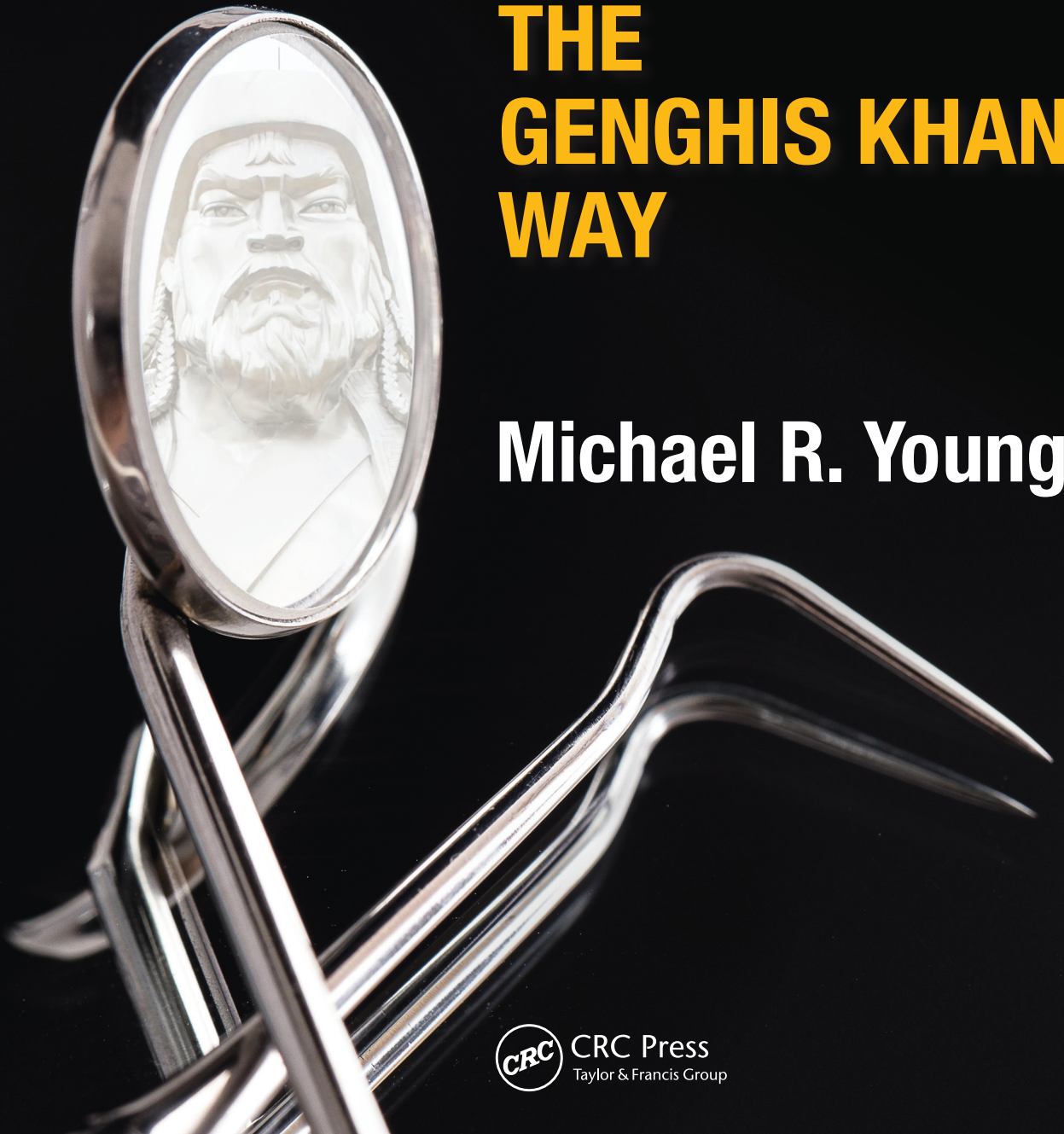


Second Edition

Managing a Dental Practice

**THE
GENGHIS KHAN
WAY**

Michael R. Young



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Michael R. Young, BA BDS MSc



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For Linda, my Muse.

Foreword

I would recommend this book to everyone working in dental practice, and more importantly tell them to keep it handy as it is a great revision tool. Little gems of advice pop out at you just when you need them and the book also has the ability to make you think beyond the obvious and to consider other items and issues you could work on to improve your business.

