

# ...Live Your Life Backwards!

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end up, how long it would take to get there, what to avoid and what to embrace, who to take with us and who to leave behind. Most of the mistakes we make in life are because we make decisions without really knowing where we're going."

I thought about that for a long time, and eventually developed an approach I call, "Beginning At The End." The idea is to set personalized, realistic, long-term and short-term goals, then back into a strategic plan to reach them. As simple as it sounds, this approach is in sharp contrast to how most of us operate. Sure, we have a general idea of where we want to take our business, but, for the most part, we are more focused on getting through individual days and crisis.

So, with my next client, I developed a series of exercises and questionnaires that started with visualizing, in broad terms, how the doctor saw his dental career ending. I had him actually sit down, close his eyes, and just start talking about how he "visualized" the end of his career in dentistry.

Not surprisingly, he wanted to travel, and planned to sell his practice and use that money throughout retirement. I asked, "How much do you think you'll get?" He had no idea. I asked, "How much do you think you'll need to travel?" He didn't know. I asked, "What if you can't practice for a year, or cut-rate dental insurance sweeps through the industry, or a large group practice moves into your neighborhood, or you struggle to find good hygienists and assistants, or your office manager embezzles all your savings?" He suddenly questioned why he had hired me. But, as he eventually learned, along with so many others, this exercise of visualizing the personal career trajectory YOU choose, from the "end to beginning," is a valuable, and somewhat critical, exercise.

Much like a financial planner would do, we established the income he would need during retirement to do the things he wanted to do. We calculated the number of years he had to build up that nest egg with personal investment. Because he was 38, time and compounding interest were his friends, and he had plenty of time to build a substantial net worth out of practice income, if he stuck to the plan.

Then, we did the same exercise with his practice. He could not really see himself as part of a small group, so we focused on how he would build practice value as sole practitioner for a future buyer. We had the practice valued based on its current balance sheet and performance, and developed a plan to build that value along the way. Again, I believe going through this exercise gave him a real, hands-on understanding of how his

dental practice would be valued by a potential buyer in the future, and how he could positively impact the value on his way to transitioning.

We factored in a few lean years, and planned for economic downturns. In the end, he had a business and career plan that was uniquely his, that he could see in his own mind, and see his role in it. Most importantly, we chose milestones for revisiting the plan along the way. At the end of each year, we look at the past year's numbers, compare them to where he wanted to be, and plan adjustments for the next year. It's a very necessary exercise for keeping his personal vision real and alive, especially when daily struggles become overwhelming, and remembering it's all part of the plan.

The good news about any business, even a dental business, is that they all work fundamentally the same. They are basically a machine that operates by using resources, primarily money, effort and time, to produce a positive result, called a profit; the money left over after everything necessary to operate the business is paid. The even better news is, every business, and especially a dental business, is full of components that can be adapted and improved over time to meet the goals you set.

But, for this doctor and so many others over the years now, the most important thing was to visualize his personal ending, and how he wanted to see his story play out during his career. By knowing where he wants to go, and how he wants to get there, as a dentist and business owner, every decision he makes is now measured against that plan.

I believe there is no more powerful force in business, and in life, than a well-crafted goal. Over 10 years later, I'm proud to say, my wife was right, living your life backward, from a vision you choose and hold firmly in your mind, helps you make better decisions, and end up where you choose, not where circumstances leave you.

I don't believe the 96% of dentists who will turn 65 this year and can't retire had any intention of ending up that way. And I also believe, the ones who start early and visualize where they want their own personal career to go, will end up exactly where they chose to be.

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# DO YOU HAVE ENOUGH PATIENTS



by Berdj Feredjian, DDS, FAGD<sup>2</sup>

Ask 100 dental practice owners in the first 10 years of their dental career and at least 99 of them will tell you "NO, I don't have all the patients I need." In fact, since we began assisting dentists in 1988, we have not met any general dentist (at any stage of their career), who really thought their practice had enough fee-for-service patients.

