DEO MAGAZINE

DENTIST ENTREPRENEUR ORGANIZATION

How to Compensate Hygienists & Associates for Maximum Profitability

Using the right model to meet the needs of your high performers.

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How to Optimize Revenue by Adjusting Your Insurance Payer Mix

Understanding payer mixes allows dental groups to better manage their impact on the company's overall revenue.

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Leading with Love: Dr. Weiner's Blueprint to Building a Thriving Dental Organization

How Dr. Whitney D. Weiner and Whole Dental Wellness blend high love with high accountability in setting goals for the organization.

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Dr. Whitney D. Weiner,
DDS, MS,
Founder & CEO
Whole Dental Wellness

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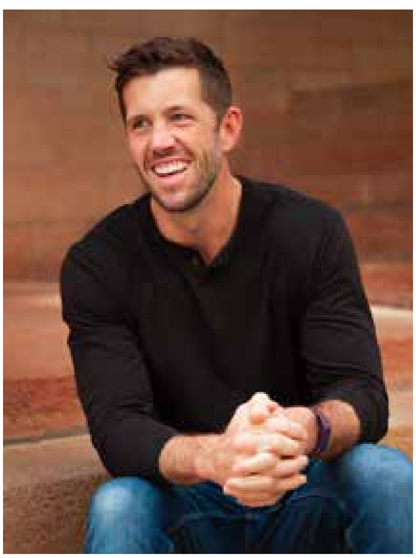
Embracing Tomorrow: Strategies for Success in 2025

BY JAKE PUHL

As this year draws to a close, many of us find ourselves looking toward the next with a blend of excitement and resolve. Are you prepared to make 2025 your most successful year yet? At the heart of this issue is a story that embodies the blend of vision and heart needed to lead a thriving organization. In our cover feature, we highlight how Dr. Whitney Weiner's unique balance of compassion and accountability has driven growth at Whole Dental Wellness. By embracing transparency, setting clear goals, and practicing "high love, high accountability," Dr. Weiner demonstrates that true success is built not just on metrics but on a strong, unified team. Her journey serves as an inspiring example for any leader aiming to elevate their practice in 2025.



Supporting this theme of preparation and growth, we've curated a powerful toolkit of articles on strategic planning, financial management, and staffing to help your practice thrive in the year ahead. Articles like *"10 Steps to Expanding Your Dental Practice Without Sacrificing Quality of Care"* provide strategies for scaling efficiently while protecting what matters most: exceptional patient care. Staffing and compensation can feel like constant challenges, so *"The Ultimate Hiring and Staffing Framework for Associates and Hygienists"* and *"How to Compensate Hygienists & Associates for Maximum Profitability"* lay out models to help you build a team that is both sustainable and impactful, ensuring success well into the new year.

Financial clarity is another essential area we tackle. In *"How P&L Benchmarking Can Transform Your Dental Practice,"* you'll find guidance on setting benchmarks that not only clarify your financial picture but reveal key areas for growth. Additionally, *"How to Maximize Your Office Schedule"* offers smart, actionable strategies for streamlining daily operations—something every practice can benefit from as the pace of dentistry continues to accelerate.

Let this issue be your roadmap for planning a successful 2025. As you dive into these articles, envision how each insight can be woven into your practice, preparing you and your team for a year of growth, resilience, and achievement.

Here's to making 2025 your best year yet!

Cheers!
Jake Puhl

Unleashing the Power of Your Office Manager

Why the office manager is one of the most important hires you make for your organization.

Do you realize the power that your office manager has? A good office manager can change just about everything for your organization by streamlining your processes and organizing your monthly budget.

One of the major challenges that office managers face is bringing clarity to chaos and making things work in a difficult situation, so it's important for the leadership team to equip and empower them wherever possible.

Hiring an office manager

Here's what's happening in most offices: the office manager got promoted. This person was probably well-liked and great at their job.

Is there any training involved? Probably not! Without the structure of a training process, there will likely be no clarity about the role or the responsibilities. Your new hire has gone from a technician level role to running a $1- to $2-million business (or more, depending on the practice).

Since there is likely not a formal training process, the new hire will probably get a lot of leadership by telling. If one of your doctors comes back from a DEO event with a new initiative they want to try for the organization, how will you train the new office manager on how to launch the new initiative?

This perpetuates a vicious cycle where new office managers are hired and then given an enormous amount of work without any clear direction, only to walk away from the position shortly after. These are high turnover positions because they are high-stress and low clarity. When you hire an office manager, you need to equip and train them to run the operations of your organization efficiently.

How the office manager impacts the bottom line

One of the major things taught by the DEO is that everything is about the bottom line – that's how you drive success in business. This is especially true for the role of the office manager, who should be taking ownership over the P&L of the organization on a weekly basis.

Typically, office managers oversee several major financial responsibilities – revenue, cost of goods sold, and practice expenses, which include employee costs, marketing costs and administrative overhead costs.

First, office managers are largely responsible for collecting the revenue that comes into the office every month. Revenue is only reflected on the P&L once it hits the account, so office managers need to understand how production can directly impact the collections process.

Plenty of doctors are great at producing dentistry, so they need an office manager who can ensure that their office is collecting what is being produced. How many patients walk out without having their copay collected? It might be small charges of $25 here and there, but those eventually add up.

Good office managers need to get in the mindset of trying to figure out how to collect on the production they billed it at, not against the production that they're charging inside the month. Production is a formula: production per patient times the number of visits they had in their office.

Tackling the supplies head-on

Another task that any good office manager should be doing is going into every operating room and taking stock of all of the various supplies. If you have cabinetry, pull everything out to get a good look at it. More than likely, you will be shocked at what's being kept in those cabinets.

While some new office managers will come into an already organized and proficient dental office, others will have the challenge of straightening out the chaos and cleaning up the mess.

All sorts of supplies get stuffed into those cabinet spaces, so it's important to take stock, check expiration dates, and create a centralized process for stocking supplies for your office to ensure that important (and expensive) supplies are not hiding amongst the clutter of everything else. This will also allow you to clean and purge all the unused items, as well as organize your space. A central stock hub is a great way to streamline your processes and clean up the stock rooms.

Once you can figure out where everything is, create a budget for supplies that makes sense for your office. For example, don't over order stock that you won't fully utilize – no one needs a three-month supply of prophy cups. After you create the budget, you can then begin to incrementally decrease it each month to ensure that everything is lean and tight financially.

Once the budget is set, you need to monitor it to make sure that everything being purchased is within its parameters. If you partner with a vendor, you only need to buy the gloves that your agreement stipulates. Staying within the percentages set by the budget and the office manager profitability dashboard allows you to get a better handle on the margins.

Take it a day at a time

While some new office managers will come into an already organized and proficient dental office, others will have the challenge of straightening out the chaos and cleaning up the mess. The best way to be effective in a setting like this is to take everything one day at a time.

Some dental offices will be stuck in their old way of doing things, so it will likely take a good bit of A/B testing and patience to see what will work for your team. As you begin to implement initiatives, be prepared make changes along the way as you discover what works and what doesn't.

The best thing to remember about improving office efficiency and productivity as the office manager is to approach each challenge one at a time. Taking these smaller steps to improve efficiency is the best way to ensure that you and the rest of your team don't get overwhelmed by all of the details. ■

How to Maximize the Office Schedule

The quality of your scheduling process will directly impact your ability to drive a profit, for better or worse.

What does your daily schedule look like? Do you have a full day packed with patients in your chair, or are there open spots where you could be making money? Building a schedule is like piecing together an overly complicated puzzle, without a picture to help guide the way. Without knowing what it's supposed to look like, it can be difficult to build success quickly.

So, how do you know that your current scheduling process isn't working? There are a number of symptoms that you can use to diagnose a scheduling problem. Whether your appointment availability is not aligned to the goals of your practice, your scheduling process is inefficient for production, or you just have too many time slots open on your schedule.

Whatever the reason, it's important to understand how your scheduling process can be used as a profitability lever for your organization.

How your office schedule might impact your profit

There are three key areas where office schedule challenges could be directly impacting the profit of your organization:

- Your cost of labor is high compared to the revenue you are producing.
- Your day falls apart when patients don't show up for their appointments.
- You don't have the correct systems in place for hygiene reappointments.

Each of these areas is invaluable to the operation of your dental office. Dental organizations live and die by their scheduling processes, so it's critical for this to be done the right way. It's also important to remember that there is no "one size fits all" solution for everyone – each dental organization is going to need to find the areas where their scheduling processes do and don't work, and then find the appropriate solution to move forward.

Office schedule KPIs you can track

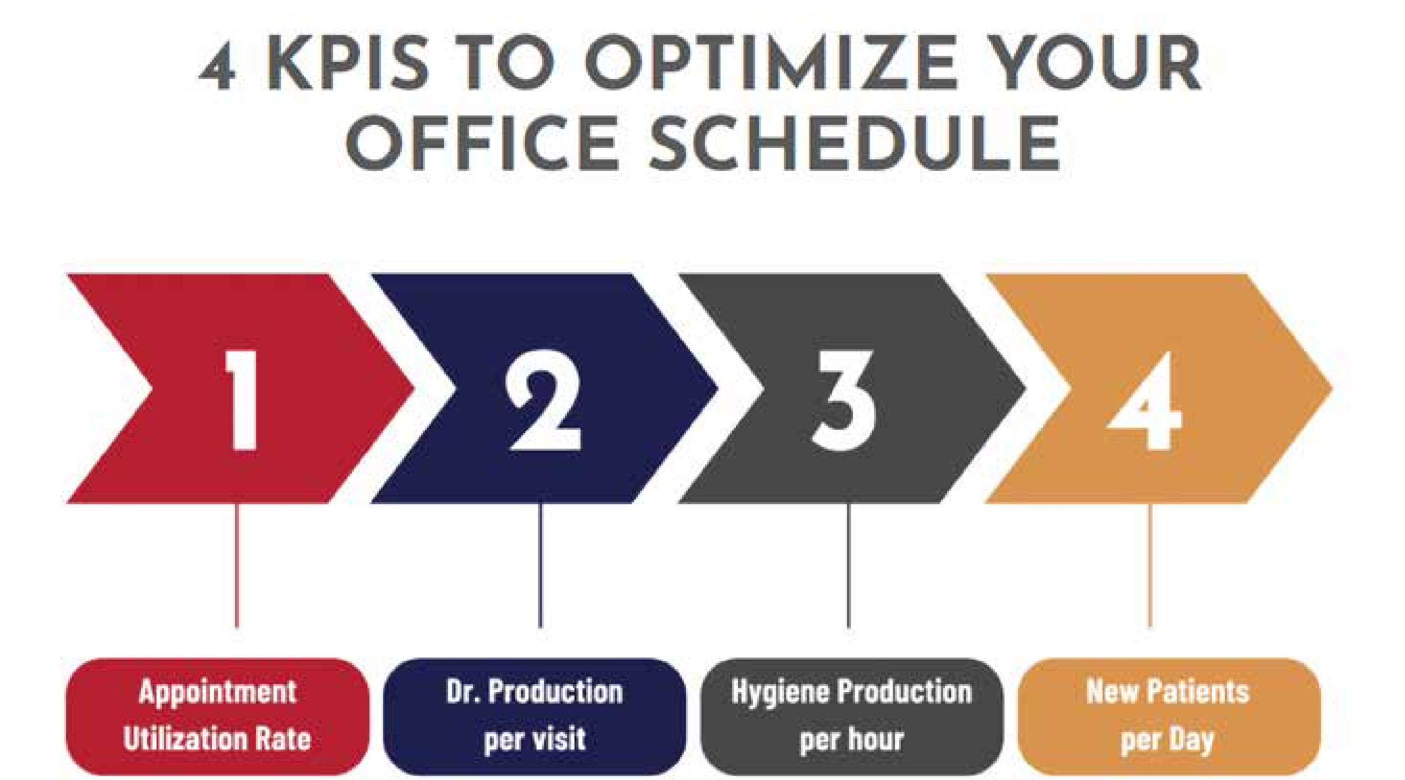
Key performance indicators are a great way to measure activities and gain insights on certain elements of your business performance. Here are four main KPIs that you can track to determine how effective your scheduling processes are and where you might need to make some improvements:

- Appointment utilization rate
- Doctor production per visit
- Hygiene production per hour
- New patients per day

Hygiene production per hour measures the amount of production generated by hygienists for each hour they work. This helps to identify how effectively the hygiene schedule is being utilized.

The appointment utilization rate is the percentage of scheduled appointment slots that are actually utilized by patients. This helps you to understand how effectively you're using your time. To find your average utilization rate, you can divide the number of patients by the number of available appointment slots in your schedule and multiply that by 100 to get an accurate percentage.

Doctor production per visit is the total revenue generated by a dentist for each patient visit. This helps with revenue insight by assessing the financial performance and efficiency of each doctor in your practice. If you're paying doctors a certain amount per day, this will tell you if your practice is financially sound – production needs to be at a



certain level in order to pay dentists and associates, while staying within 30% of the dentist's pay.

Hygiene production per hour measures the amount of production generated by hygienists for each hour they work. This helps to identify how effectively the hygiene schedule is being utilized. It can also reveal whether there are opportunities to book more appointments or if there are gaps that need to be filled. It's important to make sure that your hygienists are producing what they need to so that they can be paid, while ensuring that profitability is in alignment.

The number of new patients visits per day literally measures the number of new patients that your office sees each day. This helps to better understand demand patterns and can help you to adjust scheduling blocks to ensure sufficient slots are available and monthly new patient goals are met.

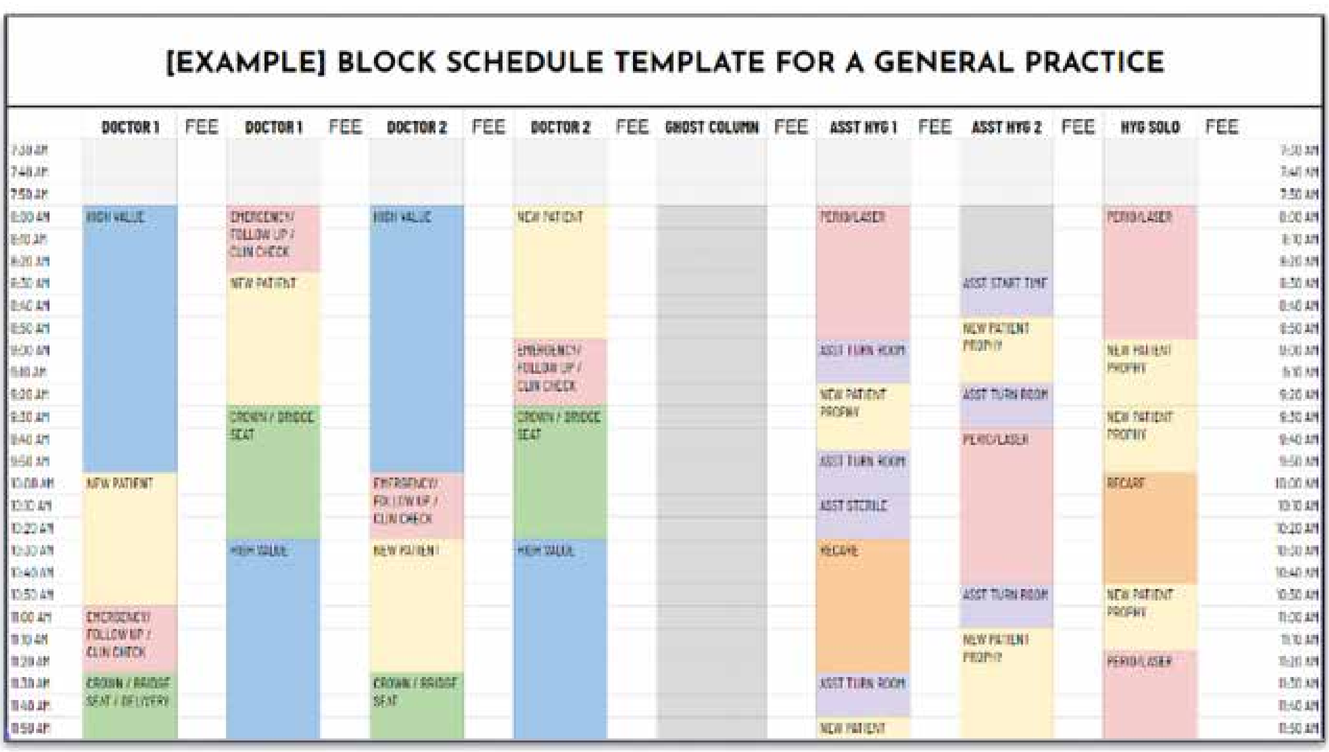
Once you have set up a block scheduling template, it's time to start implementing it for your practice. Present the plan to your team to ensure that everyone is aligned to the same goals and vision, while also helping them to understand their roles in the implementation process.