I found the second edition of *Managing a Dental Practice the Genghis Khan Way* a great revision tool and an aid to my own development and understanding of the complexities of managing a practice in the 21st century. The book has been a pleasure to read and along the way it has helped me update my own management skills, before then putting Mike's useful tips to work in my own practice.

This book is a well put together step-by-step guide for all levels of manager. For the more competent or experienced manager it is a reference tool, a checklist against which to benchmark your own personal development plan, as well as being a superb aide-mémoire. The busy manager will have no difficulty finding exactly what they want as the book is very reader-friendly, and every topic is presented in a straightforward manner that is so easy to find.

As a new manager or leader the book will be very easy to read and understand. There are step-by-step action plans for you to follow, with great advice on what to do and what *not* to do, as well as highlighting some of the pitfalls.

This brilliant book is comprehensive and covers all aspects of management that you could possibly need in your day-to-day role. It also helps you see, experience and learn from just about every situation you might come across in your practice.

The book has reminded me how important it is to review your actions, and that we all need to constantly learn and improve within our job if we are going to help our business grow and develop.

It is great that Mike has 'learned the hard way' on our behalf and been able to share his experience and knowledge with us. Thank you Mike for the advice you have offered in this wonderful book.

Niki Boersma
President
Association of Dental Administrators and Managers (ADAM)
October 2015

Preface

This book is for anyone who either owns or aspires to own a practice, and for everyone involved in managing a dental practice. Its aim is to show you how to turn your practice into a successful business. It is a 'How to . . .' book for survival in the business of dentistry. Among other things it will show you the importance of teamwork and communication, of staying close to your patients, keeping ahead of the pack, and of continuous prudent financial management.

I have not set out to show you how much I know, but rather to make you think more about what you are doing, and perhaps help you come up with innovative ways of doing things that are more suited to your circumstances. The book is intended to provide you with a toolkit of concepts, ideas and methods relevant to understanding how to successfully manage a dental practice. It will develop your knowledge and hopefully act as a springboard for further exploration and study of the all-pervading world of management.

No two practices are ever the same: they are infinitely variable and invariably complex organisations in which people interact, and in which the simultaneous processes of delivering dental care and managing a business coexist. The best anyone writing about managing such a complex organisation can hope for is that they make the reader think, and this is why I have scattered a number of 'Hold this thought' suggestions throughout the text, which are all designed to make you think that little bit harder about what you have just read. In some places, some of the topics are only discussed in outline; this is deliberate because they are meant to stimulate your thinking, hopefully in a new direction.

What are the differences between this edition and the one published in 2010? All of the original book has been revised and updated. There is a new section on buying and setting up a practice, as well as much more about managing patients and employees. Included in managing employees you will find information about leadership, working with other clinicians, and more about team building. I have in places rearranged some material, and overall I have expanded parts of the book.

You will not be surprised to know that the section on policies and procedures now includes a chapter on how to manage the Care Quality Commission, a body that had only just come into existence at the time I was writing the first edition, but which is now a very big and very important part of practice management. I thought it unnecessary to include yet another lengthy text on what the Care Quality Commission does or with what dental practices have to comply. I have therefore kept this side of the discussion to a minimum and have instead focused on *how* practices can comply, which seemed to me to be more important than *why*.

All in all, I believe the second edition is a much broader and more up-to-date version of the first.

The book is set out in five main sections: Preparation; Purchase; People; Planning; Policies and Procedures. I have retained 'A final thought'.

The parallel aims of a dental practice are the delivery of excellent patient care (which can only be delivered if you have well-trained and highly motivated employees) and the maximisation of income and profit. Sound management of all of the resources of the practice is essential. Unfortunately, very few practice owners take the time to step back and analyse what is really happening to their business. The day-to-day short-term problems of running the practice almost inevitably take priority over medium- and longer-term business planning.

Why *Genghis Khan*? Well, Genghis Khan was the leader of the Mongols in the late twelfth and early thirteenth centuries. His military strategies included gathering good intelligence and understanding the motivation of his rivals. He was quick to learn and to adopt new technologies and ideas. Legend has it that he was always to the forefront in battle. His ambition was to expand the Mongol Empire and to conquer the world. He united people: he improved communication within his empire through the introduction of a single writing system and, by bringing the Silk Route under the control of one political system, he helped foster communication between Asian and European cultures. Although the West thinks of him in negative terms, he is one of history's more charismatic and dynamic leaders.

Whichever way you look at it, you will need all of Genghis Khan's tenacity if you are going to make a success of being a dentist *and* a business owner.

