

## To Review

In the February and April 2001 issues, we went step by step through the budgeting process, emphasizing that this task may seem daunting the first time, but becomes easier and more accurate with each succeeding year. Budgeting is the only way I know to analyze last year's expenses - where did your hard-earned money go? And budgeting lays out the plan for this year's expenses - where will your money go and what can you do to control the spending? The result of budgeting: **you will spend less and keep more.**

We took a "Philosophical Diversion" in the April issue, sharing a series of writings, quotes and meditations for pure enjoyment and for pondering during the few precious quiet moments you doctors and staff members may have. Retrieve these quotes, pair them with the ones that follow, add your own to the list and share/discuss them during your next staff meeting or retreat. I think that we dental professionals need food for the spirit and brain in order to stay fresh, upbeat and positive as we wrestle daily with the stresses and problems, as well as the pleasures and successes of pediatric dentistry. I hope you agree.

### On Attitude...

Attitudes are contagious. Is yours worth catching?

### On Success...

Success is not the result of spontaneous combustion. You must set yourself on fire.

Fred Shero

### On Today...

Finish every day and be done with it. You have done what you could; some blunders and absurdities crept in; for get them as soon as you can. Tomorrow is a new day; you shall begin it serenely and with too high a spirit to be encumbered with your old nonsense.

Ralph Waldo Emerson

### On Imagination...

A mind once stretched to a new idea never goes back to its original dimension.

Oliver Wendell Holmes

**Comments of General Colin Powell from his book My American Journey, Random House, New York, 1995.**

All work is honorable. Always do your best, because someone is watching you.

I learned that being in charge means making decisions, no matter how unpleasant. If it's broke, fix it. When you do, you win gratitude of the people who have been suffering under the bad situation.

Lessons learned:

- The mission is primary, followed by taking care of your soldiers.
- Don't stand there. Do something!
- Lead by example.
- "No excuse, sir."
- Officers always eat last.
- Never be without a watch, a pencil and a notepad.

Nobody ever made it to the top by never getting in trouble.

Stuff happens! Do the job right, but don't take yourself too seriously.

On competition: It doesn't have to be cut throat. The healthiest competition occurs when average people win by putting in above-average effort.

Find ways to reach down and touch everyone in a unit. Make individuals feel important and part of something larger than themselves.

People want to share your confidence, however thin, not your turmoil, however real. Never let 'em see you sweat.

We grasp at what we can handle in the face of what we cannot.

You don't know what you can get away with until you try.

Organization doesn't really accomplish anything. Plans don't accomplish anything either. Theories of management don't matter much. Endeavors succeed or fail because of the people involved. Only by attracting the best people will you accomplish great deeds.

If you are going to achieve excellence in big things, you develop the habit in little matters. Excellence is not an exception; it is a prevailing attitude.

If you get the dirty end of the stick, sharpen it and turn it into a useful tool.

Never step on enthusiasm.

Never get into fights with people who buy ink by the barrel.

Leadership is the art of accomplishing more than the science of management says possible.

When debating an issue, loyalty means giving your honest opinion. Disagreement can be stimulating. But once the decision is made, debate ends. From that point on, loyalty means executing the decision as if it were on your own.

#### On decision making:

The key is to not to make quick decisions, but to make timely decisions. I have a timing formula,  $P = 40$  to  $70$ , in which  $P$  stands for the probability of success and the numbers indicate the percentage of information acquired. I don't act if I have only enough information to give me less than a 40% chance of being right. And I don't wait until I have enough facts to be 100% sure of being right, because by then it is almost always too late. I go with gut feel when I have acquired information somewhere in the range of 40 to 70%.

General Colin Powell

**And from a friend's e-mail** (he knows my work in dentistry focuses on pediatric offices in which Dr. and staff delight in the words and antics of young patients (at least for the most part):

A first grade teacher collected well known proverbs. She gave each child in her class the first half of the proverb and asked them to come up with the remainder of the proverb. Their insight may surprise you.

