

Taking Control of Your Practice

• Timothy A. Brown •

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As a hobby, I collect old textbooks on dental practice management. I have just finished reading one such manual, published in 1916. Entitled *Profitable Practice*, by Dr. George Wood Clapp,¹ it is by far the most interesting publication on the subject that I have read in a long time. Although it was taboo to use the terms profit and dentistry in the same sentence back then, Dr. Clapp went against the grain and spoke his mind.

I would like to share a few interesting passages from Dr. Clapp's book with you, to show how relevant it still is today. Take, for example, the following: "If senior dental students were given a practical course in the economics of dental practice, they would be much better prepared to meet the problems of selecting a location, the equipment of an office, the development of clientele, the selling of service, the establishment of fees fair to the patients and themselves, etc."

Does this situation not continue to hold true 80 years later? After recently delivering lectures on how dentists can improve the value of their dental practice to fourth-year students at the Universities of Western Ontario and Toronto, I asked some of them what they thought of my materials. Most students felt this was exactly the kind of information that should be taught in dental school. They also told me they aren't generally given this type of advice. In fact, just the opposite is true. Bad news about the profession seems to flow downward to the students. Why don't they hear more good news about the wonderful profession they will be entering? As a practice appraiser who works with dentists across Canada, I witness success stories every day.

This is not a criticism of the curriculum as it stands. I am not qualified to comment on what is best for dental students. However, based on the feedback I have received, I wonder if it isn't time for the profession to respond to suggestions that dental schools should provide more fundamental business training.

What would be some of the benefits of economic training in dental schools? Well, according to Dr. Clapp, at the very least, "The false glamour (we see today) of many advertising practices would be torn away." What Dr. Clapp is suggesting here is that business training might reduce the need for advertising. Remember that this was written in 1916! He also says that if business practices were taught along with clinical training, "It is probable that the average quality of dental service would doubtless be materially elevated."

I find that Dr. Clapp's ideas regarding dental practice management still hold true today. While there may be more materials and techniques on the market, the business of running a dental practice has not changed much over the years. In fact, what we often get these days is simply a new spin on an old system. Those who write about the dental practice of the new millennium are often simply repeating the same proven principles that have worked for more than a century. Personally, I am always amazed at how basic daily tasks such as tracking of hours worked, or of patient visits and cancellations, are twisted into a *hi-tech* practice management issue.

Dr. Clapp also wrote: "Dentists who have not kept record of their own income hours often form greatly exaggerated estimates of the amount of time they employ profitably, and consequently mistaken ideas as to what fees are profitable."

And again: "Every dentist should carefully record the number of his (her) income hours for at least a year and preferably every year, in order that he (she) may know how many hours actually produce income." I believe Dr. Clapp means chair time or chairside hours when he uses the term income hours. This should not be confused with office hours spent not producing income.

Keeping track of your activities is easy. It does not require as much time or expense as you may think. Most of the successful practices I have appraised use an appointment book or day sheets, along with some basic monitoring forms, to extract very useful information about their performance. These forms and systems are readily available from several reputable practice appraisers, brokers, or practice management consultants.

I also believe it is unnecessary to pay substantial consulting fees for the implementation of these systems. While third-party practice consultants offer valuable advice — and most business owners should consider consulting with one — it is not necessary to pay some of the hefty fees I have heard about, or to require consulting services for an extended period of time.

My suggestion to you is that you ask a professional practice appraiser, broker, or consultant what it is that purchasers look for when they are considering buying a practice. Then you should obtain or design a form to track this information. You will then possess very meaningful data that will not only answer

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some of your own questions about your profitability, but may also point to some areas of inefficiency. This information may help you to increase the value of your practice and to operate more profitably in the future. Some dentists have told me that understanding their practice better is a benefit in itself.

The bottom line is, common sense makes business sense. Even Dr. Clapp knew that in 1916. ♦

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1. Clapp, GW. Profitable practice. New York: The Dentist's Supply Co., 1916.



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