Managing a dental practice, or when it comes to it, any business, is not about being a dictator: you sometimes have to be gentle, while at other times you will have to be severe and firm. You have to run your practice like an iron fist inside a velvet glove. This is why my advice might at times seem contradictory, in one place suggesting that you have to be ruthless, and at other times telling you to be more empathetic. As in life, business is never black and white; there are always grey areas.

Making a success of managing a dental practice demands clear vision, broad business knowledge and an understanding of a rapidly changing world. It also requires a mastery of your tools and techniques. Above all, it demands wise judgement.

I make no apologies for mentioning some things more than once: this is because first they are important; and, second, because no part of managing a practice exists in isolation. I have continued to present some of the information as bullet points, because according to the proverb, 'One word is enough for a wise man.'

I have had to present some information, such as legislation, regulations and processes, as it is at the time of writing, but I have tried to keep this to a minimum because no matter how things might change, the underlying principles of practice management will I believe always remain the same. I hope this book will teach you those principles so that no matter what problems you may face in the future, you will hopefully be able to find a solution. Why not aim to be an excellent manager as well as an excellent dentist?

I have continued to include many of my own experiences (good and bad), and some of those of my friends and former colleagues, which I hope adds a realistic feel to the narrative. My anecdotes, which are written in a more conversational style, are displayed in boxes. In many ways this book reflects my own odyssey through the choppy waters of practice ownership.

This should not be the only management book you ever read. Although I hope my book becomes your main source of inspiration, there are many more books from which you can extract additional knowledge. As in the practice of dentistry, you should never stop searching for new and better ways to manage your practice.

Michael R. Young
October 2015

About this book

The purpose of this book is to provide a framework, advice, help and guidance for anyone who is now, or is likely to be at sometime in the future, either directly or indirectly (at whatever level) responsible for managing a dental practice. The groups of readers it is therefore aimed at are as follows:

- The dental student who is about to qualify.
- The newly qualified dentist.
- The associate working in practice.
- The associate who is thinking about buying or setting up their own practice.
- The single-handed practitioner or partnership who is looking for ways to improve the management of their practice.
- The larger practice that is looking for ways to improve the management of the practice.
- The Dental Bodies Corporate (DBC) that wants ways to improve the management of individual practices within the organisation, or of improving the management of all of their practices right across the board.
- Dental Care Professionals (DCPs).
- Practice managers, both those who have full management responsibility and those who perhaps feel they want to be able to contribute more.
- Dental receptionists who have aspirations to one day manage a dental practice.
- Dental nurses who have aspirations to one day manage a dental practice.
- Any non-dental managers who are interested in moving into dental practice management.

Basically, this book contains something for everyone working in a dental practice, no matter what stage of their career he or she is at.

The book is intended to provide information about how to manage every type of dental practice.

- NHS
- private
- a mixture of NHS and private
- single practice
- multiple (group) practices
- general
- single specialist
- multiple specialist
- single-handed and partnerships
- multiple-handed
- owner-managed
- company-owned and managed.

This was never intended to be a theoretical management book; it is a warts-and-all guide to managing a dental practice, written by someone who has been there, made mistakes and survived. I hope the reader can learn from my experiences.

I couldn't make up my mind whether to refer to the people you treat as patients or customers; in places it seemed more appropriate to call them patients and in others to call them customers. In the end I decided to call them both, depending on the context. I also couldn't decide whether to refer to the people who work in a practice as employees, staff, or team. Again, I use all three depending on the context.

Acknowledgements

This book might have my name on the cover, but I could not have written it without the help and support of a number of people, all of whom have generously given me their time and have freely shared their thoughts.

Steve Campbell, of Nexus Dental Laboratory, helped clarify my ideas about working with dental technicians. Helen Targar RDH and Heather Lonergan RDH both shared their thoughts about the working life of a dental hygienist. Susie Anderson-Sharkey of Dental FX, a practice manager, enlightened me about the day-to-day challenges she faces in her role. Dr Carol Sommerville Roberts BDS MFDS of Evolve Dental, who gave me greater insight into the challenges facing practices when it comes to complying with the Care Quality Commission. A big thank you also goes to Dr James Robson BDS of Identity Individual Dental Care, for allowing me to spend time at his practice and for letting me take up so much of his practice manager's time.

Two people who deserve a special mention are Ann Gilbert Dip. Dent. Hyg. and Stacey Firman, who shared both their time and their knowledge with me about the workings of the Care Quality Commission. Ann's in-depth understanding of the principles of CQC was invaluable, as was Stacey's grasp of the day-to-day workings of and problems associated with CQC in a practice setting.