These KPIs are fairly simple, but can provide a lot of essential and invaluable data about how your team and your organization are performing and where they can improve.

Is block scheduling a solution for you?

Block scheduling is a series of structured time blocks that could help your office to increase efficiency, see predictable patterns, enhance the patient experience, and plan better. This is a flexible approach that is designed to help your practice organize and streamline your scheduling procedures.

The first step to set up a block scheduling is to begin with the end in mind. Determine the daily production goal in terms of revenue, procedures, and number of patients. This should be specific, measurable, and



BLOCK SCHEDULING

IS	IS NOT
• Structured Time Blocks	• A One Size Fits All Solution
• A method to Increase Efficiency	• Rigid
• A tool to see Predictable Patterns	• A Comprehensive Scheduling Solution
• A tool to Enhance the Patient Experience	• Only for High Volume Practices
• A tool for Better Planning	• A Replacement for Good Communication

realistic, based on your practice's historical data and future projections. Analyze your existing schedule to understand how time is currently allocated for different types of appointments and procedures, and then identify the times when your practice is busiest or when patient demand is highest.

For the second step, you need to determine the different time blocks that you're working with. Take the time to list out the types of procedures your practice handles and decide how long each block should be based on the average time historically required for different procedures, as well as the time difference between specific providers. From there, you can group similar procedures together to reduce downtime and increase the number of procedures you can complete in a day.

At this point, you'll need to create a template to map everything out. Design your schedule template with time blocks dedicated to different types of procedures. Arrange the high-production procedures during peak appointment times, or when the patient demand is highest. Make sure to allow for buffer times between appointments to accommodate for unexpected delays and ensure smooth transitions between procedures.

Implementing block scheduling

Once you have set up a block scheduling template, it's time to start implementing it for your practice. Present the plan to your team to ensure that everyone is aligned to the same goals and vision, while also helping them to understand their roles in the implementation process. Everyone has a role to play!

Partner with your office manager and operations leader to adapt the templates to fit the specific and dynamic needs of your organization. Each organization has its own challenges, and each location within those organizations have their own separate challenges. Consulting with your team will give you different perspectives on how to navigate those challenges – each perspective is critical to forming the shape of your block scheduling process going forward.

From there, you need to monitor and refine. Review the data regularly and make adjustments as necessary to optimize the performance. Track your organization's performance through the necessary KPIs to ensure that goals are met, while also monitoring the overall patient experience. Gather feedback from your patients and your team to get a better idea of how effective block scheduling is for everyone involved. ■

How to Compensate Hygienists & Associates for Maximum Profitability

Using the right model to meet the needs of your high performers.

Building a dental organization is challenging. There are so many different plates spinning at the same time, and it's not easy to ensure that each plate keeps spinning at the right speed. One of the bigger plates is compensation for hygienists and associates. Finding a fair compensation model for hygienists and associates can be a significant challenge for dental entrepreneurs, but it's important to meet the needs of high-performing teams.

At a recent DEO event, Dipesh Patel, the CEO of Blueprint Smiles, spoke to attendees about different compensation models for hygienists and associates. Blueprint Smiles is a seven-location dental group based out of Atlanta, Georgia.

Patel said, "I want to reframe to everyone that I truly believe that hygienists should be treated like providers. If you start that dialogue now, things will start to get a little better in your organization."

Compensation models for hygienists

Prior to COVID, many organizations tried to have their hygienists produce up to three times what they were being paid. Patel says that one of the shifts that the dental industry needs to make is how hygienists are treated, especially in regards to compensation.

At Blueprint, Patel says that hygienists are starting to make $65 to $70 an hour. “What we’re trying to do at Blueprint Smiles is change the approach in how we’re compensating hygienists. We treat them like providers with the same responsibilities and compensation that providers would get. We want to have the highest hourly rate equivalent for hygienists in the state of Georgia.”

The hourly compensation rate is the most common compensation model for hygienists. Some organizations will have their hygienists produce two and a half times their hourly pay and for anything over that, they get an additional percentage. For organizations that compensate hourly, some will even base it off the daily production – this can get tricky because some days are inevitably going to be better than others.

There are also incentive-based models, where it’s an hourly pay plus additional income if they sell certain products. This can increase practice revenue across the board, especially if your hygienists can help with things like closing ortho cases or other cases in the office. The downside for an incentive-based approach is that it can lead to the provider focusing more on pushing products than delivering patient outcomes.

In a per-patient model, the hygienist is paid based on the amount of revenue generated on each patient visit. This is a great model for organizations that are using a fee-for-service approach and a decent PPO model.

Assisted hygiene models are where the hygienist is given two chairs and an assistant to see more patients. These organizations will need fewer hygienists, and those hygienists could begin to produce like doctors. The downside is that production per chair is typically lower than the doctor using the chair.

HYGIENIST COMPENSATION MODELS

MODEL	DESCRIPTION	PROS	CONS
Hourly	Provider paid hourly wage - Most common	Industry Standard/Simple	No incentive for performance
Sum Of	Mixing in a percentage above the hourly on a monthly (or daily) scale	More motivation for growth	More tracking and have to be accurate due to it affecting pay
Incentives	Hourly + additional $ if they sell certain products	Increase practice revenue	Can lead to provider focusing more on products than patient outcome
Per Patient	Provider paid the higher of hourly rate or $ per patient seen	Hygienist willing to see extra patients for doctor to diagnose	Can get really expensive if production per patient visit isn't high
Assisted Hygiene Model	Hygienist given 2 chairs and assistant to see more patients	Need less hygienist and some hygienist can produce like doctors	Production per chair is typically lower than doctor using chair

The Blueprint model

Patel uses the “sum of” model at Blueprint. This model mixes in a percentage above the hourly rate on a monthly scale – their hygienists get hourly pay plus 30%. “If they got paid $10,000 that month and they produced $30,000, they wouldn’t get the bonus on top of the $10,000. If they produce $40,000, they would get a $2,000 bonus.”

With this shift, Patel has had three hygienists end up with a bonus at the end of the month. This resulted in a win for the hygienists and the practice. “We switched our entire organization to the sum of model and it’s been a win-win-across the board. The biggest thing we’ve seen is a shift in culture for all our providers… We want a culture of one percenters.”

The Blueprint leadership team explained to the rest of the organization that they were looking for the “top one percent” in every position of the organization, and they were shifting the pay to make that happen. Every position gets a set of KPIs, and those KPIs are visible to every level of the organization.

“We don’t do this to victimize or weaponize anything. It’s designed to show everyone what they can be. We want you to constantly strive to get better and better – we make that clear during onboarding. It weeds out the ones who aren’t aligned to that vision pretty quickly, and the ones who do care about improving and growing gravitate towards you.”

Patel understands that it can be hard to find hygienists, and in the last month Blueprint has been able to acquire four or five new hygienists. Because of this recent shift to the sum of model, their hygienists are starting at $55 per hour.

When to hire an associate

For Patel, the single factor for business growth is bringing on more and more associates – the more you bring on, the faster you can grow. "It's the quickest way to add profitability to your practice if you already have enough patients, enough teammates, and you can actually support an associate."

This can bring a significant amount of balance to the dynamic organization. Patel said, "Your assistants have each other, your hygienists have each other. It's kind of nice when you bring on your first associate because now you have somebody on a similar level. It's a lonely space out there, which makes camaraderie so important."

He argues that there are certain things that you need in place before you hire an associate. When you establish this firm foundation, it makes hiring and any future changes easier to navigate.

One of the first things to establish before you hire an associate is company culture and core values. No matter what the position, every person in your organization needs to be aligned with the culture and core values. If one person isn't aligned with these values, it can directly impact everyone else through your organization – especially if they are in a leadership position like an associate.

At the beginning, make sure that the expectations are established early on. This includes the job description, responsibilities, pay, hours, benefits, PTO, and even the standard of care that everyone should adhere to – having this conversation early in the relationship will ensure that everyone is on the same page. He said, "If you don't have a clinical standard of

A sliding scale model compensates the associates on adjusted production or collections, but the percentage increases based on the amount of the production or collections.

10 THINGS TO HAVE IN PLACE BEFORE YOU CONSIDER AN ASSOCIATE

1.	Culture/Core Values	6.	Clinical Standard of Care
2.	Clear Job Description and Expectation	7.	Marketing/Patient Transitions
3.	Compensation and Benefits Package	8.	Robust Practice Management Systems (RCM, scheduling, etc)
4.	Legal and Financial Preparedness	9.	Defined Metrics for Success
5.	Comprehensive Onboarding Process	10.	Clear Path for Professional Development

care established in your organization, get it written down and have that conversation prior to starting."

Associate compensation models

When you bring in a new associate, you need to establish a compensation model that will be the best possible fit for your organization and your team.

With the straight base model, you're paying an hourly or monthly rate, no matter what they produce. This model isn't common. Patel said, "I don't really prefer this one. This doesn't typically create any further incentives to work any harder or care more."

The greater of model pays associates their daily guarantee or percentage, whichever is higher. This is appealing because of the flexibility and the security of a guaranteed payment, with the opportunity to receive a reward for great performance. The challenge here is whether you want the "minimum" pay to be acceptable for a doctor who lacks ambition and doesn't produce as much or push themselves to grow.

A sliding scale model compensates the associates on adjusted production or collections, but the percentage increases based on the amount of the production or collections. This is designed for the associates who trust their skills and are confident in their ability to perform. This is perfect for an associate who is completely aligned with the values and vision of the practice, and motivated to diagnose and keep patients in-house as much as possible. While this kind of associate often comes with an ego and could be difficult to manage, it can result in higher production.

In the straight percent model, the associate does not have a guaranteed base and only receives a straight percentage of adjusted production or collections. This is another model where the associate is completely aligned with the business, where they are striving to keep everything in-house. But with no base pay, they might be looking for a new job in the bad months.

The base plus model is a predetermined, guaranteed salary with no production-based compensation, with a "plus" incentive added. The associate has both security and the potential for full alignment with the business, which should motivate better performance while providing a defined income. The downside is that slow or unmotivated doctors can drag profitability down.

Similar to their hygienists, Blueprint pays their associates based on the sum of model. "We give our associates a three-month guarantee, based on the number of working days they are doing. That's their guarantee, then we calculate their 30% from there. Whatever is higher, we'll give them that at the time. After the guarantee period of three months, if they are in the 'negative', we pay them the monthly guarantee but take it out of their next bonus."

For Patel, this model helps to make his associates feel safe and helps to establish and affirm any KPIs that need to be hit. "We do that on purpose because we're trying to filter out people that can't produce. The ones that make it are the ones that can produce and prove it." ■

ASSOCIATE COMPENSATION MODELS

Straight Base	"Sum Of"
"Greater Of"	Straight Percent
Sliding Scale	Base Plus

A sliding scale model compensates the associates on adjusted production or collections, but the percentage increases based on the amount of the production or collections.

Preparing to Drop PPO Insurance and Increase Your Revenue

Membership plans drive patients to commit to care, trust your practice, and feel financially savvy.

In the 1960s, dental plans allowed a maximum annual benefit of $1,000. More than 50 years later, the average plan still allows $1,000. Dental practices deal with annual limits, pre-approvals, waiting periods, claims denials, and paperwork, and on average, PPOs reimburse 66% of office fees.

PPOs don't work for dental practices. Insurance reimbursements are low and lagging, and they haven't kept up with labor cost increases. Revenue cycle management and collections come from four different processes in practices – patient payments, insurance payments, third-party payments, and in-house financing.

About 100 million people in the U.S. don't have dental benefits, and cost and coverage are the primary reasons uninsured patients avoid visits and treatment. Over 75 million people lack access to any dental benefit and the rest have recently been disenrolled from Medicaid, according to the CareQuest Institute for Oral Health.

Membership plans

Creating membership plans is the solution. First, patients commit to care, trust your dental practice, and feel financially savvy. Second, patients complete two to three times more hygiene reappointments and finally, patients accept more care as 75% of treatment originates in hygiene.

This is really when dental practices say they want to drop PPO insurance and increase their revenue. They want the patients to pay more directly. But how should practices go about dropping insurances and avoid the pitfalls of poor messaging and strategy?

WHY THIS MATTERS

Practices need to first assess some key indicators for whether a membership plan could be helpful. These include having a large number of uninsured patients, being at capacity for scheduling, and if membership benefit plans are better than the PPO benefits for some of your patients.

There are five steps for preparing to drop PPO insurances. They are:

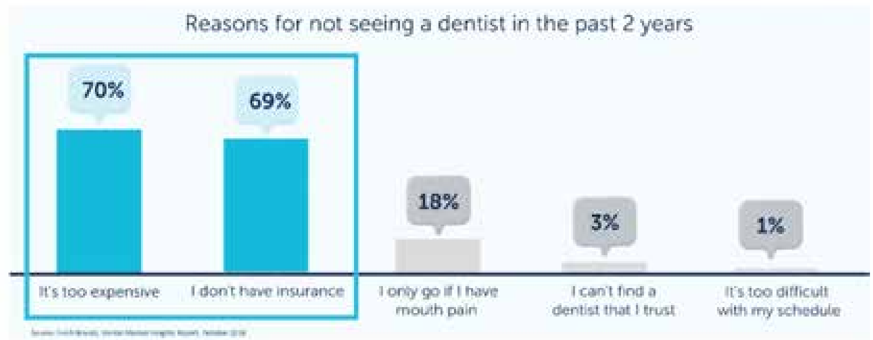
1. Building a membership plan.
2. Educating staff about membership plan benefits.
3. Promoting the membership plan to uninsured patients.
4. Comparing the membership plan to insurances and promote against the lowest performing.
5. Dropping low-paying insurances.

Key tips for building a membership plan include making sure it's profitable by achieving a targeted profit margin with the right mix of coverage options for your practice. Keep it simple by reducing practice administration by dropping poor performing PPOs. Make it smart through informed coverage plan decisions that align with your goals. This may include staying with unprofitable PPOs that provide a community service. Finally, make sure it's managed by tracking performance and manage coverage options so you can continually optimize practice production and profit.

Communication is key in helping your team understand how low contract fees can negatively impact profitability. It's also key in informing your patients about the changes. Provide ample notice to your patients, explain your reasons, offer alternatives, educate them and provide them support. Don't spring the news on them unexpectedly, play the blame game, dismiss concerns, overpromise or neglect communication.

This is your beta testing before you drop insurances. If your team isn't good at converting uninsured patients to membership plans, they might need more training or better scripting. But this is your opportunity to iron out any difficulties in communication before dropping insurances because uninsured patients should be your team's easiest conversions.

Make comparisons side by side to create a win-win. Don't leave the unknowns out there. Explain to your covered patients why a membership plan would be better for their out-of-pocket costs. Start with the patients with the lowest paying insurance plans and show them you have something better.



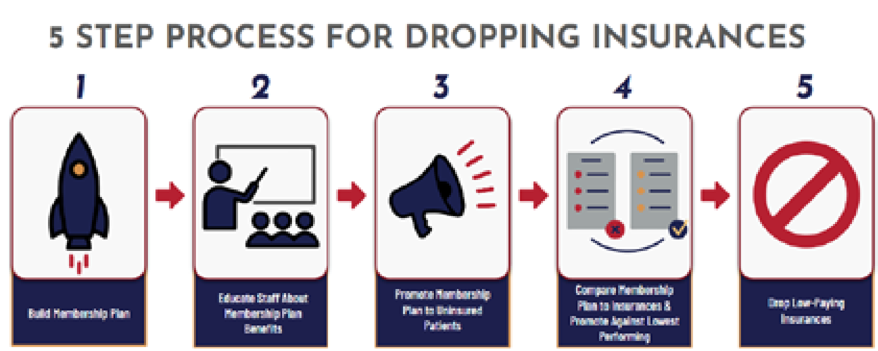
Next steps

Start pulling together the information on the number of your uninsured patients. What would happen if those patients started accepting more treatment? What if your practice got better at treatment coordination and giving those patients a solution?

