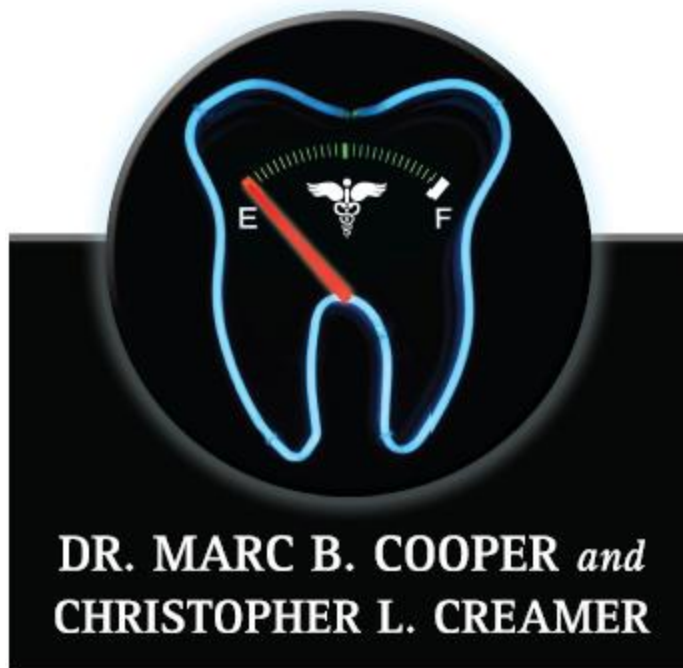


RUNNING ON EMPTY

Answers to Questions Dentists
Have about the Recession



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CHRISTOPHER L. CREAMER



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Matt King edited all parts of the book, Running on Empty (2009), from which this chapter was taken.

Please feel free to forward this via email to whomever you believe would benefit.

Thank You!

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by

Dr. Marc B. Cooper

Christopher Creamer

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I'LL TAKE CARE OF YOU

I'm very concerned about the practice but I'm keeping it to myself. My staff, on the other hand, is looking very skittish these days and out of sync with patients and each other. How do I calm them down about what's going on and keep them focused on providing great care?



The economy's deepening troubles are pushing a growing number of staff into appalling financial stress. Plummeting home values, higher prices, business failures and the disappearance of credit are proving a toxic combination. Some of your staff's spouses' jobs are in jeopardy, if not already lost. And given the number of dental practices that are currently in dramatic decline, there are more staff layoffs to come. Be assured, your staff is very aware of these circumstances.

The current financial crisis coupled with staff's present anxiety and concerns is changing the landscape in which your practice and your business operate. For most of your staff, job loss at this time would be cataclysmic. The business of dental practice and its relationship with staff is in new territory.

There is an opportunity to significantly deepen the staff's loyalty, kinship and commitment to you and the practice. You can make a powerful declaration to staff. But be aware, you cannot be inauthentic about this declaration. You cannot be disingenuous or artificial in your pledge. It must be a heartfelt vow. This is your declaration:

I will do everything in my power to make sure you keep your jobs. I am willing to work more hours and days, I am willing to alter how I run the practice, I am willing to do more bread and butter dentistry and shift how I spend money. My commitment is to keep you employed. I can't guarantee it, but I am totally committed to making sure you have your jobs here.

If you can say this and mean it, if you can unconditionally commit to this end, if you can speak from your heart and your gut, given the staff's anxiety at this time about their personal financial lives, they will be moved and inspired by your devotion.

You are putting yourself on the line for them. What you give, is what you get. This will significantly enhance their loyalty and commitment to you and your practice. And as a result, performance will be better, they will be more open to requests, and far more teamwork will occur.

Now the underlying challenge in this stand is that as the recession unfolds, your practice may not be able to support your staff payroll. In your current model, staff gets paid for simply coming to work and raises are typically based on longevity and acceptable individual performance. Staff has little monetary risk in practice viability or success.

However, it puts the practice at significant risk in this current environment. What if the practice sees fewer new patients, experiences decreased acceptance of high utilization treatment, more no shows and cancellations, and more patients rescheduling? What if your revenues drop? Since staff payroll won't match the drop, what are you going to do?

Once unconcerned about the practice's overall financial performance or overhead, the staff is becoming acutely aware that in this recession the practice's existence and their jobs are on the line. They will need to step up in all phases of work, customer service and marketing to ensure the practice's continued viability so their jobs continue to exist. With their jobs at stake, it's not just your problem anymore, it's their problem too.

If you are going to be totally committed to the staff in sustaining their employment, you can request that they in turn bring an equal commitment to the practice. They need to bring their "A" Game every day. They need to work and thrive as a team, provide unmatched service in every interaction with patients and commit their individual and collective performance to the success of the practice.

Consider implementing a new compensation model for staff and yourself. In this model, a portion of everyone's salary will be directly tied to the overall performance of the practice. If the practice revenues drop, so will everyone's salary. In other words, you will be moving from salaries based on *job position and longevity* to salaries based on *performance*. This is called pay for performance.

We are convinced that pay for performance is a practical compensation model for dental staffs in these times. We have designed a new compensation model based on the following key elements: 1) performance Reviews, 2) fulfilling defined and measurable accountabilities, 3) individual staff member's capacity to embrace and express the core values of the practice, 4) budget, and 5) the margin.

The Chinese characters for crisis are danger and opportunity. With dental practices headed for the danger zone, compensate staff in a way such that if the practice wins, they win. That makes sense. And if the practice loses, it's not just you who takes the hit, but the staff as well. They want and need their jobs. You want and need them to perform at their highest level. Pay for performance is a solution that empowers everyone. With a clear financial stake in how your dental office does, everyone on staff should be taking great care of *their* business.



BOOKS by Dr. Marc Cooper

Mastering the Business of Practice

Partnerships in Dental Practice

SOURCE; The Genesis of Success in Business & Life

Running on Empty; Answers to Questions Dentists Have about the Recession

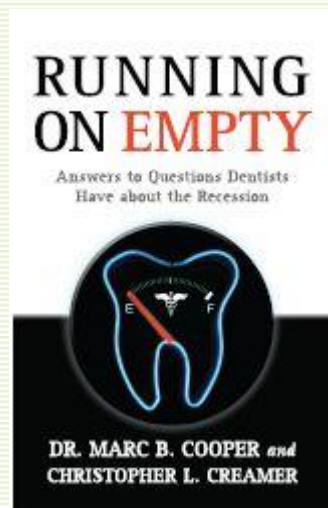
Valuocity; A Fable about Dental Practice (Fall, 2009)

Available at Amazon.com

***‘RUNNING ON EMPTY’
ORDER INFORMATION***

*The book will be available July 31st at
www.Amazon.com for single copies.*

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