A number of other people and organisations provided me with information about, among other things, the practice buying process, the role of the specialist accountant and the specialist dental solicitor, project management, and of course the role of the practice manager. My thanks go to Alan Suggett, Amanda Maskery, Sandra Tavares, Derek Watson, Caroline Holland, Steve Lavelle, Debbie Edwards, Lauren Rosenstone, Natasha Oxley, Andy Jakeman, Malcolm Swan, and the Association of Dental Administrators and Managers.

Once again my wife, Linda, took on the job of proofreading and of generally tidying up the manuscript before I submitted it to the publisher. Along the way we had many lively discussions about what I should say and how I should say it, but the end result was always better with her input than it would have been without. Thank you, Linda.

Finally, I would like to thank everyone at Radcliffe Publishing for having sufficient faith in me to commission a second edition, and everyone at CRC Press who were ultimately responsible for its publication.

Remember, to be successful you don't have to be perfect;
you just have to be better than the rest.

Section I

Preparation

Preparation

What is practice management?

Before anything else, preparation is the key to success.

(Alexander Graham Bell)

Management is simply the action of managing. It is a noun, but the verb 'manage' (and its derivatives 'manages', 'managing' and 'managed') means:

- to be in charge of people or an organisation
- to succeed in doing something
- able to cope despite difficulties
- to control the use of money and other resources.

The best working definition of management I have come across is that it is 'Getting things done through other people'.

You can see that as the owner and/or manager of a dental practice you will need to be able to do all of the above: be a great leader; be successful despite the occasional (or perhaps frequent) difficulties; and an accomplished controller. However, perhaps most importantly, if you want people to do what you want them to do *and* do it well, you are going to have to be an excellent communicator.

Hold this thought: at the heart of every excellently managed business is excellent communication.

However, management is not just about telling people what to do and/or how to do it: that might work in the short term, but if you are going to build a long-term business you also need to build a long-term team.

Hold this thought: the foundation of a successful practice is a great team.

Management is not a black art, but like all disciplines it has its own language. Once you understand the language then the fundamentals of management are very simple.

There are basically four simple stages or steps in any management process.

- **Planning:** first, you decide on a particular course of action to achieve a desired result.
- **Organising:** next, you gather together all of the resources that will be needed to achieve the result.
- **Implementing:** you then get other people to work together smoothly and to the best of their ability as part of a team to do the work.
- **Controlling:** finally, you monitor, review or measure the progress of the work in relation to the plan and take steps to correct things if they are off course.

This is no different to the process you go through tens of times a day when you treat your patients.

Planning is perhaps the most important stage, because if your planning is not right, everything else that follows will also not be right.

Hold this thought: the management of anything follows the 'Planning, Organising, Implementing, Controlling' cycle.

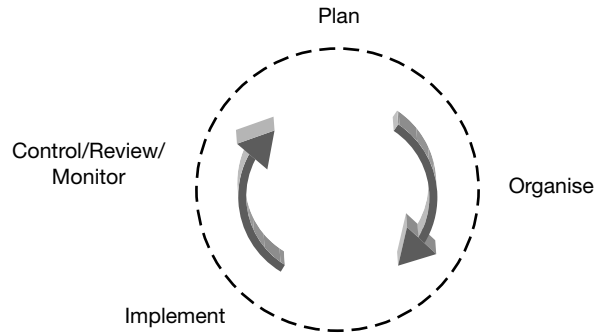


Figure 1.1 The management cycle

In reality, you will find yourself moving from planning to organising, but then going back and tweaking your plan, and doing the same when you eventually move on to implementing. It is a continuous circle of fine tuning.

Learn to be a manager

Perhaps just as important as acquiring your practice is knowing what to do with it once you have ownership. Your practice is not going to manage itself, nor are the staff going to recruit and train themselves. You should therefore have the necessary management and leadership skills *before* you became a practice owner, not after.

How many young (and some maybe not-so-young) dentists become practice owners having had little, if any, management experience? You wouldn't dream of practising dentistry without having first been fully trained, so why become a manager without first gaining the necessary knowledge and experience?

You should by now have found an excellent accountant and an excellent solicitor to give you financial and legal support. The final piece of the jigsaw is managerial support: it's now time for you to start acquiring management skills and knowledge, and an understanding of what is going to be involved in running your own business.

