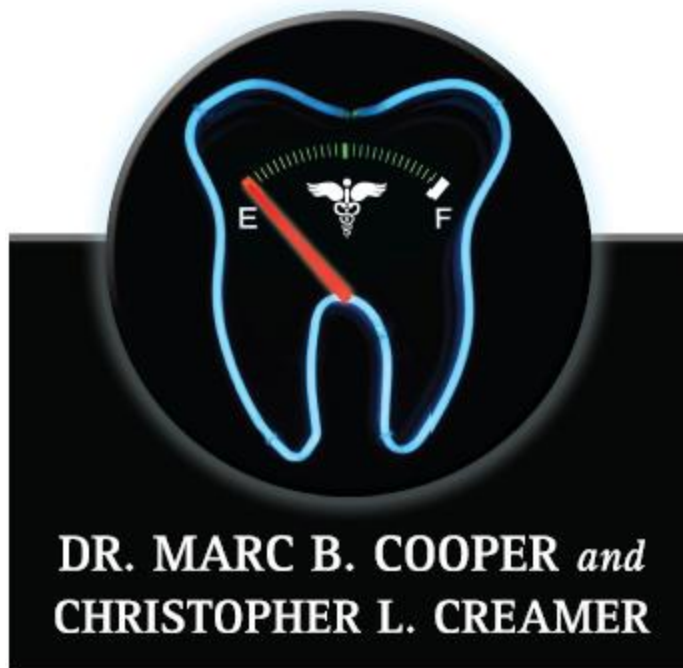


RUNNING ON EMPTY

Answers to Questions Dentists
Have about the Recession



DR. MARC B. COOPER *and*
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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Dr. Marc B. Cooper

Christopher Creamer

2009

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DON'T BE ROAD KILL

Either I have to increase production or decrease overhead. I've tried all the things I know to do but nothing is making a difference.

Production is still going down and it feels like I can't squeeze my overhead any tighter. What should I do?



How do critters become road kill? Well, usually they just stand still and get run over. Is that what you'll do, stand still and just get run over by the new economy?

Most of you have been trained to believe that patients are the means to an end. The end, of course, being patients choosing your best and most expensive dentistry. And in the old context of abundance and unending growth, that was the way to play it. Our view is that the context has permanently changed and what worked in the past will not work in the new context.

PATIENT PARTNERSHIP

Tough times are the best times to build enduring relationships with your patients. You need cash; they need cash. You face declining revenues, they face declining revenues. You both have to cut costs. You want them to remain disease-free; they want to remain disease-free. There is clearly enough mutual interest here to make a partnership work.

Now if you did your homework, you know your 'real' base-line number. If you reduced your costs to sync up with your base-line number, then figuring out the number of patient-partners you need to make that base-line number work is straightforward. Remember, not many of your patients will be seeking cosmetic enhancement, full mouth rehabs, or the latest and greatest.

Every patient who joins with you as a partner has to commit to the understanding that the situation is no longer "and/or," but "and/and." In the new economy, patients want health more than beauty. They want price. They want access. They want all three of these things—health, price and access.

If you provide price, health and access, then in return, what you need from patients is certainty. Certainty they make and keep their appointments. Certainty they keep their word with their payments. Uncertainty costs you money—look at how much time is required (money

spent) to fill schedules, confirm appointments, and make collection calls. If you have certainty, a true partnership relationship with your patients, these costs will decrease and you can provide dentistry at a better price since you need fewer staff and less staff time.

STAFF

For many of you, the hardest part in all this mess may be the need to reduce your staff size. Staff reductions means making heart-wrenching decisions about who to keep and who to let go. For some, you may never have to do this. But for others, it's going to be necessary.

In many corporate layoffs, staff reductions are conducted on several occasions over a short period of time which can create an environment of distrust and demoralization. It can drain the energy from the entire enterprise. The remaining employees may be left with the impression that management is not being fair or equitable.

If and when the time arrives, you need to explain in very clear language the future the practice faces and what changes need to be made to meet those challenges, including reducing staff. Sacrificing the practice to keep staff isn't prudent.

Consider that not every staff position is a fixed cost. There are staff positions that are essential and some that are not. Positions such as sterilization assistant, hygiene assistant, second front desk person and even some full time assistants and part-time hygienists can be seen as variable. That's a critical piece in your decision making process.

Now, when you decide to let people go, it will test your integrity, impartiality and objectivity. We can't emphasize this enough: play no favorites. Your authenticity is on the line. Ultimately, the staff knows who should stay and who should go in order to keep the practice viable.

If you make poor choices, you stand to damage the practice. You know how each staff member operates. You know their skill level. You know which are accountable and which are there only for the paycheck. You know if they are optimistic or pessimistic, team players or loners, givers or takers. You ultimately know which staff individuals have to go to make your base-line number.

Despite giving your best efforts to be loyal and retain staff (possibly with a pay for performance compensation model), if your practice contracts more than 15-20%, then you need to be ready to make the difficult changes that are required to sustain your practice.

You don't want your business to be the daily special at the Road Kill Café!



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

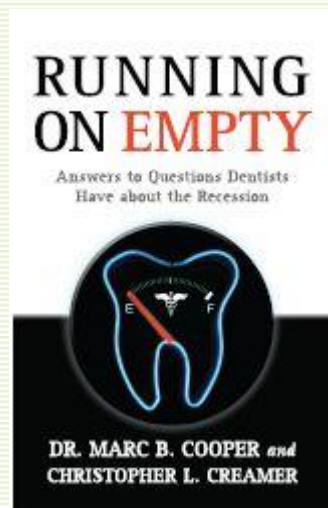
Valuocity; A Fable about Dental Practice (Fall, 2009)

Available at Amazon.com

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

*The book will be available July 31st at
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*For 50 or more copies, please contact
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