

HAS YOUR OFFICE BEEN HIJACKED?

BY DR. JAMES R. SCHROEDER



Why would I title an article about your office being hijacked? My definition of “hijacked” is losing control of your intended direction due to a takeover by an internal or

external party, often leaving you with a helpless feeling. Working within the dental industry for more 30 years has given me a unique perspective of working with students, young practitioners, and those going through the many transitions of a professional career and practice ownership. Every day, new players are influencing the delivery of dental healthcare. For those established practices, failure to recognize the new entities can have a significant impact on the health of your practice. The demanding nature of delivering patient care often leaves little time to step back and make an objective assessment of “where is my practice going?” Professionals in all stages in dentistry and medicine are experiencing enormous vulnerability.



For most, healthcare professionals enter their field with a desire to help people and earn an above average income. Young healthcare professionals and seasoned

doctors face the challenge of making decisions to develop both leadership and business platforms necessary to execute and enjoy the delivery of their professional skills. Without these, the professional is unknowingly hijacked!

A plethora of business and insurance entities are influencing the delivery of dental health care. At the same time, many solo and small groups are operating “business-as-usual”. There is growing opinion supported by early evidence that

the solo dentist business model will be replaced by large corporate structures or diversified business models. The ADA reported, in 1991, 67% of dentists chose the pathway of solo practice and in 2010, it was 59%. Certainly, some dentists graduate with natural abilities and skills to manage and lead a dental practice, in addition to providing patient care. These individuals will be attracted to the independence of business ownership. The Journal of the American Dental Association and other journals highlight the many factors influencing the choices of the more recent graduates.

Business models that provide leverage of the corporate purchasing power and other levels of expertise yet provide the independence of solo business ownership are developing in response to the larger corporate owned entities.

While we transition from Baby Boomers (age 54-73) to Generation X (39-53) and now Millennials, each group brings different priorities to the decision-making process. Our profession is faced with people outside our profession developing different business models with the mindset that there is profit to be made by designing a “better way” to deliver dental care than the cottage industry of the solo practitioner. How does that help a practitioner today prevent a hijack of his practice in a changing industry? We cannot ignore the paradigm shift that is taking place all around us.

KEY TAKEAWAYS

A few takeaways for your consideration to strengthen your practice in today’s culture are:

- Step back from “doing dentistry” and dedicate quality planning time for assessment of your P&L and operations of your business functions.
- Use a trusted consultant or colleague and look at the factual trajectory/trend of your numbers. Careful assessment of your systems can reveal areas for improvement and growth. Be careful not to draw conclusions based on your

feelings...just the facts! Interpretation of the trends comes after the assessment.

- Insurance programs must be reviewed with a careful understanding of what it means to sign on as a provider. Many practices have been hijacked due to the low reimbursements for services, forbidding upgrades in technology and retaining quality staff. The belief is that you must participate in all reimbursement plans, but...really?
- A large segment of the population still puts great value on customer service and quality of care in a safe environment delivered by a qualified team. Exceptional quality and customer service requires leadership and an intentional plan.

To compete in today’s world of health care, it requires new and refined tools outside our dental skills, more so today than 20 years ago, such as system efficiencies and internal communication skills that educate your patients on the value of what you provide.

- The power of mass marketing and technology cannot be ignored in gaining an audience to attract new patients. At the same time, building internal strength by word-of-mouth remains a powerful force when developed. In many practices there is little effort on building internal referrals.

We can learn from our corporate players as they drive their decisions from spread sheets using tracking of revenue, expenditures, and marketing research along with the leverage of purchasing power. Operating a small business requires time, qualified counsel, and accountability to make the best decisions and stay on the cutting edge of exceptional quality and profitability. How do you eat an elephant? One piece at a time, not in-between patients, but with the use of dedicated planning time.

Many times I encounter physicians and dentists who make decisions based on

business beliefs from 10 years ago that may no longer be true. They'll say, "Don't bother me with the facts. I am going to believe what I want." Most doctors excelled in school by mastering a body of knowledge. Unfortunately, we often think that our professional mastery extends into other areas. We don't know what we don't know. This can be very risky! Don't be hijacked by an outdated or overloaded mind.

The explosion of expectations and regulations of employees: "staff", "team members" or "HR" demands time and planning if we are to maximize our investment.

New business models take this responsibility from the dentist and manage with legal expertise not previously required. If you have 6 FTEs and 20 W-2s for 2018, something is wrong with your hiring process or your internal culture. Employees represent 25-30% of your line item expenses and can be your greatest asset. With an expenditure of 30% of your revenue we can no longer afford to not invest and develop our employees. As a leader, this cannot be ignored. Your assessment, planning, and implementation of growth plans for each employee can yield a great return on your investment. This investment also creates a loyal employee and *that* impacts patient care.

A small business owner must also be a developer of his people. Your view of an employee as an asset and not a liability is critical. As a business leader, this will greatly enhance your profitability and professional satisfaction of your practice.

Caution: I often encounter offices where a well-intentioned doctor delegates many decisions to a staff member without clear direction, accountability, and development only to find out the individual has taken the office in a different direction than intended! Hijacked! The busy doctor didn't take the time to provide the leadership and accountability to keep the ship on its desired course. The uncomfortable feeling of addressing difficult staff issues further leads to going off your intentional course. In private coaching sessions, the doctor often confesses, "I've lost control of my practice."

My experience working within our industry indicates embezzlement is quite common in small dental and medical practices. Almost all doctors claim "not in my practice" when I raise this issue. It has become increasingly difficult to stay on top of the many management, regulatory, and leadership demands, in addition to being a provider of quality patient care. I admire our profession and those individuals

wearing the many hats required to maintain a profitable and quality-centered practice.

With the New Year underway, my encouragement to each of my colleagues is to schedule time for an assessment of your practice, followed by developing a vision with your team to address strategies for growth from your assessment.

I welcome a call, should you have questions. Each stage of our profession poses different opportunities and challenges. We have a great profession, but I have many young colleagues coming to me with a sense of being overwhelmed. I remind them if it were easy anyone could do it. With planning, good counsel, and reflective time to think, many "hijacks" can be prevented.

Editor's Note: Dr. James R. Schroeder practiced dentistry in Richmond and is the founder of **Leadership by Design**. If you have questions or would like help implementing a change in your office, contact Dr. Jim at 804-897-5900 or email drjim@lbdtransitions.com