Walk through the process. Look at the lowest paying insurance and start to climb the ladder. Identify if you are ready to act. Remember, you need a large number of uninsured patients, you're at capacity for scheduling and membership plan benefits would be better than PPO benefits for some of your patients. Then, follow the five-step process for dropping PPO insurances.

Have a community liaison on your team. Someone who is fluent in your membership plan. They can go to small businesses in the community and talk about your practice and plan. If you're a large practice, people may view you the same way they view the insurance companies. So, you need someone who will build trust in the community.

When your team is on board and sees the financial benefits for the practice and the bonuses they can hit, make them your greatest ambassadors and assets for your membership plan. ■



Leading with Love: Dr. Weiner's Blueprint to Building a Thriving Dental Organization

How Dr. Whitney D. Weiner and Whole Dental Wellness blend high love with high accountability in setting goals for the organization.

Dr. Whitney D. Weiner has always been goal-driven. It's a big reason why she's been able to grow Whole Dental Wellness into a successful multi-location dental group practice in a little over six years.

"In life, I am a huge believer in vision boards and if you put your mind to it, you can build it, you can go there," she said. "Maybe it's because I am from Iowa, where 'Field of Dreams' took place; if you build it, they will come."

While on a personal level she is a natural driver, applying a systemization of goal setting to how she led her team came with some worries.

"In full transparency, I was really scared at first to share our numbers and subsequent goals with our team," she said. "As a business owner, I was nervous with the conversation. If I shared that we were doing well, would they think it was just boasting? If I shared that we were doing poorly, would people think their jobs were on the line? So, how do we start with financial literacy 101? How do we educate the team on what is the bare bones of a Profit & Loss statement and how they can drive change within our organization?"

Her team, though, was incredibly supportive and receptive to the discussion. They welcomed the numbers' talk and introduction of targets to hit. "After all, people don't know how to win if you don't share with them how to keep score."

What could have been a source of consternation has turned into a source of strength and growth for the Whole Dental Wellness team. In the following interview with DEO Magazine, Dr. Weiner shares the steps she and her leadership took in systematizing their organization's goal setting, deciding what goals to focus on and how to keep score, factoring in the unforeseen challenges and uncertainties that will come along the way, and more.

DEO: How do you, as a leader, try to set ambitious goals for yourself and your team?

Dr. Weiner: That was one of the really hard things before we landed on our goals. We did not want to give a huge P&L presentation that was confusing. Instead, we developed the six or seven levers that everyone on the team could understand. We color coded it, green for good and red for improvement. If something was red, what are the six action items that we can have to help drill into that? And then, we'll check it next week, next month, next quarter and see where our progress is.

All of this has come to fruition because of our team. I cannot take credit. We have an incredible team that has been instrumental in building this out. Our Integrator and my personal coach, Josey Sewell, has coached us on how to implement the business operating system. She's helped us build out the happiness/culture side, and hold accountability in tandem with our fractional CFO, Scott Judy, who has overlaid the metrics. During a 1:1 coaching session, Josey broke down for me how I have led with so much love, and while that is a superpower, I have struggled with accountability. This really stuck with me.

I've always been high love. I see myself as a Care Bear shooting Care Bear hearts at everyone. I try to lead by uplifting and empowering. However historically, this high love came with low accountability. Josey helped me see that to be a leader and build this great company to achieve our BHAG (Big Hairy Audacious Goal), I must be high love and high accountability. This has been our mantra and we've been able to use metrics as a non-emotional way to bridge that gap. "Hey, we love you and we're here to support you. In the business, this is what we need from you to be successful together."

It's been an evolution. At first, I was scared, but now I see that feedback is such a gift. When the team knows how to keep score, then they want to win. But if they don't know how to keep score, how do they know if they're winning?

We have a whiteboard in every office, and we'll put one or two things on it that the managers track. For example, last Fall, we focused on the number of appointments, because that's something that everyone in the office can understand. We called it the "Operation BITS" (Butts In The Seats). We would literally track the number of appointments in each office. Then, we set a little mini game where we said, "If you exceed this number of appointments, then for every appointment, we're going to put $50 in the hopper and split that amongst the team members." This drove positive behavior. We are still working toward an incentive plan as fundamentally I believe we win as a team and lose as a team. I chose carrots over sticks every time, but my internal struggle is, does one really need a carrot to do their job?

Our leadership team meets weekly, and we go through that scorecard. While the higher-level leadership is looking at a few dozen KPIs, at the office level, it's as simple as one or two because we really want people to feel like they can drive impact without it feeling too scattered.

DEO: As a business leader, how do you prepare your team for unexpected challenges and uncertainties in the market?

Dr. Weiner: When we set our budgets, we try and spend 20% of our time looking at the past and 80% looking forward. "Here's how we performed in the past … this was great, and this kind of sucked. How are we going to set the goals to achieve next quarter?"

This all starts with our team's projections. Let's say we're trending up in number of appointments. If we stuck with that, each provider did this much an hour and we increased appointments by this amount. Our leadership team will say, "Let's multiply those two things together. And while we're not changing our budget for the year, this is our forecast. Is our forecast good enough for the next 90 days or do we need to ratchet something up?"

For us, we identified that our hygiene was killing it, and our doctors were not last quarter. The doctor's production per visit was really low. So, we are focusing on this as our Q4 rock and attacking it via a

multi-prong approach. Our team crunched numbers on the cost per acquisition of a new patient, we determined how many new patients we needed, and now we are spending money on targeted ads that were timed to launch at the same time as our new websites. We are dialing into the algorithm of how much money do we need to dump in to spit out x number of patients, and our regional manager is working with our location level managers and teams on ensuring things like new patient reappointment and the customer experience are dialed in. It is one concerted effort.

We're also asking ourselves, "How can we as leaders empower and coach our dentists to be more efficient and productive? What's the rate limiter?" So, we had 30-minute one-on-one conversations with all our doctors, and we went through a quarterly check-in. We asked questions like, "How happy are you to come to work every day? Would you like to be more productive? If you could make more money, would you want that, or would you reduce your hours?" We're trying to level set with the doctors. Everyone says they want to make more money, right? Well, how do we do that?

I was so impressed with our doctors. Not one of them said, "You don't give me enough new patients." They said, "You know what? Maybe I could learn to do a little bit more endo because I'm referring a lot of that out and I'd like to master that skill." Or "What I'd really like is some more training on clear aligners because we have these two new scanners, and I would love to understand that workflow and how I can educate patients better."

We're not as systemized or dialed in as I'd like us to be, so currently our approach has been more centered on surveying our current team members. We identify the problem. Metrically, we have a production per visit in the doctor column showing numbers are down. That's a problem. How is the company going to attack it? Our marketing team is going to dump in new patients. Our location level teams are going to work on training the importance of reappointment, correct categorization of referral source, and optimizing the patient experience.

So, I ask myself, how am I going to help lead that as a Chief Dental Officer (CDO)? Basically, I'm here to support through conversations and training. I'm happy as a periodontist to come in and teach macro level treatment planning and surgical techniques if anyone wants to expand in that area and I want the doctors to know that whatever they need from me, I'm here. I also am working to hire coaches to help them level up their game in different areas. Are we following up with our patients and ensuring they know we care about them as people and not just the once every three or six months that they are in our chair? How are we wrapping a bow on our patient experience to make it five stars every visit?

DEO: How do you try to stay on top of evaluating and onboarding the latest technology?

Dr. Weiner: To me, technology is great when it uplevels the care we can provide our patients. Is it allowing us to better diagnose? Is it allowing more efficiency in how we perform our procedures? Is it providing an educational tool to bridge the gap as we arm our patients with all the information they need to empower them to make the best decisions for themselves and their individualized care? Is it just flash for marketing? I'm not saying that the flash for marketing isn't important, but to me, when we are evaluating new technology, fundamentally, I view our role as that of an educator. So, I ask myself, is the product going to allow us to educate our patients better or be better doctors and better surgeons? And if it doesn't do one of those two things, we don't invest.

For example, take computer-guided implant placement. I'm a periodontist, so when a patient comes in for an implant consultation, we'll take a 3D intraoral scan of their mouth and a cone beam, then after explaining the implant process we send our patient home. They're in the office for 20 to 30 minutes tops. I will tell the patient that when they're not here, I'm going to do my homework and digitally plan their implant. It's precise down to a 10th of a millimeter. I'm going to have a computer printout of a surgical guide for me, and I tell the patient the surgery will take me about eight to 10 minutes. This is an example of how technology aids two-fold: I can show the patient in 3D their bite, smile, and underlying bone, walking them through any potential concerns so it is an amazing, color coded 3D educational tool. The surgical guide then makes my surgery faster, easier, and less invasive with a predictable outcome. To me, this is when the tech really hits the mark.

DEO: How do you stay ahead of the curve on the patient experience?

Dr. Weiner: That's a really good question. One thing I love to do is have my friends and family be secret shoppers. They will come in as new patients and I don't tag them as "Weiner friend" or give away that they are linked to me. After their visit, I will ask them questions like, "What did you feel when you first walked in our space? What was that atmosphere and noise level? Were you greeted with a smile? What did it smell like? Did the doctor greet you by name?"

Patient experience is something we're always trying to level up. I used to get so deflated by the occasional one-star review, but it's feedback, and we need that feedback. Sometimes,

it's a ridiculous comment about cost or something out of our control, but sometimes, it's real. We try and use those poor reviews or patient comments as teaching moments to take back to the team and lean into them versus brush them off with an excuse.

For example, I recently got an anonymous Gmail account message in my inbox from a customer that read: "Dr. Weiner, I'm so excited about what you're building. This women empowerment, female-owned thing is incredible. I've had a lot of work done, and I've always felt so connected to your mission and your vision and your team. But I have to tell you about the last time I was in your office. I was getting a filling done, and the dentist and the assistant were watching TV. I literally felt like they didn't have me in mind, and they were laughing and talking and doing the filling. I know that you have talented doctors and he likely was still doing great work, but I felt like I wasn't the focus. I wanted to let you know anonymously about this happening because I know how important your company and the patient experience is to you and if I were you, I would want to know and address it."

I wrote this patient back: "Thank you so much for sharing this with me. It means a lot to me that you would care enough to take the time to do that and allow us to grow from this experience. Please give me a week to lean into the team and investigate this and provide training around it and I'll be back to you."

I called the practice manager and we had an office meeting. I said, "Guys, this isn't throwing anyone under the bus, but let's listen to what's being said in this email. And who knows? We think that patients like to have the TV on to help their nerves, to help calm them, and it's great that we're all so confident as doctors that we don't even need to look at what we're doing, but to the patient, they might perceive that as being out of touch. So how can we solve that? How can we connect? How can we say, 'Would you prefer for me to explain to you what I'm doing today, or would you like to just zone out? If you'd ever like that to change, please let me know or cue me in.'"

Afterward, I was able to write that anonymous person back noting: "Good afternoon. We conducted an all-office meeting to discuss the concerns that you brought to light. Everyone took your email very seriously. We are going to implement a new protocol where we're really checking in with patients. So, thank you very much for your comments. It's because of people like you that we continue to improve our systems with you, the patient, in mind." The anonymous author wrote me back, noting they were thrilled about how we handled it and that they would be a patient for life with our practice.

DEO: How do you try to model resiliency as a leader while building your organization in an uncertain marketplace?

Dr. Weiner: I will be the first to tell you, it's not all sunshine and rainbows. If this job was easy, everyone would be doing it. While I am an optimist at my core, the realities of running and scaling a growing group practice sometimes hit hard. There have been times when I've had to move money into accounts to make payroll. More than once. And when that happens, it's real.

How I explain that to our team is I say, "That is the risk that I take as an entrepreneur and someone who's growing this company, and I own that. How are we going to try and not let that continue to happen?"

As a company, we are heavily invested in building out our nucleus right now. To give you an idea, we have 59 team members – 11 of them operate in our resource center. We run at about 9% to 10% for the resource center. That's super heavy, right? That's hard, even at a 20% to 25% EBITDA margin, to continue to be profitable, and then, pay off all our loans.

But we're trying to be incredibly smart about having the right people in the right seats.

This year, we're really focusing on operations, so, with Josey Sewell's guidance, we are building out an operational system to run our company versus people like me and our team running the company. That, to me, is how we can scale. So, while we're heavy on wages right now, and if you looked at the P&L, you'd think, "Oh, wow, that's great with the profitability, but the resource center looks pretty heavy, how are we doing that?" The whole goal of that is that we can buy 6, 8, or even 10 more practices and maybe add one more team member to our resource center. I am of the infinite game mindset. I encourage our team to think in years, not quarters.

That was hard at first, because I was trying to convince the banks of our long-term model. They wanted to know why we have all these high-level people, and why only three locations. The math didn't compute. To date, I have purchased seven practices and consolidated them into three locations. What we're trying to do is be smart about our long-term goals. We are building our company with the end goal in mind – to become the most impactful dental group in metro Detroit – and we're seeing success. There have been some huge upward swings as far as profitability and things like that. But we're not there yet. We're continuing to grow, and I continue to maintain a long-term mindset about our growth, which takes patience and courage. I can't show the same quarterly return as we would without our overbuilt resource center and I'm so thankful to have a banking partner that understands our long-term vision. The long game. The one that isn't a build at all costs, as fast as possible mentality but rather lets us lock in the foundation and build a legacy dental group. Something that we can all be so proud of for decades to come as we continue to serve the greater Detroit community.

We're continuing to grow, and I continue to maintain a long-term mindset about our growth, which takes patience and courage.

I know the DEO talks about the dark tunnel a lot, and I feel like we are still in that dark tunnel, but there's some sunlight too and if I'm being honest with myself, I'm happy to be in the tunnel. In some ways, I have chosen to sit in the tunnel, building, refining, and ensuring we get our systems honed before we emerge toward the sun. We are driving cultural change and making sure we have the right people in the right seat. Getting the correct people in the right seats on our bus has taken time. We're a little over six years in. There were a lot of necessary endings and a lot of great new beginnings within our company to get to this point. Our future is so bright, and I have our team to thank for that. One of my greatest strengths, and joys, has been my ability to surround myself with teammates who inspire me and lead their divisions within our company with our high love, high accountability mindset. This is only the beginning for Whole Dental Wellness, and I am so excited for this wild ride. ■

Whole Dental Wellness integrates a human focus into all aspects of operating its dental group. Whole Dental Wellness began its operations in 2018, purchasing and merging two practices. To date, they have purchased a total of seven practices that have been consolidated into three locations across the Metro Detroit, Michigan area. They own their own real estate and invest heavily into their facilities and team. Their family dental practices, Whole Dental Wellness, provide oral healthcare for all ages, utilizing current technology to provide general dentistry, cosmetic services, implant dentistry, periodontics, and specialty services. Their integrated care, specialty practice is the first true integrated care practice in metro Detroit, providing specialist support including: periodontics, endodontics, oral surgery, and orthodontics. They are an emerging group championing to be the most impactful dental group in metro Detroit. They lead with high love, high accountability.

The Ultimate Hiring and Staffing Framework for Associates and Hygienists

Creative tactics with the right tools and impactful messaging can attract A+ talent.

The ultimate hiring and staffing framework for associates and hygienists relies on a strategic hiring approach that helps you hire intentionally rather than just getting butts in the seats.

The creative tactics involved attract A+ talent and the right tools help you develop a unique and appealing recruitment brand to bring in top candidates. There's a process for crafting impactful ad messaging that will "stop the scroll" and find the ideal candidates.

