Associateship Partnership... continued from page 1

you, will be woefully inadequate for the new transition. Here's a short list of things you both should consider before continuing:

a. Staffing
b. Responsibilities
c. Clinical setups
d. Hours
e. Pay
f. Philosophy
g. Treatment planning
h. An organizational chart for communication
i. What the long-term relationship will look like
j. A timetable for these expectations
k. Productivity expectations
l. Needs of both parties
m. People skills
n. Being on time
o. Case presentation

4. MEASURE THEIR PERFORMANCE:

In other words, measure their progress and give them a constant source of feedback from you and the staff. They need to stay on purpose and on track to make sure you both arrive at your objective. That's why, as the senior doctor, you need to be engaged with the process. Calls should be made to patients by your staff to make sure things went well. Lab work needs to be checked in order to be sure that the quality you seek is there. If not, train the doctor to acceptable competence. Measure, give feedback, try again, and repeat is the only way of getting a consistent product. As they get better, back off. This should only take about 4-6 weeks before you no longer micromanage them.

5. AN INCREDIBLY DETAILED CONTRACT:

Summit was helping a senior doctor draft an associate agreement. In the process the client was given a contract drafted by us, to compare to the one his attorney drafted. The comment we got from the attorney was that we were making the contract too long and detailed. His justification for this was: "Why would you want to address every possible problem and expectation in the contract? It's just a small business and you doctors can just work it out later." A contract should address every possible problem that might occur and create remedies for them through a thoroughly thought out plan that meets both parties' expectations and desires. Short of that, you have a worthless piece of paper that serves no one. This should include your expectations along with your business draft that both parties have agreed upon. Use a mentor or coach to help you with this.

6. ANY TRANSITION SHOULD BE BASED ON A PROFIT MOTIVE FOR EACH PARTY:

The senior doctor wants to grow the practice and lower the overhead. The junior doctor wants to payoff debt while beginning his/her career. Anything that would diminish the return for either side will be a mistake. It's kind of a "do whatever it takes" attitude by both parties guided by the expectations you outlined.

7. NEVER HIRE SOMEONE JUST LIKE YOURSELF:

By far the worst thing you could do is to go out and get a "Mini Me." Do that, and you have effectively hired someone who will halve your practice and both doctors will starve. You need to find someone who "complements" you. Someone who brings something more to the table. If there are procedures or types of patients you don't enjoy or don't do, then hire someone who does like and can do them. If kids are not your thing, get someone who loves to work with them. You get the idea. Expand the range of patients you can inspire with this transition. Do this and the practice will grow.

8. HIRE SLOWLY AND FIRE QUICKLY:

It is counterproductive for you to take more than a couple of months to figure out if this is the right person or not. With clear expectations and a measured progress report, the trend will be apparent and then you must take action to move to the next level or free up their future.

9. FROM DAY ONE OF THE SEARCH, INVOLVE THE STAFF:

Partner with your staff to find the very best candidate. Their participation will go a long way in making the process move to a successful completion. Failure to involve them early on guarantees that you will fail in the process of bringing in and keeping your doctor happy and productive. Involving them also goes a long way in creating a bond with your staff so that they begin to have this "staff ownership" mentality. It's no longer just your practice, but "our" practice.

10. BECOME THE LEADER YOU SHOULD HAVE BEEN ALL ALONG:

So often I find doctors bring in associates as a "burnout" strategy. They're just tired and worn out and in debt and think that this new doctor will stem the bleeding and lead to new momentum. Leadership filters down from the top, not up from the bottom. Leadership can be learned but is seldom practiced in the offices I visit. If you think you're struggling in this area, just give me a call and let me walk you through a leadership discussion for a dental practice.

There are no perfect transitions or doctors. Just like Kmart's blue light specials: all objects being sold have some defect or problem. That's the doctor pool you are selecting from. Just like you, life isn't through with them yet.

Look for doctors that have people skills and self-motivation, everything else can be learned. Being in dentistry for over 40 years affords me the perspective to know that those with these two traits end up doing well, those with just clinical skills end up struggling.

You may contact Dr. Mike Abernathy at 972-523-4660 or at abernathy2004@yahoo.com.

If you do not have a copy of The Super General Dental Practice, contact Dr. Abernathy or Max Gotcher at 800-2520955 and they will send you a free copy. Visit www.summitpracticesolutions and click on the radio show link and be one of the 30,000 doctors and staff that follow him monthly. There are 4 past shows that can be downloaded about transitions in the Super General Dental Practice.

