R ecession. There aren't many words in the English language that evoke such a variety of strong emotions from business owners, ranging from fear to uncertainty. Others may take refuge in their ignorance, either knowingly or not. This article reviews the validity of each of these as well as the opportunity the current economic climate presents to the dental practice owner.

Fear can be a healthy response to a potentially threatening stimulus. It can also be an unwarranted reaction disproportionate to the actual circumstances and cause the business owner to make decisions that stifle the economic growth of the business. Many dentists will be tempted to withdraw into their business shell while they 'weather' the recession storm. Savvy dental practice owners will see this portion of the economic cycle as an opportunity to thrive while others brace for the worst.

Uncertainty may be the most stressful emotion of all. At least the fearful and blissfully ignorant have a plan. The uncertain practice owners are paralysed by an inability to move in any direction, or they go one way and then the other, wasting both time and resources.

Others will choose to ignore the obvious events occurring in the economy and their ramifications to the local marketplace, oblivious to or refusing to acknowledge how they are affected by it.

Many of these dentists have the 'head in the sand' mentality that if they don't think or talk about it, then they will not be impacted by it.

The answer to all three of these responses to a recession is a large dose of reality. What are the facts? We know that a barrel of New York light sweet crude oil has for the first time eclipsed $90.48, resulting in our patients paying more than £2.58 per gallon at the gas pump.

The sub-prime mortgage crisis has affected lending to both suppliers and consumers, in addition to the highest foreclosure rate in recent memory. Real estate values have plummeted, as has the value of the dollar; inflation and unemployment have risen; the overall growth of the economy has ground to a halt.

Possibly the most important statistic of all is perception, or consumer confidence, the ultimate determinant in what people do with their resources. Not helped at all by the timing of a presidential election year and an unpopular war overseas. Economic downturn or recession — choose your term — nearly all the indicators point to economic conditions that directly or indirectly affect the business of dentistry.

Are there opportunities for the practicing dentist to endure or even prosper in such a climate? The fact that there are can be substantiated by what I have observed in practices I work with all over North America both in this present downturn and previous ones as well. I’ve compiled these key methods for success into the following five strategies.

Five strategies to make the recession irrelevant

1. Adjust to the marketplace. Take what the market gives you and give it what it wants. Your response to the changes occurring all around us should reflect the needs of the marketplace. Increasingly, in this economy and culture, when it comes to services, two things motivate people: affordability and convenience.

Money, and how to make the best personal use of it, is on the minds of many Americans at the moment. Take a drive down the highway, or a walk through an airport, and you don’t get the feeling that Americans are using less fuel, despite escalating prices. Sacrifices are being made elsewhere. In general, patients are less likely to commit to full-mouth reconstructive dentistry, but will have smaller areas of their mouth restored as they seek an affordable compromise between the big case and allowing deterioration to continue.

If the dentist sees this temporary downsizing as an unacceptable compromise for the patient, the patient will simply go somewhere else to get the more affordable option. The dentist that ends up treating the patient will see this trend for what it is, an opportunity to give people what they want now, while acknowledging they will likely commit to the full case or a variety thereof in the future.

The key here is to make dentistry affordable for the patient. That doesn’t mean we discount the treatment, but we work within the patient’s perceived budget. Phasing the treatment plan, using creative outside financing options such as CareCredit®, gives patients other treatment options (only after they ask), and as a last resort, just keeping patients in the practice re-care system until they are ready to proceed with comprehensive care.

While affordability speaks to money, convenience addresses time. Increasingly, people want to access care out of each day and want their dental appointments to work within their schedule, not yours. If you can make their visit and their subsequent appointments as convenient as possible, you will be able to capture and retain more than your share of the market.

Of course, to today’s patients other factors, like trust, caring and excellence, matter. Combin- ing these with affordability and convenience for the patient, while accepting the fact that you want your patients for this economic cycle allows you to capitalize on proven systems and techniques, while giving you what it wants.

2. Use targeted marketing. A healthy flow of new patients makes you bulletproof. If you accept the premise that the average size case will be smaller during this economic downturn, then you will need more patients to supplement what will be lost. You are also likely to need more patients as patients fall out of the re-care system and postpone treatment.

New marketing methods, both internal and external, will help you reach more patients at a time when past modes to attract them may bring you less return. The message of your marketing must establish you as distinct, better and the best. The mantra of any business threatened by a slowing economy should be, ‘Take advantage of every opportunity that presents itself.’ The more tools you have in your dental toolbox, the more opportunities you have to take advantage of.

Look at what you’re referring out to specialists. Are some of these services within your realm of practice if you procure additional training? Are there new and emerging areas of care that would give you access to a larger share of the market? If the answer to either of the previous two questions is yes, then you have an opportunity to improve your practice by refining key practice systems, expanding patient services, and focusing on practice profitability.

Conclusion

Dental practice is not immature to the ebbs and flows of the general economy. The degree to which it is adversely affected by a recession is determined by its response to the marketplace and its needs, taking its marketing methods to a new level, refining key practice systems, expanding patient services, and focusing on practice profitability.

About the author

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