There's 10% less dental practice capacity annually due to vacant assistant and hygienist positions, according to the ADA Health Policy Institute, and nine out of 10 dentists say it's "extremely" or "very" challenging to recruit assistants and hygienists. On top of that, one-third of assistants and hygienists plan to retire in the next five years.

So, how do you differentiate yourself to fill the voids and attract top talent? You must be relational and not transactional. But to begin, you need to identify who on your current team you would duplicate if you could. What clinical capabilities do they have that candidates need to have themselves? What personal goals align best with your organization and what approach to patient care is the best fit?

Define your offer

Define your offer through your messaging. What are you offering clinically? Is it mentorship or the latest and greatest technology? What are you offering relationally? Is it a staff that's trained and experienced, a mission and culture they would be aligned to, or small town family life? What are you offering financially? Is it bonuses, equity models, daily minimums, a percentage of revenue, or student loan repayment options?

These things define your offer and must be answered before you create your ad. The content and format of your ad will depend on the medium. Today's candidate wants quick, easy-to-consume content, so keep the language simple and streamlined. Pick elements that are most helpful to you and those that allow you to highlight unique selling points for your market.

When you want someone to follow your process and system and you want them to join your organization, it's all on you to start and define your core values. Lead with those. If you're dynamic or generous or humble, start there. Define the fit to your organization that you're looking for and make it visual because attention spans are short. Candidates want to see it in front of them – what does their year-long path to mentorship look like with you?

You want to develop great clinicians and have patients coming to you because of your team. So, represent your story. Make yourself relevant to those top candidates. Focus on the avatar you want and the keywords that represent it.

Identify your channels and candidates

Next, identify your channels. Which mediums will you have the most success finding quality candidates? Digital channels include websites, paid ads, landing pages and social media groups while job boards are comprised of places like Indeed, Monster, LinkedIn, DentalPost.net, IHireDental.com, DentalJobs.net, DentalWorkers.com, DentReps.com, Hireclick.com and DirectDental.com among others.

Job boards really crush it. Most practices use them to find candidates. But are there favorite job boards or ones that are unique to others? For example, there's an app called Handshake that allows you to place an ad that goes to all of the dental schools affiliated with the app. All of the associates looking for jobs will see your practice and whether or not they're a great fit for you and vice versa.

On-site engagements at dental schools, hygiene schools and CE events can prove worthy too. Referrals include those from your team or patients and recruiters are a third-party resource that owns the process.

Once you've identified your medium, plan to measure it through candidate and lead tracking systems and meeting cadence. Advertise the position and measure it. Assess the initial results and adjust your strategies.

Always have an ad with no dates. If you're always recruiting, your pool is always open. Refresh it now and then, and when there's a specific target of time you want, push that ad harder. And even change the ad and avatar to target specific groups. Maybe someone went to the big city, realized it wasn't for them and they want to simplify their life. Target them with a different ad.

Or maybe someone else is graduating in six months and you can target them with an ad asking if they're trying to figure what to do with their future. But communicate with them ahead of time while they're in school. Some want on-site training and can be hired as an assistant if you're in an area where assistants don't have to be certified.

Also, your team members have family, friends and peers. Incentivize them and your fellow doctors to bring a candidate to you. Then you'll have the confidence that they'll bring someone they want to work with. That's a low barrier to entry. You just have to be willing to connect, build relationships and provide the value.

Your team and your patient referrals are a channel.

Screen candidates and select the best to send your recruiting packets

When you screen candidates, review applications and conduct initial phone or Zoom interviews through your HR and operations team. Select the top candidates and send them your recruiting packet. Then, interview them over Zoom with the doctor, owner or hiring leader and send a gift to the top candidates.

The recruiting packet can be digital or physical. If you're recruiting candidates from Utah who are used to skiing, snowboarding and national parks, it might be tough to get them to rural Georgia, for example. But it's all about packaging your area in the right way to highlight your office and the opportunities that surround it.

Think about it in a real estate sense. What kinds of opportunities and conveniences exist in your area for the candidates and their families? You need their spouses or partners on board. Bring them all in to let them see it for themselves. If it's a family, include the best schools in the area and their statistics. It's a great way to recruit.

Recruiting packets can also include some of your practice swag

THE CURRENT LANDSCAPE

10%

Less dental practice capacity annually due to vacant dental assistant and dental hygienist positions [1]

9 out of 10

Dentists say it's "extremely" or "very" challenging to recruit dental assistants and dental hygienists [1]

1/3

Of Dental Assistants and Dental Hygienists plan to retire in 5 years or less [1]

[1] ADA Health Policy Institute in collaboration with American Dental Assistants Association, American Dental Hygienists' Association, Dental Assisting National Board, and IgniteDA. Dental workforce shortages: Data to navigate today's labor market. October 2022. Available from: https://www.ada.org/-/media/project/adaorganization/ada/ada-org/files/resources/research/hpi/dental_workforce_shortages_labor_market.pdf.

LEVELS OF RECRUITING

BASELINE	BEGINNER	INTERMEDIATE	ADVANCED
• Team member avatar • Practice website • Job description • Offer • Google reviews	• Clear hiring process • Proactive recruiting • Gathering referrals • Practice recruiting packet • Equity share	• Careers page on practice website • Area recruiting packet • Long-term recruiting strategy • Brand experience	• Dedicated recruiting website • Dedicated recruiting team • On-site engagement • Applicant CRM • Can measure ROI on recruiting efforts
1 practice	2-3 practices	4-10 practices	10+ practices

and pamphlets in them depending on your budget. Or a digital packet can just include all of your information.

To review your progress, meet weekly with your hiring manager. Identify trends where leads are coming from and review the feedback you're getting on the marketing tools you're using to sell your organization as an employer. Then identify what changes you can make to the messaging or medium to improve results.

Recruiting levels

Levels of recruiting will differ between the size of dental practices. For a practice with only one location, a baseline level of recruiting will suffice. That's a team member avatar, practice website, job description, offer and Google reviews. For practices with two to three locations, a beginner level of recruiting is required. That's a clear hiring process, proactive recruiting, gathering referrals, a practice recruiting packet and an equity share.

Practices of greater size require intermediate and advanced levels of recruiting. For practices with four to 10 locations, intermediate recruiting levels include a careers page on the practice website, an area recruiting packet, a long-term recruiting strategy and brand experience. But advanced recruiting levels go hand-in-hand with practices of more than 10 locations. That includes a dedicated recruiting website and a dedicated recruiting team. It also requires on-site engagement and an applicant CRM that can measure ROI on recruiting efforts.

If you're hiring a recruiter, make sure to stay in lockstep with them. Sometimes the answer is to outsource it and to get somebody else to manage it. But you must make sure they're delivering the message you want delivered. Stay in touch with them.

Time to hire

When it's time to hire, take the candidate to the top places in your area – the things to see and the things to do there. Meet with the team and make sure they interact with them while you're highlighting your office and its culture.

Take them to dinner and find out ahead of time what their favorite drink is and if they are foodies, or maybe they like chain restaurants instead. You'll see it all. Some are uncomfortable at nice restaurants, so make sure to get a feel for who they are so you can personalize their on-site visit.

You want to show them why they're joining your practice.

Extend the formal offer and make sure it's clear. Be open and honest, and answer their questions. Your process will help you provide all of the answers they need to make a final decision, so don't let fear run the conversation. ■

Unpacking DSO Deal Structures

Evaluating the pros and cons of the deal structures available in today's DSO marketplace.

BY JETT PUCKETT, MBA, JD, PARTNER, MERGERS & ACQUISITIONS, MCLERRAN & ASSOCIATES

When considering a DSO sale or partnership, practice owners face the exciting but complex opportunity to maximize the culmination of their life's work. To achieve the best outcome, the doctor must identify the right partner for their practice, negotiate the highest price, and select the optimal deal structure, which is more impactful than the initial valuation when examining the global economic impact of the transaction. These objectives require getting educated on the options available, which is best accomplished through working with a specialized sell-side advisor who can bring the right DSOs to the table and explain/negotiate the intricacies of each offer. While each objective is critical, selecting the optimal deal structure is the most complicated and important consideration, despite often being the least emphasized or understood aspect of DSO transactions. In this article, we'll unpack the most common DSO deal structures.

Before diving into specific DSO deal structures, let's cover several concepts that can apply to any deal structure:

- **Valuation Metrics.** Most modern DSOs value practices based upon a multiple of EBITDA (the net cash flow of the practice after all overhead is paid, including paying the owner and associate doctors a fair market associate wage) as opposed to the traditional method of applying a percentage of annual collections or multiple of net cash flow (before owner compensation). DSO valuations are often significantly higher than doctor-to-doctor valuations, sometimes by as much as 300%!
- **Holdback/Earnout & Earn-up:** A holdback/earnout is a percentage of the base purchase price that is withheld at close and paid over a multi-year timeframe predicated on the owner doctor fulfilling his/her post-closing employment obligation (if any) and maintaining the annual revenue and/or EBITDA at the pre-close level during the holdback period. While an earnout does not require post-closing revenue or EBITDA growth, an earn-up (bonus payment above and beyond the base purchase price) is designed to reward the seller for growing

revenue or EBITDA to a certain benchmark within a defined time frame following closing.

- **Recapitalization Event (Recap):** A recap is when a controlling stake in a DSO is sold to a new owner, typically transitioning from one private equity firm to another. Generally, the goal of a DSO (or any private equity-backed company) is to grow in size and value and then ultimately sell in a successful recap that results in attractive investment returns for the private equity firm, their investors, and the partner doctors. At the point of sale, the financial sponsor of the DSO changes, but the name, brand, culture, infrastructure, management team, etc. of the DSO stays intact.

Conventional Deal Structure (full buyout with holdback and no equity)

Selling 100% of your practice with a holdback (but no equity in the practice or DSO) is a traditional deal structure that was conceptualized by a couple of legacy DSOs years ago and is sometimes used today by smaller regional DSOs who focus on acquiring smaller practices where the selling doctor is not planning to stay on long-term. In this model, you sell your entire practice to the DSO for a combination of 70-90% cash at closing and a holdback/earnout for the remaining 10%-30% of the practice value.

Pros

- Best suited as a succession planning tool when the selling dentist is not staying at the practice long-term
- Maximum cash at close
- Maximum ability to de-risk
- Seller not exposed to risk related to the performance/growth of the practice or DSO (beyond hitting post-closing benchmarks related to any holdback/earnout)
- May involve lesser commitments for chairside production, management, and post-closing employment

Cons

- Lower valuation relative to more modern deal structures
- No retained equity in the practice results in no ongoing EBITDA distributions or upside associated with the post-closing performance/growth of the practice
- No equity in the DSO eliminates any arbitrage opportunity associated with the post-closing growth of the DSO
- The selling doctor is an employee, not a partner

Joint Venture or JV Deal Structure (partnership with practice level equity)

In this scenario, the practice owner and DSO enter a partnership transaction where the DSO purchases 51%-80% of the equity in the practice and the practice owner retains 20-49% (often ~40%) equity at the practice level (referred to as joint venture or JV equity). The newly created joint venture entity owns the practice and pays all expenses. Thus, as partners, the DSO and the partner dentist effectively share pro rata in all expenses and all profit, which is distributed to the partners each month or quarter after all expenses are paid. In exchange for the support services provided by the DSO (accounting/bookkeeping, payroll, payables, negotiating with payors/vendors, HR, recruiting, etc.), the DSO charges the joint venture entity a management fee (typically 5-9% of revenue, though some DSOs will cap the management fee for large practices). The management fee is a shared expense, as neither partner takes their distribution until all expenses have been paid. The partner doctor will also enter into a multi-year employment agreement (typically 5 years if maximizing valuation) at a fair market compensation rate. However, most DSOs do not require their partner doctors to work chairside so long as they backfill their production responsibilities with competent associate doctors, thereby providing the partner doctor with a lot more autonomy in regard to managing their chairside schedule.

When the DSO reaches a re-capitalization event, the partner dentist can liquidate some or all of their JV equity at a significantly higher valuation compared to the valuation of the practice at the initial sale. Often, you can sell up to half of your retained JV equity at the first recap event following closing, with the ability to sell additional JV equity at subsequent recap events (usually down to a floor amount of 10-20%, which will eventually be sold to another doctor when the owner is ready to divest themselves of all equity). Typically, you are selling the JV Equity at the

In exchange for the support services provided by the DSO (accounting/bookkeeping, payroll, payables, negotiating with payors/vendors, HR, recruiting, etc.), the DSO charges the joint venture entity a management fee (typically 5-9% of revenue, though some DSOs will cap the management fee for large practices).

EBITDA multiple at which the DSO is trading, which is typically in the range of 12-15X EBITDA. The multiple is applied to the practice level EBITDA either before or after the management fee is deducted, which is an important detail to consider when comparing offers.

As a simple illustration, if a dentist sells a majority ownership interest in their practice to a DSO at a 7 X EBITDA valuation for their individual practice and a few years later the DSO recaps at a parent company multiple of 14 X EBITDA, the partner dentist doubles their money on the amount of JV Equity liquidated at the recap event. Further, if the EBITDA of the practice has grown between closing and the recap event, the partner dentist will exponentially increase their return on the liquidated JV Equity at recap.

Pros

- Best suited for dentists with a long runway to exit (many younger practice owners naturally gravitate to the JV model)
- Take meaningful chips off the table, while retaining significant equity upside
- Ongoing EBITDA distributions allow you to maintain a higher level of annual personal income
- Ability to liquidate JV equity at attractive returns at recap events
- Share directly in the profit, growth, and future value of the practice
- The selling doctor is truly a partner, not just an employee

Cons

- Retained JV equity lowers cash at close
- Profit distributions are burdened by the management fee
- Given the equity lies at the practice level, you do not benefit as directly from the growth of the DSO
- If problems arise elsewhere in the DSO's portfolio, this will impact the parent company EBITDA multiple at which you can sell your JV equity

Holding Company or Hold Co Deal Structure (partnership with parent company equity)

In a holding company deal structure, the practice owner and DSO enter a partnership transaction where the DSO buys 100% of the practice, which consists of 65-90% cash and 10-35% stock in the DSO's holding company. Unlike JV equity, holding company equity does not typically pay distributions or dividends, but typically has higher upside and less limitation on the amount of equity that can be liquidated as recap events. This scenario is similar to owning stock in Tesla or Amazon. The stock is issued to you at the current share price, and, as the DSO's parent company grows, the price of your shares increases. You share in the upside of all the current and future practices of the growing DSO. The partner doctor will also enter into a multi-year employment agreement (typically 5 years to maximize demand and valuation) at a fair market compensation rate (30% of collections for general dentists and 32-40% for specialists).

You can often liquidate up to half of Hold Co equity at your initial recap following closing and divest your remaining equity at future recaps, with your return on invested capital being influenced by how much the DSO grows in size and value from the inception of your partnership to the DSOs next recap event. For example, if your stock is issued at $1.00 a share and the DSO later recaps at $3.00 a share, you triple your money. As with any investment, there is a continuum of risk and reward. Joining a smaller, more rapidly growing DSO brings more risk and more upside than joining a larger, more established group. The timing of when you receive your stock is also key. Receiving stock shortly before a recap will produce a faster payout and lower return, whereas receiving stock well in advance of a recap will produce a longer payout and higher return. Given that you will typically liquidate your Hold Co stock over multiple recaps, you also can benefit from the power of compounding. As a simple illustration, if your equity increases in value from $1 at close to $3 (3X) at the first recap, you re-roll all $3 into the next recap cycle, and the equity increases to $6 (2X) at the second recap, your compounded return is 6 times your initial investment.

PE Firms and DSOs view buying a bundle of unintegrated or "loosely affiliated" practices as an operational headache with major risks, including a messy integration which will cause significant EBITDA erosion.

