



Increase Profits By Strengthening Your Leadership

Over my many years of experience consulting pediatric dentists, I can emphatically say that when a doctor decides to stop being a leader that is when he will hit his profitability wall. Also, when a doctor stops leading he forgoes the following behaviors:

- Consistently evaluating how things can be done better.
- Having a clear vision of the goals of the practice.
- Sharing his vision with his team.
- Working with excellent advisors and mentors.
- Creating a yearly business plan.
- Monitoring practice vital signs and practice expenses.
- Consistently holding employees accountable for appropriate behavior and job performance.
- Holding regular performance reviews.
- Understanding each employee's unique strengths and motivators.
- Being exemplary in his own behavior.
- Celebrating success.

By incorporating basic leadership actions on a consistent basis, he can work more efficiently to increase profits. I typically see more than a 10-20 percent increase in production when a doctor exhibits the leadership behaviors described above.

After reading the following leadership actions, you can identify which actions you wish to add to your leadership tool belt for a more profitable year!

Have a Clear Practice Vision

A good exercise would be to first write a vision statement of exactly the kind of practice you wish to have. Then, think through the different parts of the practice and make

notes on the areas that are not performing in a way that will help support your vision. Also, think about how things can be done easier and better. Once you have completed this exercise, schedule a team meeting for one to two hours to share your vision and the changes you would like to make. Ask your employees for input on what they would like to see changed or improved. When your team has a very clear picture of where you are trying to lead them and they feel that they can be part of something better it is easier to achieve the desired changes. You do not have to reinvent the wheel when improving areas of your practice. It is vital to avoid getting overwhelmed because this will make it difficult to take the first step. Remember that there are excellent advisors, consultants and mentors available that can teach you proven methods and systems that will enhance your practice. The areas that you may consider improving include:

- **Facility.** Keep it updated and clean. Sets a good example.
- **Systems.** Scheduling by block and producer goals, collections, following-up on unfinished treatment plans and recall, monitoring practice vital signs, verbal skills and scripts.
- **Marketing.** Logo/image, level of customer service, community involvement in schools, daycare centers and referring doctors, method of tracking referral sources of new patients and thanking referrals sources.
- **Business Plan.** Break-even point for over head expenses, doctor income, retirement savings, new equipment purchases, number of producer work days and daily producer production goal, and overhead budget.
- **Team.** Defined job descriptions, well organized and productive meetings (morning, quarterly, department and monthly team), performance reviews.



Create a Yearly Business Plan

Many doctors operate their practices without a defined business plan that will help them meet their financial goals. You are much more likely to meet your financial obligations when you have a plan that is monitored throughout the year. It scares me to think how many doctors I see that leave their financial security and future up-to-chance. The following numbers should be defined yearly in the practice business plan:

- Break-even point dollar amount that meets doctor income, yearly retirement savings, total fixed and variable overhead expenses, and new capital expenditures.
- Individual production goals for doctor, recall and hospital and the number of producer (doctor, recall and hospital) work days to meet the break-even point.
- Overhead budget categories and assigned percentages that are monitored monthly/quarterly.
- Collection ratio that is appropriate for the practice.
- Number of new patients.
- Collection ratio that is appropriate for the practice.

Monitor Important Business Numbers

Once you have a business plan in place, it is easy to monitor the progress of the practice. The practice vital signs and monthly profit and loss statements should be monitored against the goals set. This important action will indicate whether the practice is progressing to meet its financial obligations, and if not, exactly in what area the doctor and team must focus on to improve. When business and practice numbers are analyzed on an ongoing basis, this becomes a powerful tool for insight and action. The following should be monitored:

Daily

- Doctor and recall producer goals.

Monthly

- Total doctor, recall and hospital production. Each should be separated out and given a monthly goal because they are three separate areas of productivity in a pediatric practice. If the practice is under-producing, it is helpful to know in which area.
- Number of producer (doctor, recall and hospital) work days.
- Average daily production for doctor, recall and hospital.
- Collection numbers; total collection, collection ratio (more than 96-98 percent in practices that do not participate in discounted insurance plans), adjustments to production and collection, total accounts receivable (AR), percentage of AR over 61 days (goal is no more than 18-25 percent), ratio of production to AR (goal is 1:1).

- Number of new patients (75 new patients per month to sustain a one doctor practice, and more are needed to grow practice).
- Percentage of patients that are scheduled and show up for their appointment (goal of 95 percent).

Manage Employees Successfully

Each job should have understandable benchmarks of acceptable performance and this must be communicated to the employee. For example, the person in charge of collections should be collecting 98 percent of production with an accounts receivable to production ratio of 1:1, and no more than 18-25 percent of the accounts receivable should be over 90 days. If any one of these criteria is not being met, then the employee will know exactly where to concentrate and improve. Benchmarks can also be set for scheduling and clinical performance.

