADDITIONAL RESOURCES FROM LEVIN GROUP:



### THE PLATINUM LIBRARY

Get all of Dr. Roger P. Levin's best-selling e-books in one easy-to-download purchase. Learn the practice management and marketing essentials for growing your practice from the premier expert on the business of dentistry. Save **10%** when you purchase these books as a set rather than separately. Go to: [www.levingroup.com/store/libraries.html](http://www.levingroup.com/store/libraries.html).



### 30-MINUTE PRACTICE ASSESSMENT

Do you know where your practice stands? Find out! Spend 30 minutes on the phone with a dental management expert... free. Levin Group's new 30-Minute Practice Assessment gives you the opportunity to see how your practice compares, discover your revenue potential and discuss any business challenge you're facing, at no charge. To schedule your assessment, call 888-973-0000 or email [customerservice@levingroup.com](mailto:customerservice@levingroup.com).



### TIP OF THE DAY

Receive a daily management and marketing tip in your inbox every morning. Make it a part of your daily huddle. It's a great way to start off your day. Sign up at [www.levingroup.com/tip](http://www.levingroup.com/tip).