Pros

- Best suited for dentists committed to practice long-term and who prefer the upside of the DSO over the upside of their individual practice
- Take meaningful chips off the table, while retaining significant equity upside
- Ability to liquidate Hold Co equity at attractive returns at recap events
- Share directly in profit, growth, and future value of the DSO
- Feel like a partner, not an employee

Cons

- Holding Company equity investment equity lowers cash at close
- Given your equity lies at the DSO level (as opposed to the practice level), you do not share as directly in the growth of your practice
- If problems arise elsewhere in the DSO's portfolio, it will directly impact the investment returns on your Hold Co equity

Hybrid Model (partnership with practice level equity & parent company equity)

Under the hybrid deal structure, you typically receive 60-70% cash at closing, with the equity component being bifurcated into a combination of JV equity (typically 15-20%) and Holding Company equity (typically 15-20%). For example, a 60%/40% JV hybrid deal structure would result in 60% cash at closing, 20% JV equity, and 20% Holding Company equity. In this model, you have the benefit of diversification by owning stock in two different companies (both your practice and the DSO's parent company) and all of the above Pros and Cons apply.

Rollups

This concept attempts to bundle many individual practices into a "group" and market the collective to financial (PE firms) and strategic (existing DSOs) buyers. The organizer charges substantial upfront and/or ongoing fees (unlike traditional sell-side advisors who only charge a commission at closing) and also charges an above-market transaction fee if a sale ultimately comes to fruition. The theory is that a group of practices is worth a higher EBITDA multiple to a potential buyer than the practices would trade for if sold individually. However, organizers who have attempted this concept have been largely, if not entirely, unsuccessful for many key reasons. PE Firms and DSOs view buying a bundle of unintegrated or "loosely affiliated" practices as an operational headache with major risks, including a messy integration which will cause significant EBITDA erosion. The integration risks are even worse if the collective is spread out over multiple geographic markets and/or includes multiple practice types/specialties. Further risk comes from the high difficulty of getting and keeping the numerous independent practice owners on the same page in selecting the buyer, agreeing on price, and settling on a deal structure. Many of the individual owners often get tired of paying the fees as they wait for a unicorn deal to materialize and thus drop out over time, further reducing the appeal of the opportunity to potential buyers. DSOs typically avoid rollups/collectives altogether or offer to buy only a cherry-picked subset of the practices at a multiple that does not justify the extra fees.

In Closing

While understanding the intricacies of DSO deal structures is complex and critically important to maximizing your outcome in a sale, you also have to consider your WHY, focus on finding the right DSO partner for your practice, and create a competitive environment for your practice among multiple bidders to ensure you receive the highest valuation possible. If you are planning to pursue a DSO affiliation at some point in the future, we encourage you to schedule a Discovery Call with our team at McLerran & Associates to get educated regarding the multitude of options available in today's marketplace and chart a course to achieving your goals. You can reach our office at 512-900-7989 or info@dentaltransitions.com. ■

Jett Puckett

Jett earned his MBA from The Wharton School, JD from UPenn Law, and began his career in investment banking providing sell-side advisory for mergers and acquisitions in the healthcare industry followed by serving as Chief Development Officer for one of the country's fastest growing private equity-backed DSOs. In his role as Partner, Mergers & Acquisitions with McLerran & Associates, Jett utilizes his unique background in both investment banking and DSO/private equity transactions to help our clients navigate the rapidly evolving DSO landscape and monetize their practices at the top of the market.

10 Steps to Expanding Your Dental Practice Without Sacrificing Quality of Care

Enhance patient outcomes and team success as your dental practice grows.

As a dental entrepreneur, you may have dreams of expanding your practice to multiple locations, but like many dental owners, you might worry that scaling up means sacrificing the personal touch and quality care that your patients rely on. Is it possible to grow without "going corporate" or compromising the high standards your practice is known for? Absolutely.

This article will guide you through a step-by-step process to expand your practice while keeping patient care at the forefront. Scaling up doesn't have to mean losing your identity as a dental leader – done right, it's an opportunity to impact even more patients and support a thriving, motivated team.

1 Define Your Expansion Vision and Commitment to Quality

Expansion starts with a clear vision that reinforces your commitment to delivering excellent patient care, no matter how many locations you manage. As you plan your growth, define leadership strategies that prioritize maintaining or even enhancing the standard of care. Communicate this vision to your team to ensure everyone is aligned to make a greater impact without losing sight of your values.

2 Conduct Market Research with Patient Care in Mind

When choosing new locations, your goal should be more than just finding profitable areas – you should also assess how your services can meet the specific needs of each community. Conducting in-depth market research ensures that you are expanding into places where you can continue delivering the level of care your patients expect, thereby enhancing your practice's reputation.

3 Develop Financial Models that Support High-Quality Care

Expanding doesn't mean cutting corners. Develop financial models that allow you to invest in the necessary tools, team, and infrastructure to maintain high standards at every location. By securing adequate funding, you can prioritize patient experience and clinical excellence without compromising due to cost constraints.

4 Standardize Operational Systems to Maintain Consistency

One of the major concerns dental leaders have is that growth might lead to inconsistent care. The key is to implement standardized systems across locations, ensuring that all patients receive the same exceptional care. From patient management to billing and HR processes, consistency is crucial for maintaining quality and efficiency. Standardizing operations allows your practice to expand smoothly while keeping care consistent.

5 Strengthen Leadership and Communication Channels

Scaling doesn't mean you lose control over quality – it's about empowering leaders at each location to uphold your standards. A well-defined organizational structure ensures that leadership across all locations stays aligned with your core mission. Establish strong communication channels so that all team members are constantly working toward the same goals.

6 Recruit and Train Top Talent to Uphold Standards

Expansion offers an opportunity to grow your team with professionals who share your commitment to patient care. Recruiting top talent is essential, but even more important is providing consistent, comprehensive training to ensure every team member across locations meets your standards. Regular training reinforces the patient-first culture you've built.

7 Tailor Marketing to Reflect Your Commitment to Care

Growing your practice doesn't mean losing your identity. Use marketing to reflect your dedication to quality care. By tailoring your marketing efforts to each new location while maintaining overall brand consistency, you can attract new patients who value the same high standards you uphold.

8 Implement Financial Controls that Enhance Care Quality

Financial health is critical to delivering great care. Establish financial controls that allow you to effectively manage revenue and expenses without taking resources away from patient services. Additionally, ensure that each new location adheres to relevant regulations, ensuring both compliance and top-tier patient safety.

9 Measure Success with Care-Oriented KPIs

Track performance metrics that reflect not only the financial health of your practice but also the quality of care being provided. By regularly monitoring these key performance indicators (KPIs), you can quickly identify areas for improvement and ensure that every location continues to provide the level of service your patients expect.

10 Plan for Challenges without Sacrificing Care

Expanding your dental practice isn't without its challenges, but that doesn't mean your patients should feel the impact. Develop a crisis management plan that prioritizes continuity of care. Whether it's handling team turnover or operational disruptions, being prepared ensures that patients at all locations continue to receive high-quality care without interruption.

Growth Means Greater Impact

For dental entrepreneurs who want to grow, scaling doesn't have to mean sacrificing quality. In fact, the opposite is true – expanding your practice allows you to provide top-notch care to more patients and support a thriving, motivated team. By following these 10 steps, dental leaders can grow their practices without compromising their values, ensuring that every new location contributes to improving patient lives and maintaining the high standards they've worked so hard to build.

Expansion done right is about impact, not compromise. Let your growth journey enhance both the care you provide and the lives of the people you touch, from patients to team members. ■

How to Optimize Revenue by Adjusting Your Insurance Payer Mix

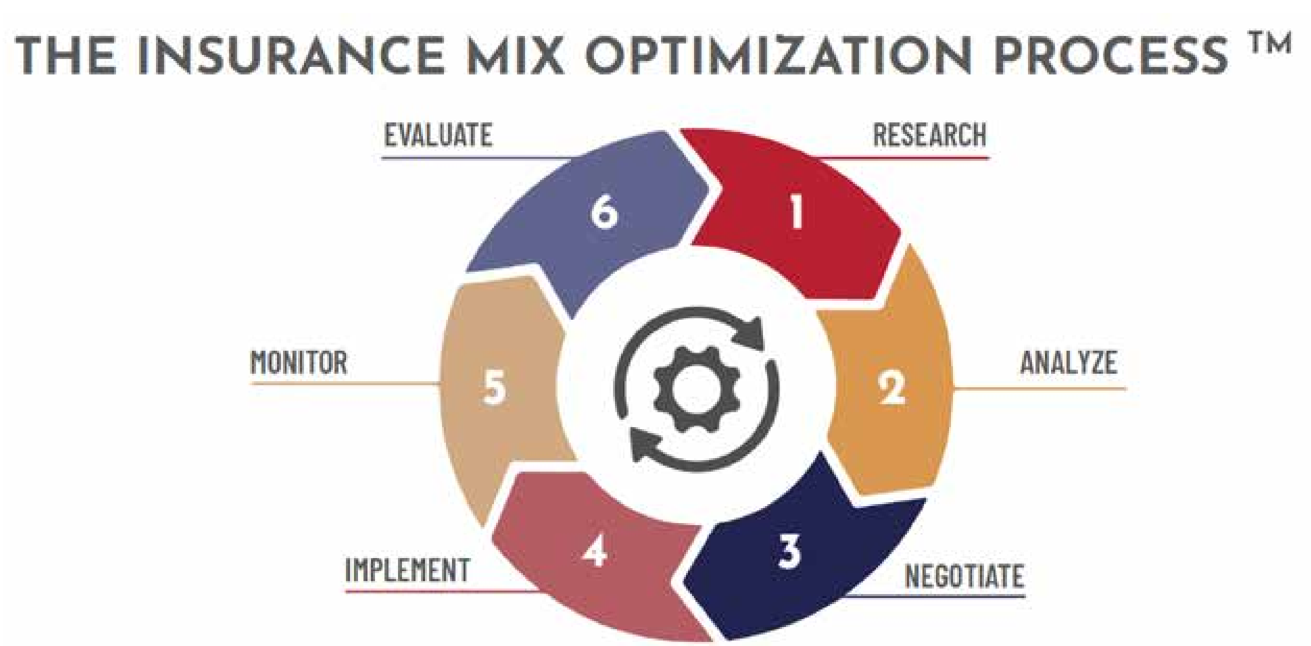
Understanding payer mixes allows dental groups to better manage their impact on the company's overall revenue.

If your business is currently losing revenue because insurance reimburse-ments aren't covering your costs anymore, you are not alone. Many expenses have steadily increased over the past couple of years and for some organizations, insurance plans haven't increased in decades. An understanding of insurance mix and negotiation strategies is therefore an essential business tactic for any profitable dental organization.

Determining your dental organization's optimal insurance mix is an important component of financial management. Insurance payer mix refers to the variety and proportion of different types of dental insurance plans. A practice negotiates and accepts specific insurance plans from each of its providers, and the corresponding distribution of patients is covered by each plan.

There are many insurance providers and coverage options available on the market today, including private dental insurance, government programs including Medicare and Medicaid, and self-paying patients. Each insurance type or plan covers a specific percentage of a practice's patients. It is important to understand these payer mixes to manage their impact on the company's overall revenue.

Dropping an insurance carrier can be a big decision for a dental organization, and it is important to understand the best steps to follow to be prepared for this type of strategic initiative. Planning for changes to the insurance mix is important, and below we'll discuss how to effectively plan for the impact of switching plans, while empowering your organization to make informed decisions as to what's best for you.



Finally, we'll cover how to conduct the necessary research and analysis to start the journey of optimizing your insurance mix, as well as a six-phase process that companies can utilize to evaluate insurance mix.

The insurance optimization process

Dental leaders involved with insurance processes may find themselves negotiating fees, credentialing with multiple individual insurance providers, and trying to determine whether to add insurance companies or get rid of some. Wherever you are at, these steps for insurance optimization can be immediately actionable now or could be used to prep for the future of business optimization.

The ideal insurance payer mix allows a company to manage its patient volume, maximize care per visit, and make informed decisions. Costs are increasing for dental companies and their patients, and this impacts revenue. When a practice can't increase visits because of capacity issues, such as provider issues or physical space, they often tend to drop some insurance plans because they don't have the ability to see that number of patients. If you can't increase visits because of capability issues, and you are also dropping the number of visits while not also increasing care per visit, then revenue will inevitably drop.

Increasing revenue is a simple formula: increasing visits or increasing patient care per visit. Understanding insurance payer mix serves to help a company make informed decisions about running their business.

EXAMPLE	# OF ACTIVE PATIENTS	% OF ACTIVE PATIENTS
Total # of Active Patients At Location	**1758**	
Delta Dental	271	15.4%
Cigna	227	12.9%
EMI	132	7.5%
Ameritas	117	6.7%
Metlife	93	5.3%
Aetna	82	4.7%
Select Health	79	4.5%
UHC	71	4.0%
BCBS	45	2.6%
MCNA	40	2.3%
DMBA	38	2.2%
PEHP	29	1.6%
Misc <25	223	12.7%

Sometimes, insurance companies may be reimbursing less than what a company is paying them, so the company is losing revenue by continuing to network with them. This is where insurance optimization becomes necessary. The DEO Insurance Mix Optimization Process simplifies this planning into steps: research, analyze, negotiate, implement, monitor, and evaluate. Our focus in this article will be on the first three steps of this process.

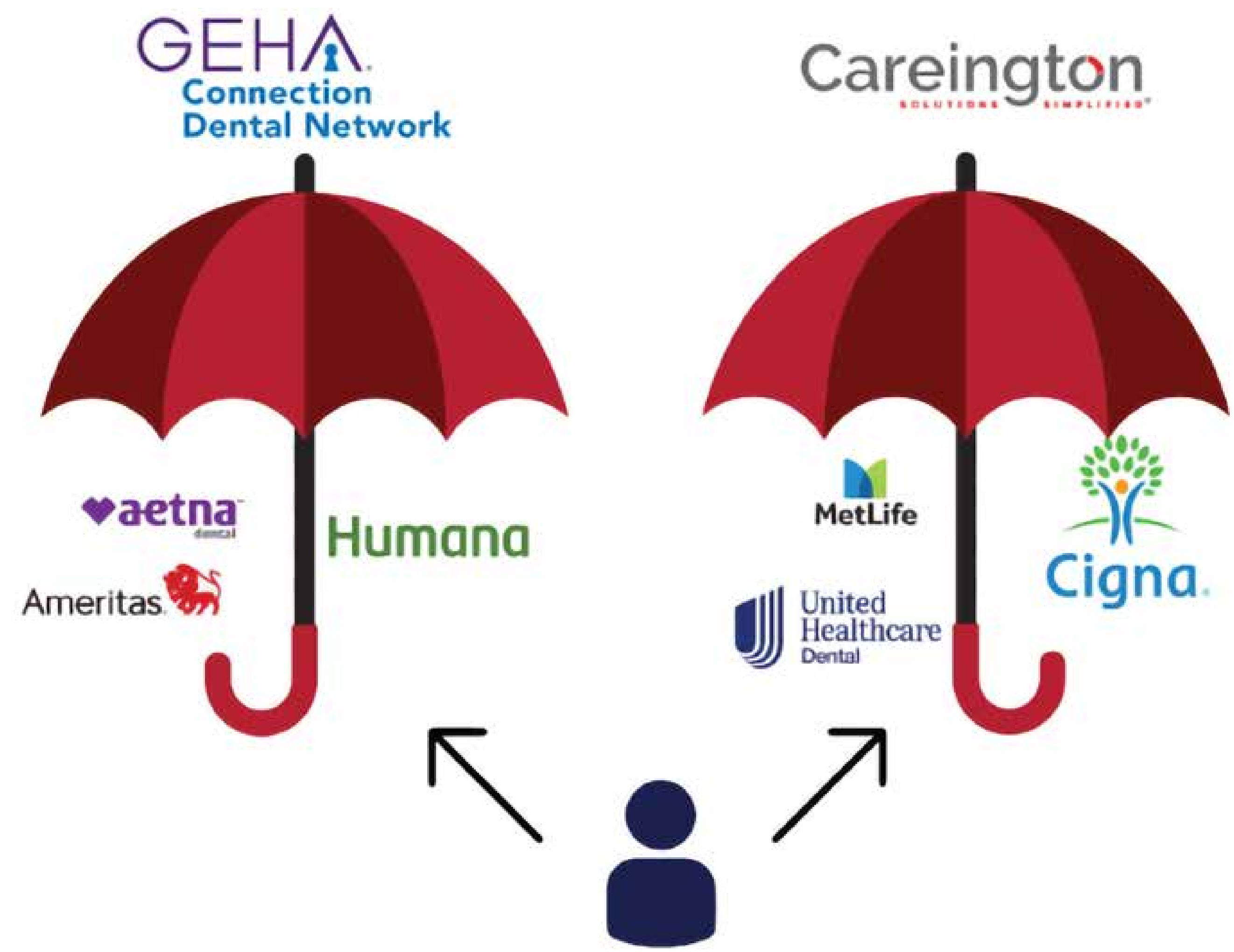
The research phase

The first step within the research phase is identifying insurance payors by location. Start here by collecting a few pieces of information from your company's practice management software. Organize data on all active patients, from up to the past 12 months. If your organization has multiple locations, find this information separately for each location. The reason for this is that you have different patient demographics per practice, and even if your organization takes all the same insurance plans across the board, you want to understand which plans are your highest patient base for each location. This way, you know which providers you need to negotiate with, which ones you may need to drop, and what your potential negotiation tactics are going to be. If there is a payer that a practice is struggling with and they're not currently on the radar, it's an easy decision to make to let go of that payer, especially if they only are supporting a few patients.

