Managing a dental practice: Jimmy’s story

By Dr Alan Rees

Jimmy* stood shyly on my doorstep and asked, “Can we go for a pint Alun?” This wasn’t the normal way for a patient to start our work together, but I had known Jimmy for the better part of 20 years and understood that he was a proud man who found it difficult to ask for help.

People seek my help for a number of reasons. Often, it is because they have reached a crisis in their business lives or have arrived at a crossroads and cannot decide which path to take. At other times, they realise they are stuck in the middle lane, being overtaken by other businesses. Some want an outside set of eyes to look at their business, to assess where they could perform better.

In Jimmy’s case, this was a crisis, and over a couple of pints, he started to share his problems. “I paid the Inland Revenue £40,000 a couple of weeks ago and now they’re back and want the same again,” he told me. “I was able to cash in a policy last time, but I don’t understand why I’m so broke. I thought I was making good money—the practice is full and I’ve never been busier.”

My approach

I was a dentist before changing career, and I work in a way that is unique but familiar to my clients. First, I take a thorough history of the client and his or her business. Next, I conduct an in-depth examination of the practice and a number of diagnoses. In consultation with the client, we decide on priorities and a time frame for change and then formulate a definite treatment plan, if you will. Frequently, there is a need for a triage and an urgent intervention to deal with the acute problem. In Jimmy’s case, we needed to stop the bleeding.

As a specialist clinician, Jimmy took pride in his clinical skills, and so he focused on getting the minute of every case as organised and accurate as possible. When it came to running a business, he presumed that, as everything had worked in the past, it would continue to do so in the future. His previous response to any dip in cash flow was to work harder. This time, however, it would not work.

The need for financial controls

Although he paid his accounts monthly and annual bookkeeping fees, no accounts had been submitted to Her Majesty’s Revenue and Customs (HMRC) for the previous three years. His practice manager and he rarely communicated effectively and he presumed that she was “managing”, whereas she was barely administering. There were few controls in place in the practice—budgets or planning. With a monthly gross of about £50,000, everything appeared fine—until it did not. It only takes one rock to sink a ship and Jimmy was sailing without charts or depth gauges.

We moved Jimmy to a new firm of accountants, who liaised with HMRC. I negotiated with the bank on his behalf to temporarily increase his overdraft, and we were able to get the practice out of the emergency ward as stability was regained.

As in dentistry, people who have had their acute pain removed are tempted to return to old habits, but Jimmy could see that there were other things waiting to trip him up. He was at an area where retirement was in his thoughts and I was able to show him that a profitable, well-run business would fetch a better price than one in its present state.

Taking his retirement sale as our end point, we created a vision for the business and determined what would be measurable landmarks along the journey.

The results

By introducing financial controls and budgets, he was able to bring his materials, laboratory and utilities bills down by 25 per cent. At the same time, we increased his fees and subsequent turnover by 10 per cent, increasing overall profit by 20 per cent.

Both he and his associate accepted referrals for some treatments, but that was done on a random basis. Jimmy introduced a defined patient journey for all new and old patients. Change itself is change, and change needs a defined pathway. Patient treatment plan acceptance almost doubled. With an average course of treatment priced in excess of £3,000, this was significant.

Jimmy boasted about being a hit in a dinosaur when it came to marketing, with a very basic website. With the engagement of his much younger associate, the practice took some definite steps forward in its marketing, targeting utilised social media. The referring dentists were identified and supported, and again communication was improved. Referrals increased by 20 per cent in the first year, and he was able to employ another associate.

Two years after the crisis, though, Jimmy had a health setback and needed a quadruple coronary bypass. I insist on my clients asking themselves the what if questions regarding their planning. Having put good personal and business systems in place, Jimmy was able to sell the practice as a going concern and start his retirement a couple of years earlier than he had considered.

*Name has been changed.

About the author: Dr Alan Rees graduated from Newcastle University in the UK and started his career as an oral surgery resident before working as an associate in several practices and opening two of his own. He sold his dental business in 2005, and as a Coach, Training Institute-trained coach and Kolbe consultant, now runs Jimmy’s business.

Starting Well drive encourages young children to visit dentist

By DT UK

LONDON, UK: It can sometimes feel like dentists are fighting a losing battle when it comes to children’s oral health, especially given that recent figures from NHS Digital show that the number of children admitted to hospital for tooth decay has risen for the second consecutive year. It comes as welcome news, then, that around 30,000 children in the London Borough of Ealing have registered with a dental practice this year, thanks in part to Starting Well. A SmileLife Initiative was launched in 2016, with the aim of halving Ealing’s tooth decay rates. These areas were chosen on the basis of local trends in oral health, existing oral health improvement plans and local authorities’ experience with tooth decay.

At the recent BDIA Dental Showcase, Kelly Nutting, Regional Lead for Dental, Pharmacy and Orthoptic Services at NHS England’s London Region Team, outlined how well the initiative had performed.

“It has worked so well for us and we are giving training to the dental teams with paradigms around the hospital and community dental services along with Health Education England,” said Nutter.

“Number of our practices in Ealing have done things like events. In one event, there’s a parade taking place. Around 40,000 people go through the whole of Ealing for a religious ceremony and all those practices came and had stands there and got to talk to a number of people. We had about 400 new children from 0 to 5 that have gone into the practice from that event. We provide them with various resources to help them.”

Due to the initiative’s success, it is likely to soon be expanded to other London boroughs like Stratford and Hammersmith. This would likely involve commissioning new dental practices and including ad- ditable oral health promotion in their contracts.