Better to be safe than.....punch a fifth grader.

Strike while the.....bug is close.

It's always darkest before.....daylight savings time.

Never underestimate.....termites.

You can lead a horse to water...how?

Don't bite the hand that.....looks dirty.

No news is .....impossible.

A miss is as good as a .....Mr.

You can't teach an old dog new .....math.

If you lie down with dogs, you'll.....stink in the morning.

Love all, trust.....me.

The pen is mightier than the .....pig.

An idle mind is .....the best way to relax.

Where there's smoke there's .....pollution.

Happy the bride who ..... gets all the presents.

A penny saved is ..... not much.

Two's company, three's .....the Musketeers.

Don't put off till tomorrow ..... what you put on to go to bed.

Laugh and the whole world laughs with you, cry and.....you'll have to blow your nose.

None are so blind as .....Stevie Wonder.

Children should be seen and not .....spanked or grounded.

If at first you don't succeed .....get new batteries.

You get out of something what you .....see pictured on the box.

When the blind leadeth the blind ..... get out of the way.

**and the favorite.....**

Better late than .....pregnant.

### Practice Statistics - What Should the Numbers Be and What do They Mean?

Along with analyzing and justifying your budget from month to month, fiscal management must include monitoring practice numbers/statistics on a daily, weekly and monthly basis. In my experience, each pediatric dentist must have a trusted staff member who can collect the following data on a regular basis and give it to the doctor for review, perhaps meeting with him/her to summarize, explain and justify particular numbers and/ or their variances from goals or previous months' statistics.

#### Data Collection

The following is the bare skeleton of information a practitioner must have to manage her/his practice. Every number is included for a reason. Together these allow proper and continuous analysis of what is happening to your patient flow, production, collections, recare system, budget accuracy, success or failure in meeting practice goals and so on.

#### Data Collection

##### Annually You Must Know:

- Break even point (BEP)—collections needed to pay overhead costs. Remember only the collected dollars can be spent; production cannot.
- Dr.'s (Drs.) compensation including wages (draw), taxes and benefits
- Net profit goal
- Budget - collections less expenses
- Projected collections less write offs and refunds
- Projected expenses

##### Annually and Monthly You Must Know:

Comparisons year to date to last year to date

- Production annually, monthly, daily (and hourly, if monitored)
- Collections annually, monthly, daily (and hourly, if monitored)

- Collection % YTD (collection ÷ production) - 97% minimum goal
- Days worked, hours worked
- Expenses in dollars and in %'s of collections
- New patients, not including single visit emergencies (code DO140 who never return)
- Inactivated patients
- Recare system effectiveness - 80% minimum goal
- Treatment acceptance ratio to case presentation (treatment delivered ÷ treatment recommended) - 80 to 90% minimum goal
- Show rate - % of kept appointments (appointments kept as made ÷ appointments scheduled)
- Aged accounts receivable - maximum 1 to 1 months gross production
- Accuracy of budget projections - i.e., income and expenses compared with the budget so far this year.

**Daily You Must Know:**

- Production
- Collections — over the counter plus mail (goal 35 - 50% of that day's/month's charges)
- Deposit
- Adjustments
- Total number of patients scheduled
- Total number of patients seen
- Percentage of patients seen (show rate) - divide number seen as appointed by number appointed, NOT including emergencies or last minute fill ins
- Referrals made or received
- Total # broken or canceled appointments (BA/ CA)
- Total # BA/CA rescheduled

**Four items on Doctor's desk daily:**

- The day's schedule with all broken and canceled appointments, emergencies and walk-ins noted with sign-in sheet attached if one is used
- Computer-generated day sheet or pegboard day sheet with all balances carried forward
- Daily Activities form - see form below
- Bank deposit with all checks listed by patient name

**Daily Activities**

The following form, easy information to collect at the end of each day, is one of the four items listed above which should be on the Doctor's desk daily for his/her review. Two of the most important numbers on this form to assure consistency of patient flow and prevention of lost patients is the number of BA/CA (broken and canceled appointments) and how many of these patients were reappointed.