Step two of the research phase is to take the active patient data and document key codes and fees. Then, take your top revenue-generating codes from the past 90 days. In step two, we only go back 90 days because a practice may have different procedure codes that change based on whether providers come in or change. Having this information based on a shorter period allows practices to understand which of their patients they are actively seeing.

Leaders should then take the top revenue generating codes out of the practice management software for all locations (as they will all stack up differently). This piece is important because an insurance company might come back and have a 300 percent increase, and when you know your top codes, you are able to pay attention to them during negotiations and make sure to compare fee schedules compared to top codes.

Step three of the research phase is to add in your organization's current plan fees. Once you do this, you can see the cost of the top generating codes, and you can now notice details, such as when



your organization may need to cut a provider if a top generating code is losing money every time.

Fee schedules should be easy to pull out if they are already in the organization's practice management software. If not, they can be pulled from the insurance report and entered to better understand how each insurance backs up against each other.

Adjusting the usual, customary, reasonable (UCR) fees using a fee calculator is step four of the research phase. Once UCR is determined, add the organization's adjusted UCR to your scorecard to understand reimbursement to UCR. UCR is a tactic for insurance companies to conduct insurance reimbursements and should never be a fee required for your patients to pay – dental organizations are required to increase UCR to increase insurance reimbursements, so that patients don't have to pay these fees. To make the decision to prioritize an insurance provider, determine what is too low for your organization's UCR fees first.

Step five of the research phase is to add in fees for top 25 codes for umbrellas/ TPAs (third party administrators). This means that instead of having a contract with multiple insurance companies directly, contractors are instead seen under simplified umbrellas. These umbrellas allow dental organizations to have a higher overall reimbursement rate and streamline communications with each insurance company.

If insurance providers are organized into umbrellas, dental organizations will not have to negotiate with all these plans separately, they can simply negotiate with one umbrella at a time. Under an umbrella, leaders can see which insurance companies need to be at the top of all insurance providers. Naturally, a higher percentage of patients will be under the top four insurance plans, making operations much easier.

top insurance payors, and if the TPA's reimbursement rates improve your care per visit significantly. Make sure you are tackling the top payers first to get the greatest revenue increase.

In the implementation step of the Insurance Optimization Process, step four, bring the insurance

The Insurance Optimization Process will serve to simplify negotiations with insurance providers to get dental companies on track to earning more revenue.

Analyze and negotiate

Step two of the Insurance Optimization Process is to analyze, and here organizations should compare fees for individual payers against umbrellas. Analyze the data collected in the research phase and determine what it means for your business overall. In the analyze phase, decide what you are going to do with the insurance numbers found in the previous step. Make sure you go back and forth with the insurance companies to fully understand the numbers that you are working with.

In the negotiation phase, step three of the Insurance Optimization Process, leadership decides whether to negotiate individually or to sign up with a TPA/umbrella. Option A within this step is to negotiate with individual payers, considering first if your top payors aren't covered under a TPA, or if your top payers' fees are higher than your TPA's fees. Option B is to sign up with a TPA/umbrella, and factors to consider here are if the TPA covers several of your current decision back to the team level and evaluate why you are trying to increase insurance reimbursements, why you're trying to optimize, or why you are trying to drop plans.

In the monitor step, step five, make sure to go back and evaluate if insurance payors paid what they said they would, and double check that you are getting paid correctly. In the evaluation step, step nine, determine how often you can renegotiate; dental leaders are often surprised at how often insurance providers will renegotiate plans.

The Insurance Optimization Process will serve to simplify negotiations with insurance providers to get dental companies on track to earning more revenue. Begin by identifying your top insurance payers, document codes, don't be scared to adjust the UCR, find out if fees for an umbrella if this route will be better for you, drop them in the patient management software and analyze them, and then decide if you want to negotiate individually with providers or want to sign up for umbrella plans. ■

The DEO Profitability Path

How to maximize profit in any dental organization.

Maximizing profitability is the goal for any business, and the DEO Profitability Path empowers all types of dental organizations to achieve that goal. Some dental organizations may be working on profitability as a current constraint within their business, while others may be preparing to act for the future when profitability becomes a focus.

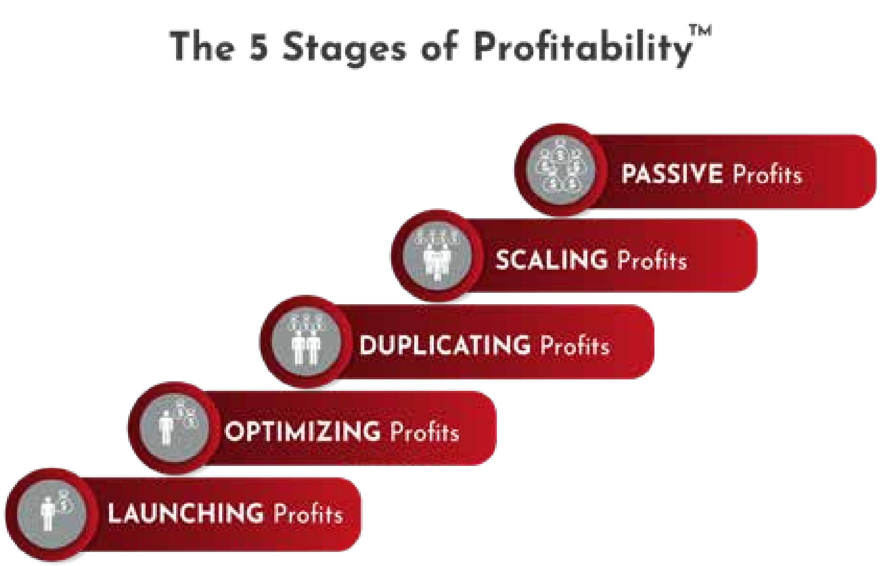
Getting to passive profits starts with knowing where most businesses stumble on the entrepreneurial journey and how to keep moving forward. This article will discuss the pathway to passive profits, and you'll leave with an understanding of where most organizations fail in their entrepreneurial journey, how to fix it, and solutions on how to build an action plan to increase profit.

As an entrepreneur, the keyword is journey. Your success is multifaceted, encompassing both a leader's personal and professional aspirations. Profitability may be a place in your business that needs support, and every business, no matter the stage they are in, starts at the launching profits stage and works to achieve passive profits.

The Five Stages of Profitability

The DEO guides dental organizations with steps to achieve maximum profit and have consistent passive profits:

- Launching profits
- Optimizing profits
- Duplicating profits
- Scaling profits
- Passive profits



The launching profits stage happens early on within the establishment of a dental organization, or each time a new practice or specialty service is started. In this stage, dental leaders are innovating and trying to figure out the customer's needs, practice procedures, and how to create a viable financial model. A dental organization in this stage is at negative profitability and is trying to break even. The team here is going to be lean enough to slowly build out the patient flow.

Optimizing profits is the second stage, where leaders develop the business' clinical capabilities for a procedure mix, with the goal of taking the organization above 20% profitability. Here, evaluate the current net income of the company and determine if you're close to 20%. Consider net income along with marketing strategies for patient flow and cost structures for ideal profitability. The net profit margin should be above 20% after associate pay within an ideal cost structure for profitability.

Optimization starts from the bottom up. Look at corporate costs and determine if there is anything to optimize, such as the IT team, before cutting dentist's salaries. Optimize first at the DSO corporate level, and then move up through the staff, labs, supplies, etc. The accounting piece of the puzzle is important and considers the combined clinical cost between hygienists and doctors. The optimizing profits step takes the core business model of an organization to the next level by considering ways to optimize and vetting vendors, developing practice leaders, and following systems for higher performance. The optimizing stage is a constant and ongoing step for a dental organization looking to build out new locations.

Duplicating profits, the third stage of the Profitability Path, involves the transition from full-time clinician to clinical leader. Clinical leaders in this stage effectively recruit and mentor additional clinical team members. Here, profit is created by new clinical team members and are being integrated into the culture and systems of the practice. Profit from extra staff adds doctors to a single location.

The core of any business is building overhead and putting income through to fall out as profit. Duplicating profits is understanding how to add new clinical team members to build this profit. The duplication step aims to get more out of associates to build a clinical standard of care and in turn, profit gets created by additional team members. Emphasis in this stage is on adding associates and growing them. Growing associates is ultimately one of the most powerful business tactics a dental organization can focus on within their business model.

Growth and expansion to maximize profit

As dental businesses continue to expand, they encounter increasing opportunities to maximize profits within growth.

The fourth stage of the Profitability Path, Scaling profits, identifies ideal practice locations for expansion. These locations should meet the core competency of the team for the organization to acquire or build from scratch. Eventually, scaling must happen, because a dental company only has so much facility space, or an organization has already tapped the local market completely, and the time has come to open more locations. Profit in this stage comes from adding locations and additional profit in a "copy and paste" format.

Within scaling, copying, and pasting, or taking the exact structure of an organization and starting a new one, is important. There is a distinction, however, between the scaling and duplicating stage. When duplicating, you're adding an individual or individuals to a practice. When you're copying and pasting entire locations, this is known as scaling, which includes adding locations within the organization. Scaling requires an understanding of patient demographics and then "copying and pasting" to follow the successful practice model in a new location to scale profits.

Launching profits refers to when a dental company copies and pastes locations and includes when they add a new service when opening this new location, such as adding orthodontics to a pedo dental practice.

It is important not to launch multiple different models at one time, as this can be difficult to keep up with and manage. If you are going through the process of scaling correctly, it should feel like "copy and paste," and be a smooth process. Entrepreneurs especially can struggle with this process because it is straightforward and systemized, so for them, it can be less exciting and innovative. Remember that success in this stage is about moving from dopamine hits to serotonin hits, and it should be a time to be operationally grounded and develop things out, not be looking for the next hot thing. If you are feeling frazzled and overwhelmed, you are not scaling correctly or effectively.

Overall financial clarity will provide a business with the strategic levers needed to move a business forward.

Begin scaling only when you are clear on the systems and processes required to manage the organization as a whole. The scaling step is about profit, and here dental leaders must centralize operations and add additional management to help build out additional locations. Copy and paste in this step and add services only by what you've optimized at single locations so far.

Finally, achieving Passive profits means that dental leaders have minimized their active involvement in the operations of the business through delegated operational leadership. Here, a leader presents a

	Launching Profits	Optimizing Profits	Duplicating Profits	Scaling Profits	Passive Profits
OWNER	Determining customer needs, procedures, team requirements, and a viable financial model.	Optimizing the clinical capabilities for your procedure mix, along with marketing strategies for patient flow, and cost structures for ideal profitability.	Transitioning from full time clinician to clinical leader who effectively recruits and mentors additional clinical team members.	Identifying ideal locations that meet the core competency of the team to acquire or build from scratch.	Minimizing active involvement through delegated operations leadership and executive led business capabilities.
TEAM	Local team is very lean and just sufficient enough to allow patient flow to build.	Developing practice leaders. Systems are being followed that support high performance. Vetting and hiring ideal vendors that match the business needs.	New clinical team members are being integrated into the culture and the systems of the practice.	Additional middle management such as regionals as well as centralized or support services, to help build and manage the additional locations.	Executive leadership and middle management focused on driving expansion and efficiency.
PROFIT	Negative profitablity seeking to get to break-even.	Net profit margin at practice(s) is under 20%. after associate pay equivalent is entered in for the doctor owner compensation.	Profit is being created by additional clinical team members.	Adding locations and additional profit in a copy and paste fashion.	Owner's income is strictly from net profits which allows them to work where they want, how they want, and as often as they want.

strong, strategic executive mindset, and middle management is focused on driving expansion and efficiency. An owner's income within the passive profits stage is strictly from net profits, which allows them to work where they want, when they want, and as often as they want.

Passive profits are about knowing how to delegate and lead as an individual and doesn't necessarily mean you have a full executive team. A leader should aim to go from being paid as an associate to being paid strictly from income within passive profits.

Passive profit and financial clarity

To begin the process of moving across these steps and scaling up, dental leaders should refer to the profitability cycle first for financial clarity on their business. The DEO has created this tool to allow leaders to go deep into their business' financials and understand where they are within the Five Stages of Profitability.

Once leaders understand their financials, they can start to identify where their core constraints are in the profitability cycle. Whether you're moving toward passive profits so that you have a lifestyle business, or so that you can sell the business, you're going to build out the organization the same way.

Overall financial clarity will provide a business with the strategic levers needed to move a business forward. Start with financial clarity, and then look at the revenue and collections piece. For most of dental, there is a revenue cycle management piece (RCM), team alignment, and expenses to financials, and once we solve all of this, it is a continuous process within the Profitability Path to continue to review financials repeatedly.

The Five Stages of Profitability matter because maximizing profits effectively can be a messy journey, but if leaders follow this process, they can start to understand the why – so dental organizations can scale, optimize, and organize much more efficiently.

The Profitability Cycle Assessment ultimately determines an organization's best way to maximize profits. If your organization is in multiple phases at the same time, start with the practice that is in the earliest stage first. This may mean that you need to stop doing profit launching activities for a period to better understand other aspects of the business, such as going back to the optimizing stage before scaling.

Start by getting a clear idea on the stage that your organization is in within The Profitability Cycle, understanding that it may be multiple stages at once. When scaling, limit launching profit activities and focus on optimizing profit activities. Talk these steps through with teams, and get clarity on the stages that each one of your practices' is in. ■

Doing More By Doing Less

T-I-M-E. They ain't making more of it and you can't buy more of it!

BY J.W. OLIVER, MANAGING PARTNER, SUPPORTDDS

Being an effective and creative leader is not about learning to do more, but developing others around you so you can do less. Most CEOs, entrepreneurs, and business leaders are visionaries. They see what others do not. They cast the vision and see a direction, plan, or a solution that most would never dream about. However, most get caught up in the details and fail to stay focused on the vision.

We all get the same amount of time – 168 hours every week. How we use the time is crucial as leaders to achieve our goals. How we let go and let others do more, can determine just how high we will fly! We hear the term "hit the ceiling", but we just may be the ceiling!

Time runs out quickly every day for us all. Work always has the day-to-day, the projects, and the new venture or idea that will potentially be a game changer for us. Then there is our health. We need time to cook/eat right, exercise, stretch, and more. Oops, don't forget the quiet time. Meditate, pray, read, journal, or take a stress walk. The kids need to be fed and help with that science project, there are the ballet lessons and of course, don't miss those private baseball lessons! Church, rotary club, and the board you serve on all need a hand this week. Can you spare a few hours? You haven't even had time to scroll the latest election news, sports scores, or blockbuster NFL trades. Whew…now that's a schedule!

OOPS…One more thing…. your spouse. Where did the week go? Our last date night was 8 weeks ago, and we ate a corn dog at 7-11 for that date. You are such a romantic!

You get it. We are BUSY! We are all looking for ways to do more while saying no to more or better yet delegating. We all want to achieve our goals and stay on track to see our vision become a reality!

There are four easy words to make a habit so you can 2x or even 3x your time. We will stay at a high summary level, but you will get the picture.

