



Practice Transitions Made Perfect™

Newsletter Article Reprint

Nurturing Practices

January 2010

At the beginning of 2009, we faced one of the most depressed economic outlooks that many of us could ever imagine. The recession that developed impacted all sectors of the economy, including dentistry. With the beginning of a new year, we find that many practices did decline over the last year, but the declines were for the most part much less severe than most had anticipated. The practices that realized the smallest declines realized the importance of being fiscally responsibly with proper fee structure, cost structure (expenses) and management.

We urged practices to reconsider their case presentation strategies and listen intently to their patients' reasons for coming to the practice. The decision to assist patients in delaying some treatment in these times rather than the full mouth rehabilitation or nothing treatment plan appears to have helped many practices maintain their patient bases. Delayed treatment is not refused treatment.

Dentistry will continue to be needed, and we suggested that all practices needed to take the time to "get back to basics" and be pro-active in controlling overhead, including staff expenses, adjusting fees, working on internal marketing for new patients and controlling accounts receivable, especially with the insurance companies.

If you have not done it yet, it's probably a very good time to have a "State of the Practice" meeting with your staff and lay out specific plans to assure your profitable survival in these economically rough times.

Cycles are a part of our lives. Business cycles, weather cycles, economic cycles all seem to surge and wane. We've rediscovered that the sky is not falling. The stock markets fell and are showing definite signs of recovery. Over the years, we have seen several recessionary periods and their effect on the dental profession. It may be sad, but dentistry is often an early victim of economic downturns because in many cases dentistry is paid for with discretionary income. As discretionary income declines, so do visits to the dentist.

In automobile racing, one of the rules when traveling at 200 MPH and a crash occurs with smoke and debris flying everywhere is to "drive through it." More often than not, the driver comes out the other side unscathed.

For now, staying conservative, working as a team and adhering to fundamentally sound business practices will get you through this less than ideal time in better than expected shape..

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