

Secrets of The Top 10%

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Introduction

Practices with production in the top 10% do certain things differently than most other practices. Although one would suspect that they do many things differently, the truth is that it is only a few things that they do far better than others. Over time, this difference allows them to build superior practices that are well run, with low stress and high production. The benefit to these doctors is that they reach financial independence approximately 10 to 14 years earlier than the average retirement age for a dentist today.

Understanding the Top 10%

Over the last 30 years one of the ongoing research studies by the Levin Group Data Center, the data collection arm of Levin Group consulting, has resulted in a better understanding of Top 10% practices and how they differ. Our objective in this ongoing study has been to evaluate what they do differently and which of those aspects can be replicated by other practices. Certainly, there have been “superstar” dentists with amazing personalities that opened in the right location or offered the right services at the right time. Those are not qualities that can be replicated by most other practices. However, our findings show that the vast majority of the differences that contribute to the success of Top 10% practices are simply that they do certain key operations only slightly better than others. Their real secret of success is that they do them **consistently** and **continuously** and that builds on itself over time.

Differences of the Top 10%

There are approximately 25 key areas in which the Top 10% practices outperform others. While they do not always outperform in all 25, their secret is again that they do so consistently. Over time that leads them toward long-term success.

It is also important to note that practices that perform in the Top 10% did not get there overnight. There was no one thing that immediately propelled them into the Top 10%. It would be wonderful if I could outline the one thing that every practice should do to be a top performing practice, but that is mere fantasy. These are doctors who opened practices, worked hard at practice building, focused on creating a well-run and efficient business and through experimentation, education or consulting were able to put together enough operational processes at a high-level. Most of these practices *gradually* moved into the Top 10% and have remained there.

Overall, one way to summarize entering the Top 10% and remaining there is to emphasize that it was a gradual consistent process that received a great deal of continual focus along with a dedicated staff that was committed to carrying out the best systems and methods.

Examples of the differences of Top 10% practices include:

1. Lower Patient Attrition

Top 10% practices have 50% less annual patient attrition than most other practices. Most dental practices lose between 12-15% of their patients annually. Top 10% practices only lose between 7-8%. This means that over time they can build their patient base 70% bigger every 10 years. In a 40-year career that approximates a 390% higher patient base when compounding is included.

There is no doubt that a larger patient base contributes to higher production. One dentist shared his theory of Top 10% practices with me, believing that it was all about doing large cases. While there are certainly Top 10% practices that perform large cases, most of them can credit much of their success to having a large patient base, a high volume of patients who accept treatment and refer others. There is no one single approach to being in the Top 10% when it comes to average case size, but the majority do not have an average production per patient significantly higher than practices in the 50-90th percentile regarding production.

2. Active Patients Scheduled

Top 10% performing practices have a much higher number of active patients currently scheduled. On average they have approximately 95-96% active patients already scheduled for their next appointment. Most other practices range between 85-90%. This 10% difference is a major contributory factor for practices in the Top 10%. The reason is that their schedules are typically full, and patients have much higher longevity in the practice. Given that unused chair time can never be recovered, Top 10% practices simply have much less unused chair time.

3. Lower No-Show Rate

Top 10% practices have significantly lower no-show rates than most other practices. The average no-show rate for most practices is between 5-7%. The no-show rate for Top 10% performing practices is less than 1%. There are two reasons for this difference. First, Top 10% practices have better systems to reduce and eliminate no-shows and train their patients accordingly. Second, Top 10% practices have a much larger base of patients, allowing them to occasionally dismiss a patient who routinely misses appointments.

4. Higher Number of New Patients

Top 10% practices have a higher number of new patients for numerous reasons. Marketing is only one small portion of how they attract their patients. They tend to have excellent customer service, internal marketing to stimulate referrals and a much better new patient capture system. A capture system means that they capture a larger number of new patients who call the practice to make appointments and then motivate them through an excellent new patient phone call process to show up for the appointment and ultimately accept recommended treatment. These practices often track the “call – appoint – show – accept” cycle which means that approximately 98% of new patients that contact a Top 10% practice will make an appointment and 98% of them will show up for the appointment and 95% of them will accept recommended treatment. This cycle is one of the key factors that makes Top 10% practices, Top 10%.

5. Higher Case Acceptance

Top 10% practices have higher rates of case acceptance. They tend to master the methodology of creating value in the minds of their patients and presenting treatment in an influential and motivational manner. Statistics indicate that case acceptance in Top 10% performing practices can be 20-25% higher than most others. They also tend to have slightly larger cases accepted by patients which we attribute to offering ideal options and comprehensive dentistry. However, the secret of being a Top 10% office is not simply having extremely large fee cases. Most Top 10% performing practices simply have higher case acceptance and slightly larger average case fees than most other practices. This allows them over time to consistently perform at a higher level and at a higher average production per patient per year.

There are other factors that contribute to Top 10% performance. These include the average production per new patient, average production per patient, hygiene productivity and production, collecting 98% of money owed, controlled overhead, systems implementation for team training, patient communication and 5-Star Customer Service. All are part of the 25 key differences in Top 10% practices. It is notable that the Top 10% practices have high patient satisfaction ratings that are approximately 2 points higher on a 10-point scale than most other practices. We believe this high level of customer service and patient satisfaction contributes to patient longevity and patient referrals.

Summary

Top 10% dental practices are not vastly different than others. They do not get there overnight and they tend to simply do certain things slightly better than others, but they do it consistently and it builds over time. They tend to have larger patient bases, lower patient attrition, higher case acceptance, a slightly higher number of referrals, controlled overhead and more efficient systems as in team training. These are a few of the 25 key factors we've identified that comprise the secrets of Top 10% practices.