The dental profession is all about quality patients. The only means of having a steady income is to have a steady flow of patients! Nothing else in your office really matters unless you have a solid patient base. You can obtain equipment, office space, staff and supplies easy enough, but none of the above guarantees a steady flow of patients into your practice.

Not having enough quality patients causes many young dentists to keep their office doors open 5 to 6 days each week (with an overhead of a 5 to 6 day a week practice) even when they really only have enough appointments to adequately fill 2 or 3 days each week. A growing dental office must remain open because that new patient may just call with an emergency. If the dentist is not in the office and ready for business that new patient may call the next doctor listed in the phone book. Remaining open for business is just merely a cost of doing business: an "Opportunity Cost."

Of course you could pick up more patients by signing up for the various managed care and capitation programs available. Actually these programs capitalize on unsuspecting doctors who have full-time overheads and part-time patient schedules. Those who do sign up will indeed find themselves much busier. They also feel better that the staff is working harder. But it doesn't take long for these doctors to discover that these types of new patients will not allow you to escalate to the income levels you desire. You are busy, but not very profitable... a bad trade-off! And, once you enter the managed care trap, it is quite hard to get free from that trap!

Let's assume that you have not made the managed care mistake and fall into the category of spending money to increase your patient flow. You are advertising heavily. You remain open every day because you are investing in your future. You have the overhead of a busy practice but you are not busy yet: an "Opportunity Lost."

Let us explain what we mean by an "Opportunity Lost." If your office rent is \$2,000 per month and you really only need the facility 50% of the time right now, then it is like you are investing the additional \$1,000 each month into your future growth. If your receptionist is being paid \$2,000 per month and you really only need her 50% of the time, then it is like you are investing the another \$1,000 each month into your future growth. If your assistant is paid \$1,500 per month and you really only need her 50% of the

time, then it is like you are investing yet another \$750 each month into your future. If you are advertising at the rate of \$1,000 per month (not an unrealistic amount) that is another cost to try to increase your patient base.

You could conclude that you are investing an extra \$3,750 monthly that will eventually payoff, but it will be very slow to develop! It takes years to accumulate a sufficient flow of quality patients to keep your office busy every hour you are open to see patients. Statistics show that your monthly investment will gain you an average of 3 new quality fee-for-service patients each week... that's hopefully 150 new quality fee-for-service patients each year... and perhaps 1,500 new quality fee-for-service patients over the next 10 years.

## There is a Better Way to Get the Patients You Need...

Seems to us that a better investment would be to invest some of that same \$3,750 per month into receiving 1,500 new patients TODAY! And, I am not talking about managed care patients either... these are high quality, fee-for-service patients that are already accustomed to regularly visiting a dental office in your area. You could purchase a practice in your area and merge that practice into your practice tomorrow! You will be busier and more profitable immediately!

The monthly debt service on a small "Hidden Treasure" practice, with 1,500 or more quality fee-for-service patients, could possibly cost you \$2,500 a month, possibly even less, in debt service payments. The positive financial results will be immediate! That sure seems like a much better use of funds to us!

You know that there are a lot of different ways to do everything. Some are much better than others. As far as building a base of quality patients, it really does not make a lot of sense to spend the time and the money it takes to build a mature practice over the next decade when you could be exactly where you want to be now!

A practice merger acquisition could solve your problem today!

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## IMPLANTS AND ORAL SURGERY

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### CARING FOR PATIENTS BEYOND BORDERS

#### – VOLUNTEERING IN GUATEMALA –



Stove before and after >

Implants and oral Surgery is committed to help the community and the underserved patients through the year, earlier this year we had the opportunity to join the spring mission with a non profit organization "International Esperanza project" to assist people in need in Guatemala.