There are literally thousands of books about management, ranging from 'The simple guide to . . .' to heavier academic tomes on management theory. Find a fairly straightforward, well-written (which will make it easier to understand) book and read it. There are also numerous books on 'How to start your own business'. Buy one of these and read it. You should always be prepared to read new things and always be looking to increase your understanding of management and business.

After you have gained some basic knowledge of management, you might want to try some management courses, both generic and ones specific to dental practice. Courses give you the opportunity to ask questions and to mix with and talk to other like-minded people. The best part of some courses is not always what you learn in the formal teaching sessions, but what you find out during informal conversations with other delegates during the coffee and lunch breaks.

Hold this thought: you will have a better chance of succeeding as a practice owner if you find out beforehand what running a business is all about, rather than leaving it until after.

What do you need to know about? In a very broad sense, you'll need to know about:

- the practice of management
- dental practice management
- how to manage people
- how to manage all kinds of resources
- how to manage money.

Many people fail to manage (or manage to fail!) because whenever they are trying to accomplish anything they go straight to the implementation stage, leaving out planning and organisation. They usually compound the problem by also failing to control or review the process on an ongoing basis. The result is that the outcome is not what was hoped for. A great deal of time, energy and money is therefore wasted, and people's frustration levels rise.

Managing a dental practice is really no different to managing any other professional business. You need to think of practice management as being made up of two essential and inevitably linked processes.

- Management of the patients.
- Management of the business.

By the time you are considering setting up on your own you should have mastered how to manage patients, whether it be a single-visit, simple course of treatment, or a complex, multi-visit course of treatment. However, not only must you be a competent clinician, but you must also know how to manage your business.

Management of the business involves knowing how to manage:

- employees, which includes associates, hygienists and therapists, treatment coordinators (TCO), receptionists, and the people doing your lab work, the dental technicians; don't forget that you might have to also manage a manager
- resources of all kinds, and knowing how to maximise their use
- finances, and working within your budget.

It also involves knowing how to plan for the short, medium and long term.

There are your employees who must be managed, from recruitment to departure. On the positive side this will include their training and development, objective setting and performance reviews (appraisals). On the negative side it might involve disciplinary action or dismissal.

Money has to be managed so that the practice makes a profit and so it can pay its bills. This means that you have to set budgets, prepare cash-flow forecasts, and know how to avert financial disaster.

The premises you work in need to be managed so that they are safe and welcoming. This means having a rolling maintenance programme, not just for the building, but also for the fixtures and fittings.

There are also outsiders to be managed: technicians, suppliers, specialists (practice and hospital-based), employment and recruitment agencies. Learning how to work with these people so that your practice gains maximum benefit from their products and skills is critical.

Lastly, but perhaps most importantly, you should learn how to manage yourself.

You might ask, 'Why should I bother to manage my practice?' The simple answer is, 'A well-managed practice is not only nicer to work in, but in the long term it will probably be more successful. It will also certainly be less stressful!'

The way you manage your practice is very much up to you. However, the style I advocate throughout this book is one of teamwork, which to some of you may go against the grain ('It's my practice and I'll run – or is that ruin – it how I want!' I can hear you say). Your way may work in the short term, but if you want a practice that is going to be successful in the longer term, teamwork is going to be the only way to do it.

Hold this thought: dentistry is all about teamwork.

I didn't bother to find anything out about management until I'd been a practice owner for about 10 years, but once I realised its importance I devoured book after book on the subject. I wasn't so much interested in the latest management theory or reading the words of the latest management guru. What I wanted to learn were the underlying principles, the how and why.

Once you have made the decision that you really want to run your own practice give yourself a 'gap' (Get All Prepared) year in which to lay the foundations for your new venture, *then* start looking for somewhere to buy or to set up in.

Not wanting to start out on too much of a negative note, but here are some of the commonest mistakes people will make when they set up a new practice:

- failing to thoroughly research the market beforehand. The current owner may have survived quite happily where they are for years, but if there's another recently opened practice in the area, are you going to enjoy the same easy ride?
- not having a high-quality business plan, which contains marketing and financial plans. Successful businesses all start out with a detailed, carefully worked out business plan
- not listening to professional advisers. You're paying them for their expertise, so listen to what they have to say
- setting their sights too high in terms of location, size of premises, or quality and quantity of fixtures and fittings
- over-investing in fixed assets. Don't sink all of your money into capital equipment; keep cash back to cover running costs and to ease your cash flow
- failing to employ the right people
- not learning how to be a manager beforehand.

Hold this thought: failure to research and plan does not necessarily mean your practice will fail; it might, however, mean that it takes longer to be a success.