To effectively manage employees, a doctor must know what planet (dominance, extroversion, patience, conformity) they are from, which will help identify how you can deliver effective feedback. In previous issues of *PMM*, these traits (planets) have been discussed extensively. With this type of knowledge, you will know how best to communicate, motivate and manage each employee for optimal performance. It is not enough to just be a good clinician with your patients to create a financially successful practice. Today, doctors must have more of a business mindset in operating their practice and aim to become a strong manager of people and a team. John Maxwell has authored many books about managing people that can be read at leisure. They include useful information that can be applied to dental teams.

Hold employees accountable for appropriate behavior and job performance. Doctors typically fail to do this soon enough because they do not want to deal with what is typically perceived as an uncomfortable situation. An employee's poor attitude and job performance will only continue to further deteriorate the morale of the team. The best thing you can do is to address issues of performance, moodiness, rudeness, tardiness, bullying and any other behavior that impedes teamwork sooner rather than later, so the unacceptable behavior is corrected. By doing this, you are protecting the employees who are performing well and are suffering from having to work with the problem employee. The good performers will respect you more when they see that the standards of good job performance are addressed. Also, it is imperative that you hold all employees equally accountable. I often hear that doctors do not apply the same rules to all employees, and this causes dissension within the team.

Another powerful leadership tool is to hold regular performance reviews. This is an excellent opportunity to give an employee feedback on what they are doing well, and coach them on how they can become more valuable to the team. Raises should be given to an employee because they have made themselves more valuable



through increased skills, motivation, dedication and have helped the practice meet the doctor's goals. Good employees welcome suggestions on how they can improve and further please their employer. There are excellent performance review forms available for doctors to use to make sure the review is productive and effective.

Serve as a Good Example

Doctors must hold themselves to high standards and never behave in ways that they would not tolerate from an employee. A doctor's behavior sets the standard and defines the culture that will exist in the practice workplace. A doctor should strive to be the type of person that he would like to work for himself. When a doctor is impolite, disrespectful, tardy, unethical, unmotivated, or exhibits an unprofessional appearance, a poor work ethic or improper customer service to patients, the employees lose respect for the doctor and the doctor has made himself powerless.

Celebrates Success

When a dental team is working hard toward making the doctor's vision a reality it is important to recognize the team's efforts and celebrate completing milestones and goals. Everyone likes to be recognized for giving extra effort and completing goals. Getting together outside of

the office for a fun activity, as a way of celebrating an accomplishment, creates a sense of cohesiveness and unity. Celebration activities can be a dinner or lunch, Saturday bowling, amusement park, dinner and a play, or a surprise shopping afternoon (doctor gives everyone a cash amount that they have to spend on themselves or give the unspent money back at the end of the afternoon). Use your imagination as to what you think that your team would appreciate and enjoy. Activities outside of the office also create an opportunity for teammates to get to know each other in a non-work atmosphere. This will strengthen their understanding of each other, which will enable them to work together more efficiently.

Committed Leadership

A committed leader will create a team that is focused on common goals, offer a business plan to follow throughout the year, provide excellent feedback for employees' performance and help create a dedicated team. Commit to becoming a better leader of your team in 2008 by applying the leadership actions discussed. You will go beyond the profitability wall and begin to see higher profits as the year goes on.

For information about leadership tools that can help you in your practice, visit www.julieweir.com/products.htm.

LEADERSHIP TOOLS THAT WORK IMMEDIATELY!

- | | |
|--|--------|
| • Doctor Vision Exercise/Creating Patient & Team Mission Statements | \$ 25 |
| • Practice Vital Signs and Goal Monitoring System | \$ 495 |
| • Hiring & Training System | \$ 125 |
| • Performance Review System | \$ 75 |
| • Employee Total Compensation Calculator | \$ 75 |
| • Bonus System | \$ 75 |
| • Laminated Morning and Team Meeting Agendas | \$ 45 |
| • "Benefits of Pediatric Dental Procedures" verbal skill flash cards | \$ 45 |

Julie can also provide the following services to enhance your leadership even further:

- Customized Practice Business Plan & Recommendations
- Professional DynaMetric Trait Profiling to help better manage employees and hire the right ones!

These systems can be ordered directly from our website www.julieweir.com

Products are sent electronically for fast delivery and practice customization. (Meeting agendas and flash cards will be sent via US Postal Service)

Contact Julie at 303-660-4390 or visit our website for more information.

JULIE WEIR
TAKE the LEAD

Management Consulting

Speaker

303-660-4390

www.julieweir.com

Success Products



American Academy of Pediatric Dentistry
211 E. Chicago Avenue-Suite 1700
Chicago, IL 60611-2637

PMM News



Published four times per year as a direct membership benefit by the American Academy of Pediatric Dentistry (AAPD), 211 E. Chicago Avenue, Suite 1700, Chicago, IL 60611-2637, (312) 337-2169. Copyright©2008 by the AAPD. All rights reserved. ISSN 1064-1203. aapdinfo@aapd.org, www.aapd.org. Writer: Julie Weir has built an outstanding reputation as a consultant, international speaker and author in the business of dentistry. Opinions and recommendations are those of the author and should not be considered AAPD policy.

Executive Director
Dr. John S. Rutkauskas

Publications Manager
Cindy Hansen

Publications Associate
Adriana Loaza

Public Affairs Coordinator
Marianthi Bumbaris