Eliminate

- What task should you be saying no to? What can you eliminate from your "to-do" list?

Automate

- What tool or software can you leverage that will help automate the process, so it becomes less labor-intensive?

Delegate

- What can you delegate to others? What items are you doing that have a low ROI, are repetitive, or someone else can simply do it better? How could you leverage remote/virtual teams to delegate more as you scale toward your vision?

Concentrate

- Once you develop the habit of the four listed here, you can now FOCUS on those tasks that help you get closer to your vision!

Once you have mastered these four habits, you can FLY HIGH!

Let Go

- Let go of all that you think ONLY you can do.

Go High

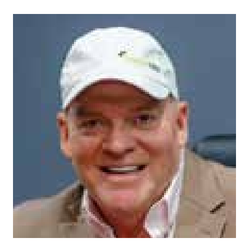
- Go HIGHER not wider. Stay focused on the Vision.

Don't Go

- Don't get caught up in the details. Let others go for you.

Go Fast

- Don't listen to the negative nellies, Go For It! ■



J.W. Oliver Jr. is the Managing Partner for SupportDDS. They offer "Insourcing" services to DSOs and Dental practices with centers in Africa and Central America.

How P&L Benchmarking Can Transform Your Dental Practice

Discover how dental leaders can boost financial health and growth by leveraging P&L benchmarking insights.

Are you making the most of your dental practice's financial potential? For many dental entrepreneurs, one of the most pressing questions is how to improve profitability without compromising patient care. The answer often lies in the power of Profit and Loss (P&L) benchmarking. By evaluating your practice's performance against industry standards, you can uncover hidden inefficiencies, optimize operations, and drive growth. In this guide, we'll explore how dental owners can use P&L benchmarking to enhance both financial health and operational efficiency.

What is P&L Benchmarking?

P&L benchmarking allows dental practices to compare their financial performance with peers in the industry. It's not just about crunching numbers – it's about gaining a clearer understanding of where your practice stands. Are you spending too much on supplies? Could your profit margins be better? P&L benchmarking shines a light on areas where you can improve, helping dental leaders make data-driven decisions.

For dental practice owners, this tool becomes invaluable as it highlights areas that may be dragging down profitability. By comparing metrics like revenue, cost management, and expenses against industry averages, dental entrepreneurs can identify specific areas where they are underperforming and take strategic action to improve.

Key Financial Metrics for Dental Entrepreneurs

When diving into P&L benchmarking, certain financial metrics are crucial for measuring the health of your practice:

- **Revenue:** This is the total income your dental practice generates. Tracking revenue helps you understand how well your practice attracts and retains patients.
- **Cost of Goods Sold (COGS):** COGS includes the direct costs tied to dental services, such as materials and labor. Managing COGS is key to maintaining solid profit margins.
- **Gross Profit Margin:** Subtract COGS from revenue, then divide by revenue to calculate this metric. A higher margin reflects better cost control and operational efficiency.
- **Operating Expenses:** These include rent, salaries, utilities, and marketing. Keeping operating expenses in check directly influences your practice's bottom line.
- **Net Profit Margin:** This metric reveals how much profit remains after all expenses. It's the ultimate indicator of financial health for a dental leader.

The Process of P&L Benchmarking

To successfully benchmark your dental practice's performance, follow these steps:

1. **Data Collection:** Gather financial data for a specific time period (typically a quarter or a year). This includes revenue, costs, and other key expenses.
2. **Industry Comparison:** Compare your data against industry benchmarks. These benchmarks can be found through industry reports or financial databases specific to dental practices.
3. **Gap Analysis:** Identify areas where your practice underperforms compared to industry standards. This analysis highlights areas for improvement, allowing you to take proactive steps.

By following these steps, dental entrepreneurs can make informed decisions that lead to better financial outcomes and more sustainable growth.

Turning Insights into Action

The real value of P&L benchmarking lies in the actionable insights it provides. Here are a few ways dental owners can turn benchmarking data into strategic actions:

- **Cost Management:** If your practice's COGS is higher than industry averages, investigate where costs can be trimmed without sacrificing patient care. Negotiating with suppliers or optimizing staff utilization could result in significant savings.

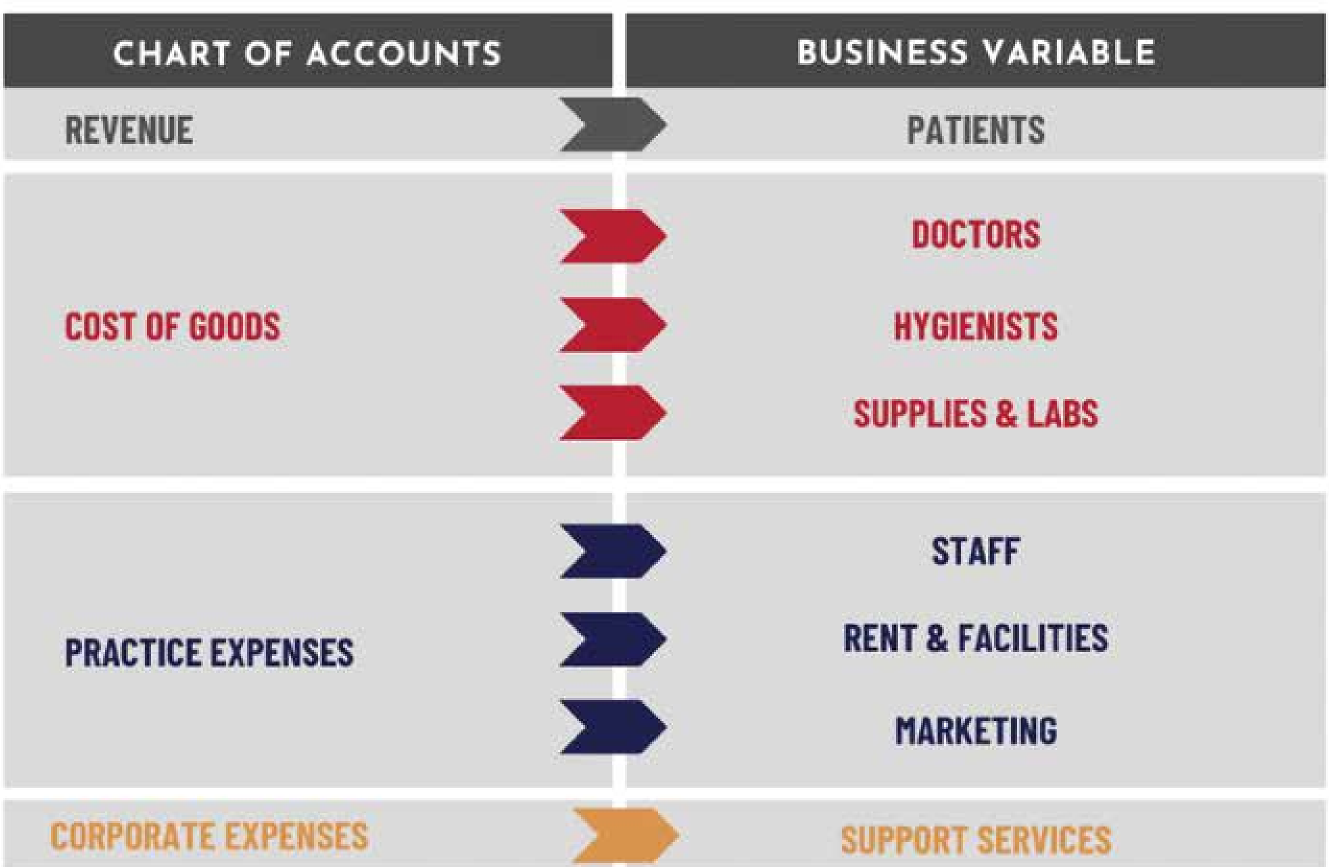
- **Revenue Boosting:** By focusing on high-margin services that bring in more revenue, dental practices can enhance profitability. Promoting these services more effectively could attract higher-paying patients.
- **Operational Efficiency:** P&L benchmarking may reveal operational inefficiencies. Addressing issues like excessive time on administrative tasks or underutilized staff can improve productivity and reduce costs.
- **Pricing Strategy:** Knowing how your fees compare with competitors is essential. You might find opportunities to adjust your pricing for certain services, ensuring competitiveness while maintaining profitability.

Implementing Changes for Long-Term Success

Once you have identified areas for improvement, the next step is implementation:

- **Set Clear Objectives:** Establish measurable goals based on benchmarking insights, focusing on cost reduction, revenue enhancement, and operational efficiency.
- **Monitor Progress:** Keep track of your financial performance regularly to ensure that changes are making a positive impact.
- **Embrace Continuous Improvement:** P&L benchmarking is not a one-time process. Regular reviews ensure that your dental practice continues to evolve and improve, adapting to the ever-changing landscape of the dental industry.

Incorporating P&L benchmarking into your practice's financial strategy can unlock new avenues for growth and profitability. For dental entrepreneurs and dental owners, this tool is key to staying competitive, thriving in the market, and ensuring long-term success. ■



The Winning Formula for Driving Profit in Your Dental Group

Discover how strategic moves by SohDental transformed their financial margins and learn how to apply these insights to your dental practice.

Improving margins is essential for every dental entrepreneur seeking sustainable success. But what if the secret to boosting your dental practice's profitability lies in a few strategic adjustments? Dr. Samson Liu, CEO of SohDental, has done just that. Through his recent DEO presentation, Dr. Liu shared how his organization enhanced their margins using key strategies that any dental owner or leader can implement. Are you ready to transform your practice's financial health? Let's dive in.

1. Mastering Insurance Negotiations

What's the first step to increasing revenue? According to Dr. Liu, it's mastering insurance negotiations. This means more than just agreeing to terms – it's about playing the long game with analytics and persistence.

- **Analyze UCR Fees:** Check that your usual, customary, and reasonable (UCR) fees are competitive in your market. This step is crucial to leveraging higher reimbursement rates.
- **Submit Full Fees:** Always submit the full fee when filing claims to push for better reimbursements.
- **Direct Contracts vs. Networks:** For larger DSOs, consider negotiating direct contracts with insurers. Direct arrangements often yield better returns than network agreements.
- **Focus on Key Codes:** Pinpoint the top 20 revenue-generating codes and focus your negotiations here.
- **Be Persistent:** Negotiation isn't a one-and-done deal. Dr. Liu emphasizes persistence, noting that his team doesn't back down until they achieve their goals.

Imagine taking these actions at your own practice. How much more could you be bringing in by negotiating smarter?

NEGOTIATING INSURANCES SAMPLE

	January		February		March		TOTAL	
	CURRENT	%AR	CURRENT	%AR	CURRENT	%AR	CURRENT	%AR
Total Net Revenue (Collections)	$529,266.82	100.00%	$466,191.00	100.00%	$559,112.39	100.00%	$1,554,570.31	100.00%
Cost of Goods Sold	$205,696.00	38.86%	$175,465.00	37.64%	$255,463.00	45.69%	$636,624.00	40.95%
GROSS PROFIT	$323,570.82	61.14%	$290,726.00	62.36%	$303,649.39	54.31%	$917,946.31	59.05%
Practice Expenses	$196,585.00	37.14%	$185,656.00	39.82%	$225,768.00	40.38%	$607,989.00	39.11%
NET OPERATING INCOME	$127,005.82	24.00%	$105,070.00	22.54%	$77,881.39	13.93%	$309,957.31	19.94%
Other Income	$500.00	0.09%	$500.00	0.11%	$500.00	0.09%	$1,500.00	0.10%
Other Expenses/ Corp Expense	$22,877.00	4.32%	$25,788.00	5.53%	$32,877.00	5.88%	$81,542.00	5.25%
Total Other Income/Expense	$23,377.00	4.42%	$26,288.00	5.64%	$33,377.00	5.97%	$83,042.00	5.34%
Non-Operating Expenses	$15,000.00	2.83%	$15,000.00	3.22%	$15,000.00	2.68%	$15,000.00	0.96%
NET INCOME	$88,628.82	16.75%	$63,782.00	13.68%	$29,504.39	5.28%	$181,915.31	11.70%
EBITDA	$103,628.82	19.58%	$78,782.00	16.90%	$44,504.39	7.96%	$226,915.31	14.60%

2. Lowering Supply Costs Without Compromising Quality

The second area where SohDental saw significant margin improvement was in supply cost reduction. Here's the system they used:

- **Bulk Purchasing:** Volume speaks. By committing to larger orders, SohDental secured better prices from suppliers.
- **Manufacturer Direct Negotiations:** Cut out the middleman. By negotiating directly with manufacturers, they gained more transparency and better pricing.
- **Standardize Supplies:** One key to reducing costs was standardizing supplies across all locations, allowing SohDental to take advantage of economies of scale.
- **Monitor Budgets:** They set a monthly supply budget and monitored it closely. This budget, based on a percentage of collections, ensured they stayed on track.

As a dental leader, consider how streamlining your inventory or negotiating directly with manufacturers could benefit your margins.

3. Optimizing Labor Costs

Labor costs are a massive expense in any dental practice. Here's how SohDental made their team more cost-efficient:

- **Centralize Billing:** By moving

revenue cycle management from individual offices to a centralized location, SohDental reduced duplicative roles and increased efficiency.

- **Leverage Technology:** They used platforms like AirPay to automate tasks such as insurance verification, saving both time and labor costs.
- **Flexible Staffing Models:** Tailoring staff numbers to actual patient demand prevents overstaffing and ensures efficient service delivery.
- **Continuous Training:** By investing in ongoing training, SohDental's team became more productive, handling higher patient volumes without the need to increase headcount.

Are you maximizing your team's efficiency? Think about the impact of centralizing tasks or automating processes at your dental practice.

4. Tracking the Right Metrics

Finally, success is nothing without measurement. SohDental monitors several key performance indicators (KPIs) to ensure these strategies continue to drive profitability:

- **Net Revenue:** Regularly track your collections.
- **COGS (Cost of Goods Sold):** Keep supply costs in check as a percentage of revenue.
- **Gross Profit & Net Operating Income:** These are essential for understanding overall efficiency.
- **EBITDA:** This metric gives you a clear view of your practice's financial health.

As a dental owner, do you have a system in place to monitor these vital KPIs? Tracking them is the key to staying profitable.

Dr. Liu's strategic moves offer a blueprint for any dental entrepreneur aiming to enhance margins. Whether you focus on insurance negotiations, supply chain efficiency, or labor costs, the message is clear: relentless pursuit of operational improvement is what turns a fragile dental practice into a thriving, profitable organization. ■

Next Level

Shaping the future of mid-market DSOs.

BY ANDREW SMITH, CHIEF EXECUTIVE OFFICER, ADSO

Dental support organizations (DSOs) represent a vital segment of the dental industry, allowing dentists to focus on what they do best: delivering high-quality dental care and improving patient experience. With these organizations continuing to play a critical role in the future of modern dentistry, the Association of Dental Support Organization (ADSO) remains committed to helping ensure mid-market size DSOs navigate the opportunities and challenges that come with business expansion.

Mid-market DSOs – those serving no more than 75 dental offices – represent a unique blend of innovation and adaptability, introducing fresh perspectives and approaches to the way dental care is delivered. These organizations are nimble enough to innovate while still having the capacity to make a significant impact in the dental industry. At ADSO, we see mid-market DSOs as key players in the future of our industry, pioneering new business models and promoting a forward-thinking and entrepreneurial spirit to patient care across the country.

Last year, we launched the ADSO Next Level Mid-Market Conference, an event specifically tailored to addressing the specific needs of mid-market DSOs and equipping industry executives with strategies for mapping out the early stages of their dental group's expansion. This educational and networking conference offered industry leaders tools and insights to navigate the complexities of growth, from scaling operations to implementing new technologies.

Last year's inaugural conference delivered on its promise of providing a highly curated learning experience. It offered dynamic keynotes, interactive sessions, and intimate networking opportunities that facilitated collaboration and knowledge exchange. The discussions provided attendees a breadth of insight, from the integration of modern technologies to strategies for economic resilience, helping participants develop actionable plans to tackle the opportunities and challenges their dental groups face. The event also featured a Founders Forum, where DSO founders shared experiences from their own journeys, offering real-world takeaways for scaling businesses effectively.