Remember the VERY IMPORTANT management adage: THAT WHICH GETS REPORTED GETS DONE. Reappointment MUST be done and reporting its success on a daily basis helps business staff members focus on chasing BA's and CA's as a top priority. I know - I composed this form for myself fifteen years ago when I worked in a busy pedo office. I knew it would hold my feet to the fire to contact BA's and CA's in a timely way if I had to report the results - otherwise, busy all day, as all pedo staff members are, I might let it slip, thereby losing patients for months or forever.

**Daily Activities in a Pediatric Dental Practice**

Date: \_\_\_\_\_

|   | Restorative | Orthodontic |
|---|-------------|-------------|
| # Patients scheduled  | _____       | _____       |
| # Patients seen   | _____       | _____       |
| % Patients seen<br>(show rate)                                    | _____       | _____       |
| Combined total # scheduled for<br>restorative and for orthodontic | _____       |             |
| Combined total # seen for restorative<br>and for orthodontic      | _____       |             |
| Combined % seen, not including<br>emergencies (show rate)         | _____       |             |
| # Broken appointments   | _____       | _____       |
| # Rescheduled   | _____       | _____       |
| <b>Hygiene Activity</b>   |             |             |
| # Patients scheduled  | _____       |             |
| # Patients seen   | _____       |             |
| % Patients seen<br>(show rate)                                    | _____       |             |
| # Broken appointments   | _____       |             |
| # Rescheduled   | _____       |             |
| Charges   | \$ _____    |             |
| Daily goal adjustment   | \$ _____    |             |
| Collection/deposit  | \$ _____    |             |

**A Few More Pearls...**

When I see systems, procedures, products, etc. that seem like they might be particularly helpful to pediatric dental practices, I often mention them in this publication. A number of management pearls were given in the October and December 2000 issues. I would like to mention four products/services that might also be helpful in your office.

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- Every office needs a dental dictionary, especially helpful for staff members new to dentistry. Try “Dental Terminology” by Charline M. Dofka, Delma Thomson Learning, Albany, 2000. [www.DelmarAlliedHealth.com](http://www.DelmarAlliedHealth.com)
- There are lots of tough questions asked of Dr. and staff members by parents, the media and others. The book “Tough Questions, Great Answers” by Robin Wright, Quintessence Publishing Co., Inc., Chicago, 1997 (Quintessence Co. – 630-682-3223) is an excellent source of ideas and scripts for training new and current team members about proper answers. Written for generalists and specialists, those questions and answers appropriate to pediatric dentistry can be distinguished from others and used to role play scenarios in which auxiliaries might find it difficult to answer parent’s questions.
- Do you find training new auxiliaries a never-ending task? We finally located a set of training videotapes for business and clinical staff. Produced by a pair of leading private practitioners, one can order “Your Career in Dental Assisting,” “Your Career in Dental Business Administration” or a 10 tape combo set. Clear, well narrated and photographed, the set can save lots of training time and money. Written for general practice and pediatric dentistry, workbooks and a 50-

question test comes with each video. Call Practicon, Inc., 800-959-9505 for more information.

- Need a website designer especially for pediatric dentistry? Contact Julie Brown, President of Dentists4kids.com for information and to get site addresses of other pediatric dental offices to see her designs at work. Years of work in pediatric dentistry make Julie and her staff aware of how to present pediatric dentistry and your practice on the Internet (e-mail: [jbrown@dentists4kids.com](mailto:jbrown@dentists4kids.com) or toll free telephone 877-337-7037).

## PMMNews

### PRACTICE MANAGEMENT AND MARKETING NEWS IN PEDIATRIC DENTISTRY

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This publication is written by Ms. Ann Page Griffin, a nationally recognized author, lecturer, and consultant in dental practice management and marketing. Opinions and recommendations are those of the author and should not be considered AAPD policy.

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