It was a wonderful experience! Dr. Lois, and our wonderful surgical assistant Jessica arrived to Guatemala city at night and the next morning headed to the clinic in Tecpán, a small city that was Guatemala's first capital and it is one of the largest municipalities in the country, the population are descendants of the Kaqchikel mayans, and many of them still speak their dialect and wear their traditional handmade and colorful dresses, but most people speaks Spanish. The climate is subtropical.

- The diet is mainly rice, black bean, corn and fruits.
- The mission included 2 teams: Medical and stovers.
- Stovers were mainly college kids with their team leaders that went to some houses in rural areas and replaced their coal stoves for a log stove that is more efficient and allows the fumes to go outside the house through a chimney.
- It is amazing how sometimes things are taken for granted (like having a nice stove and running water) .
- Dr. Lois and Jessica were in the medical team. They spent 4 days in the clinic, from 8 am to about 7 pm, treating approximately 50 patients per day, mainly for extractions.
- The clinic included family care, Gynecology, dermatology, optometry and dentistry/ dental surgery.
- Dr. Chira Noj was in charge of dental care and guided our team to operate in the clinic.
- On the 5th day, the volunteers went to the school to teach nutrition and prevention to the kids.

On the last day, it was a pleasant surprise to find out the community and the children had a festival at the school, to show their appreciation performing typical dances, music and displaying their traditions.

Our hearts were filled with joy, since we received more than what we gave, we felt extremely loved and fulfilled. After that wonderful event, it was time to drive back, now to Antigua, a beautiful colonial city that is declared a Cultural Patrimony of Humanity by the UNESCO in 1979. And after spending the night, we flew back to DFW to resume our normal activities. But we will always remember this wonderful experience and plan to do it again in the future.



### Want to Know the Secret to Getting Out of Dentistry Alive...

by Steve Parker<sup>1</sup>

Yogi Berra famously said, "If you don't know where you're going, you'll end up someplace else." I can't think of any more appropriate description of how too many dentists plan their career.

According to the American Dental Association (ADA), the average retirement age of dentists in the U.S. has now crept past 70, and only 4% of dentists are able to retire at 65. The Academy of Dental CPAs says the reason has less to do with their love of practicing dentistry than it does with the fact that the average savings of dentists at age 65 is less than \$50,000. In a recent survey, the majority of dentists reported that their "retirement plan," was essentially to sell their practice, and use those funds. Unfortunately, as the data points out, that plan doesn't work out for most.

Wherever you are in your dental career, it is imperative that you have a realistic plan for starting out, handling setbacks along the way, and transitioning into retirement. More important is a routine plan to review your progress at key points along the way, and make adjustments necessary that keep you on track.

I've consulted with a lot of dentists over the years, and have noticed some distinct, almost predictable, patterns.

Typically, they graduated with a big student loan anchored around their neck, did a few years as an associate before

striking out on their own, piled on a practice note of \$300,000 to \$500,000, and maybe a loan for operating capital for another \$50,000 to \$100,000, and their career as a sole practitioner was under way. A few years later, if they had survived, they were finally cash-flowing the business, had a relatively stable staff, growing patient base, and were ready to finally tackling that debt load. A decade later, the student loan and practice loan were mostly gone, and they had resolved to "play it safe," and never live that way again. Now, here they were at the sunset of their career, wanting to retire, or at least scale back, with little savings, hoping to find an associate willing to follow the same path. The bad news is, there are fewer and fewer of those around these days. They want a better outcome after a lifetime in dentistry.

I'm a big believer in goal-setting throughout any organization, but I must admit, even with a solid business plan, and key metrics in place, I watched too many clients continue to struggle with their financial future. Meeting payroll, paying debt, making up for declining insurance reimbursements, buying supplies and keeping equipment working consumed their days, weeks, months and years. Retirement was so far into the future, they couldn't even see it... until it was right on top of them. I saw this situation every single day.

Then one day, my wife and I were talking over dinner, when she said, "Wouldn't it be great if we could live our lives backward? We would know exactly where we were going to

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