The collaborative environment and idea-sharing from last year's event were exactly what we had envisioned when the ADSO developed Next Level. By bringing industry leaders and experts together and creating meaningful connections, executives left with not only new approaches to their business but also new partnerships.

This December's 2024 ADSO Next Level Mid-Market Conference will expand on last year's achievements while introducing new elements designed to meet the evolving needs of mid-market DSOs. Beyond business practices, technology integration, and our Founders Forum, this year's conference will also spotlight the critical role of organizational culture in driving long-term and sustainable success. In today's dynamic economy and as a dental workforce shortage increases demand for providers, fostering a strong and mission-driven culture is more essential than ever.

As the dental industry continues to evolve, mid-market DSOs are uniquely positioned to lead the charge in delivering innovative, patient-focused care.

As the dental industry continues to evolve, mid-market DSOs are uniquely positioned to lead the charge in delivering innovative, patient-focused care. Our Next Level Mid-Market Conference serves as a catalyst for this transformation, offering DSO leaders the resources, connections, and strategies they need to thrive in a changing marketplace. Whether it's through leveraging new technologies, refining operational efficiencies, or fostering a culture that prioritizes patient and employee satisfaction, attendees will leave the event equipped to navigate their organization's next phase of growth. ■

Can You Run a Business Without Having a Budget?

BY MICHELLE LEE, CFO, LEEANNE CFO ACCOUNTING

Are you struggling to keep track of your finances and feeling overwhelmed? This is likely because you don't have a budget in place. By sticking to a budget, your money will be allocated to where it needs to go, leaving room for more financial stability. As a result, you will feel more at ease when managing your business. Say goodbye to the chaotic and out-of-control feelings that come with not having a budget. Remember, budgeting means taking charge of your money and having a plan in place for running your business. Keep this in mind as you create your budget.

1. **Set clear goals:** Start with the end goal in mind. How much do you want to grow in the next year?
2. **Be realistic:** You should set realistic expectations when creating a budget. Operating a practice can sometimes be unpredictable, so it's important to know where money can be moved within it.
3. **Be flexible:** Using up-to-date data allows you to be flexible and make adjustments to your budget when you realize something in your budget is not working. As a result, you can get an idea of where you stand right now, how much you can afford, and how much your practice is projected to earn in the future.

Five Steps to Budgeting

1. **Look at historical data:** When formulating your budget, consider the following factors:
   - Increased revenues based on new patients
   - Better collection percentages
   - Decrease in clinical and office supply costs
   - Salary increments for dentists and other staff
2. **Creating a wish list** of purchases will help improve the efficiency of your practice and boost your bottom line. Consider both the clinical and administrative aspects when planning this.
3. **Investing in insurance** and establishing clear policies allows your practice to focus on what it does best – care for patients.
4. **Calculate projections for the upcoming year:** You should be able to calculate projections for the upcoming year after assessing your variable and fixed expenses. When calculating your projections, keep the following in mind:

   Your revenue - One of the first factors you must consider when calculating projections is your revenue forecast.

   Your expenses - Once you have your revenue projected, you must make a list of all the expenses and how much they'll cost you.
5. **Monitor your Budget:** To use budgets effectively, they must be reviewed and revised frequently. As an entrepreneur, you should make it a point to review your budget monthly.

Talk to Good Margins Dental Accounting about how "Win the Quarter, Month, Week and Day" can help you identify fluctuations and variances early to capitalize on opportunities and avoid pitfalls. ■

Michelle Lee

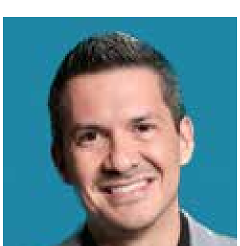
Michelle has extensive experience from junior level responsibilities to upper leadership positions. She has completed all the required CPA experience and education. Areas of experience include: A/R, credit & collections, A/P, general ledger, month-end close, financial statements, annual budgeting and forecasting, external audit management, statistical analysis of financial information, fraud and loss prevention, complex account reconciliation and accruals, inventory management, payroll processing, and benefits and human resources administration.

Michelle has been working in accounting for 30 years, five years being in the health service related industries. She holds a bachelor's degree in Accounting and an MBA in Finance. She has held the titles of Director of Finance, CFO, and Controller in businesses ranging from a city municipality to construction to dental.

Beyond the Microphone

Unlock the secrets to building a thriving dental organization with DEO's Growth Secrets Podcast.

Jake Puhl, CEO of The DEO and host, interviews a diverse line-up of dental industry leaders, revealing the secrets behind their success and extracting the tactics and tools they used along the way that can be incorporated by all listeners. In each episode, guests share their wisdom and insights in never-before-told stories that dig deeper into the challenges, failures, and triumphs that leaders face as they strive to build thriving organizations.



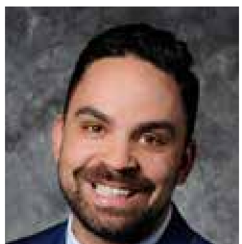
Jamie Viramontes

EP #207: Building People-First Cultures to Attract and Retain Top Talent

Jake Puhl, CEO of the Dentist Entrepreneur Organization, hosts Jamie Viramontes, Founder and CEO of Konnect. Jamie shares insights from his 25-year career in human resources, discussing how to attract and retain top talent in the dental industry. They explore the current labor challenges, such as managing generational gaps and creating engaging workplace cultures. Jamie emphasizes the importance of connecting with employees and developing career paths to improve retention. He also discusses the ROI of effective HR strategies and how Konnect helps dental practices build scalable, people-first cultures.
(*Sponsored by Konnect*)

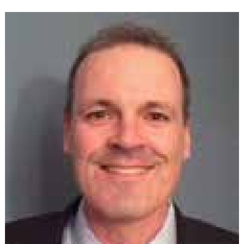
EP #208: Grow Your Dental Practice with Streamlined Ortho Care and Financing

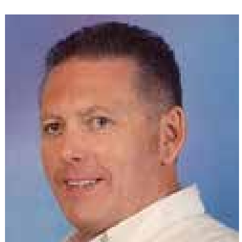

Kevin Gladstone


Jay Hogan

In this episode, Jake Puhl, CEO of The Dentist Entrepreneur Organization, hosts Kevin Gladstone, Director of Sales at OrthoFi, and Jay Hogan, Vice President and Co-Founder of PerfectFitOrtho. They discuss a powerful partnership aimed at helping dental practices offer more orthodontic care, streamline treatment plans, and simplify payment processes for patients. Kevin and Jay share how combining flexible financing with efficient workflows can boost case acceptance and profitability. If you're a dental entrepreneur looking to grow your ortho cases and enhance patient satisfaction, this episode is for you!
(*Sponsored by AcceptCare*)

EP #209: Cut Costs, Not Quality: Secrets from VOCO Experts


Brian Curley


Gregor Connell

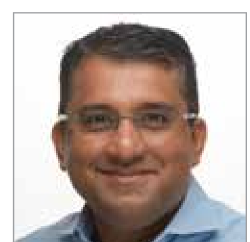
Jake Puhl, CEO of the Dentist Entrepreneur Organization, hosts Gregor Connell, Director of Clinical Education, and Brian Curley, Director of Strategic Markets at VOCO America. They dive into the critical balance of cost and quality in dental supplies, exploring why "cheap" isn't always best. Greg shares insights from his 35 years in the field, offering clinical solutions to common dental challenges, while Brian discusses how VOCO's innovative materials help practices save money without sacrificing quality. Together, they cover change management, product efficiency, and the impact on both small and large dental groups, making this a must-listen for growth-minded dental entrepreneurs. (*Sponsored by VOCO*)

EP #210: How to Stop Losing Patients with a Membership Continuity Plan


Paul Lowry

Are you losing 9 out of 10 uninsured patients and not sure why? In this episode, Jake Puhl, CEO of the DEO, talks with Paul Lowry, CEO & Co-Founder of Dental Menu, about a membership continuity plan that's helping practices solve retention problems and boost profitability. They reveal shocking stats on patient retention and explain how a true membership continuity plan can keep patients coming back. You'll learn the difference between discount plans and real membership programs, plus long-term strategies to maximize patient value. Tune in to discover how to grow your practice with smarter, more effective solutions.
(*Sponsored by Dental Menu*)

EP #211: CEO Series: Is AI the Path to Dental Growth or Is It People


Amol Nirgudkar

Is AI the future of dental leadership – or just another tool? In this episode of our CEO Series, we sit down with Amol Nirgudkar, a tech innovator & CEO at Patient Prism, to explore his unique perspective on AI's role in transforming dental practices and the world beyond. He shares insights into how AI can identify hidden challenges yet emphasizes that true growth still relies on human connection and a leadership mindset. This conversation offers a thought-provoking look at how tech and humanity intersect, inspiring dental entrepreneurs to lead with purpose as they grow. ■

Listen On:

Grow Your Practice Revenue with Philips Sonicare Teeth Whitening Kits

Help your patients love their smiles with convenient, professional whitening solutions.

Discover a bright idea to help grow your practice—Philips Sonicare Teeth Whitening Kits, sold directly through you. The latest numbers show 79% of US adults that visit the dentist are very conscious about the appearance of their teeth, so now's the time to capitalize on this interest. With these kits, you can help patients understand why professional solutions are the ideal choice for whitening teeth by offering a proven, convenient solution right in your practice.

When you offer Philips Sonicare Teeth Whitening Kits in your practice, you show patients that you're committed to helping them achieve smiles they love. This can help increase case acceptance and engagement as they see that you're in tune with their smile goals. Plus, you don't have to set aside chair time in doing so, since patients just grab the kits at your practice, then mold and wear trays in the comfort of their homes.

Philips Sonicare Teeth Whitening Kits are available in two gel concentrations, both developed by dentists and proven safe on enamel. For patients who want to achieve strong results, the Advanced solution is made with 9.5% HP and is clinically proven to whiten up to 5 shades.[1] If patients are more concerned about sensitivity, the Caring choice is made with 6% HP and is clinically proven to whiten up to 4 shades.[2]

Whichever concentration patients choose, they'll experience high speed whitening and low sensitivity,[3] with first results in just 3 days. After patients shape the easy-to-mold semi-custom trays to their unique smiles, they apply the gel with simple instructions and wear the trays for 30 minutes each day. The gel molecules break down stains from the inside to whiten teeth, removing years of intrinsic stains.[4]

Your guidance counts. Now's the time to talk with patients interested in teeth whitening about why Philips Sonicare Teeth Whitening Kits are better than over-the-counter options. In addition to helping them achieve the smiles they want, these solutions also offer a unique opportunity to grow your practice without having to increase chair time. Whether you already offer whitening options or are starting from scratch, these kits present a turnkey, effective way to show patients that you have their interests in mind. Learn more by visiting the Philips website or reaching out to your Philips representative today. ■

1 72% of 64 participants, US, 2022.
2 67% of 63 participants, US, 2022.
3 81% of 67 participants, US, 2022.
4 Study subjects did not use professional whitening products for previous 2+ years.

Unlocking Dental RCM Strategies to Maximize Revenue

Strengthen your dental practice's financial standing via enhanced revenue cycle management

BY JOSE RIVERO, CEO, MEDUSIND

If you want to ensure that your dental practice will be successful next year, you need to start planning today. For that reason, revenue cycle management (RCM) is crucial to dentists, because it ensures that your dental practice is paid accurately and on time for the services you provide. It allows your office to maintain a steady cash flow, which is essential for covering operational costs such as staff salaries, equipment, supplies, and overhead.

What exactly is dental revenue cycle management? It is the art of managing the financial transactions and interactions among a dental provider, patients, and payers throughout the entire patient care journey. It encompasses the entire lifespan of a patient account, from initial appointment scheduling to final payment collection.

Dental revenue cycle management can be broken up into three stages: front-end, mid-cycle, and back-end:

Front-End

Provider Contracts and Schedule

- Provider credentialing
- Provider network status check
- Generate a Patient Schedule Report for all daily scheduled visits

Eligibility and Patient Verification

- Eligibility checks
- Comprehensive benefit verification
- Attaching the patient to the plan
- Electronic funds transfer (EFT) setup

Mid-Cycle

Coding and Charge Capture

- Reviewing patient charts
- Ensuring dental records have been completed
- Attaching and billing correct codes

Claims Scrubbing and Submission

- Reviewing claims for accuracy
- Electronic claim and predetermination (Pre-D) submission
- Attaching correct documentation

Back-End

Claims Adjudication and Adjustments

- Posting payments to the correct patients
- Correct network adjustments
- Contract compliance

Accounts/Receivable (A/R) Tracking and Denial Resolution

- Claim rejection review
- Outsourcing A/R follow-up
- Denial resolution processes

Sometimes the process of dental RCM can be overwhelming for dental practices, in terms of complexity and internal resource consumption. As a result, a practice might consider obtaining outside expert help. In that case, how do you find your ideal RCM partner?

When seeking an RCM partner, here are some key questions to ask:

- Do you get a dedicated team?
- Is there an option to choose solutions based on your practice's needs and preferences?
- Can they customize systems and processes to fit with your current operations?
- Are they HIPAA-compliant?
- Do they support your Practice Management Software (PMS)?
- Does their average first-pass rate and turnaround time (TaT) meet or exceed industry standards?

Ideally, your RCM partner will:

- Increase your revenue through accurate verifications, timely claims follow-up, and payment posting
- Decrease your costs with its global RCM expertise and transaction-based pricing
- Reduce the administrative burden on your office staff, increasing patient interaction
- Centralize your operations, with dedicated teams managing your billing functions
- Remove your internal attrition and training costs. ■

If you would be interested in learning more about your options with an RCM partner, consider contacting Medusind, a national leader in dental billing and collections. We would be happy to see how your dental practice could enjoy increased profitability and efficiency.

Create a Pay Structure That Inspires Hygienist Productivity and Practice Growth

Motivate your hygienists with a compensation model that rewards productivity and loyalty.

As a dental practice owner, you've likely wondered, How can I pay my hygien-ists fairly without stretching the budget? Striking this balance can feel like a constant tug-of-war, especially as wages rise and top-notch talent becomes harder to keep. But what if there was a way to align your hygienists' pay with their productivity – motivating them while ensuring your practice thrives?

Here are a few practical, actionable steps to set up a pay structure that keeps your hygienists motivated, productive, and part of your practice's growth:

1 Set Clear Production Goals

It all starts with transparency. By setting specific goals – like the number of patients seen daily or revenue from certain procedures – you create a roadmap for your hygienists to follow. For example, consider a compensation model with a reliable base salary plus incentives for meeting or exceeding production goals. This not only rewards high performance but also helps drive revenue, making it a win-win for both your team and practice.

2 Offer Tiered Pay for Top Performers

Recognize that each hygienist brings something different to the table. A tiered pay system lets you offer more competitive compensation to top performers or experienced staff, while newer hygienists start at a lower rate. With this approach, your team can see a clear path to growth, and you can reward excellence without inflating costs.

3 Keep an Eye on Payroll Percentage

Keeping payroll in check is essential to growth. Aim to maintain payroll expenses at about 50% of revenue, including salaries, benefits, and taxes. If your payroll edges higher, it may be time to reassess – whether by fine-tuning schedules or finding ways to improve efficiency.

4 Connect Pay to the Health of Your Practice

Incentive-based pay doesn't just benefit your hygienists – it connects them directly to the practice's success. When hygienists are compensated based on their production, they feel a stronger sense of ownership and are more likely to promote additional treatments or follow-ups, directly boosting both their earnings and your bottom line.

5 Regularly Reevaluate Pay Models

The market doesn't stay still, and neither should your pay structure. Regular reviews and adjustments ensure you're paying fairly while maintaining a healthy budget. These updates show your team you're invested in their growth, and they can help you stay competitive in attracting new talent.

Crafting a compensation model that values productivity as much as it values your team members can turn your practice into a place where hygienists are motivated, rewarded, and ready to grow.

Curious about where to start? Our Dental Hygienist Production and Compensation Calculator can help you find the right balance. ■

Scan the QR code to download your copy today!

SCAN ME