Outsourcing Myths and the Current Lab Industry

An industry insider tries to dispel the rumors.

by Eric N. Gaesehals [2]

Is outsourcing displacing jobs in the U.S. dental lab industry? Yes, but at a tiny fraction of the rate that the rumors suggest. The bulk of the job displacement is a product of the current economic environment. Labs think that dentists are sending work to competition overseas, when in actuality a lot of dentists just have less work to send.

How has outsourcing changed in the last five years? The biggest change is that outsourcing to overseas labs has now become directly accessible to all labs and dental practices. Previously it was concentrated in certain areas, and mostly dominated by intermediate brokers. The advances in communication, and major improvements in the scale and speed of door-to-door shipping have made it a viable option to every willing business.

How do you answer critics of outsourcing?

The ultra-patriotic, apocalyptic types will always exist but usually they are just misinformed. Five years ago people still believed that outsourcing was a cyclical fad. We never hear that now because there is a general acceptance that the quality and turnaround has reached a level to be competitive in any market. The lab industry in the U.S. has become very polarized, whereby people on either side see things as a "zerosum" game. Our position is that by not cooperating, a huge opportunity for both sides is lost. At minimum, domestic and overseas labs can coexist peacefully in the same markets.

Has lab work become commoditized?

Yes, in many ways. The average dentist can tell the difference between an "A+" and "C+" crown, but what is often overlooked by labs is that the average patient cannot, especially if basic functional and esthetic elements are achieved. This is where dental labs are having to compete on price. I don't mean talented work goes unappreciated. It's just that more dentists are realizing less value by paying more for seemingly marginal benefits to the patient. To adapt, many labs are becoming more "specialized" in house, concentrating more on price in elastic, high-growth services like implants while sourcing more of their routine crown and bridge. Many have found that they cannot produce these services in house as cheaply as they can outsource them, and this is clearly in line with accepted modern business strategy.

What are the biggest misunderstandings about outsourcing?

One is that the price and quality of lab work are directly related. There are very specific reasons why outsourcing labs provide services more cheaply than domestic labs, and none of them have to do with a reduction in workmanship or a substitution of materials. Don't get me wrong; there are labs overseas that produce sub-standard work. But these labs are disappearing as the industry becomes legitimized. Another misunderstanding is that outsourcing labs operate as "sweat-shops" which contributes to their ability to produce so cheaply. Most credible outsourcing labs are three times as licensed and regulated as domestic ones. They must observe the labor and health laws of not only their local bureaucracy but also those of the markets they are soliciting (in the U.S. case, the FDA). I won't speak for all labs, but the most reputable ones I've encountered compensate their staff equal to or better than most domestic ones if measured by purchasing power parity.

What are the risks involved?

The physical distance factor involves international shipping, time and communication components that do not exist locally. The better labs have systems in place to mitigate these challenges and in many ways have leveled the playing field in terms of turnaround and communication. But there are obvious hurdles if a rush situation arises. Another thing to contend with is foreign cultural norms (i.e. holiday observance). China has three holidays every year that cause minor delays in shipping due to government office closures.

Is outsourcing making dentists more profitable?

Paying less for lab work doesn't always translate into a stronger bottom line overall. If you were to isolate the lab fees without other variables, then outsourcing increases profits. However, not every practice is high-production and not every dentist-lab relationship has the right chemistry to make it work. Any monetary gains can be quickly forfeited if the dentist starts seeing increased remakes or seating time. Further, many solo practices don't do much crown and bridge and their total lab fees only constitute 5-8% of their total expenses. So a 30% reduction in this area isn't necessarily a large savings. That's why it's important to have reasonable expectations and decide if your practice is a good fit before moving forward. On the other hand, for high-production offices or those whose lab fees are in the 15+% range, outsourcing has created a huge opportunity to improve their earnings.

Eric N. Gaensehals is President of Megadent, Inc., a full-service dental outsourcing company, and has degrees in economics and Mandarin Chinese. He can be reached at eric@megadentallabhs.com

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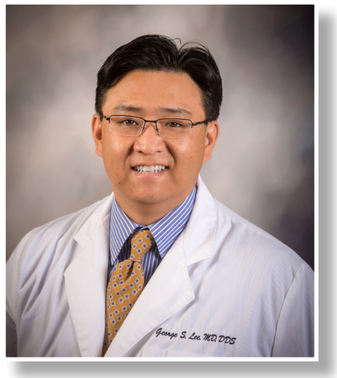


FROM THE DESK OF GEORGE S. LEE, MD, DDS:

10TH ANNIVERSARY PARTY!

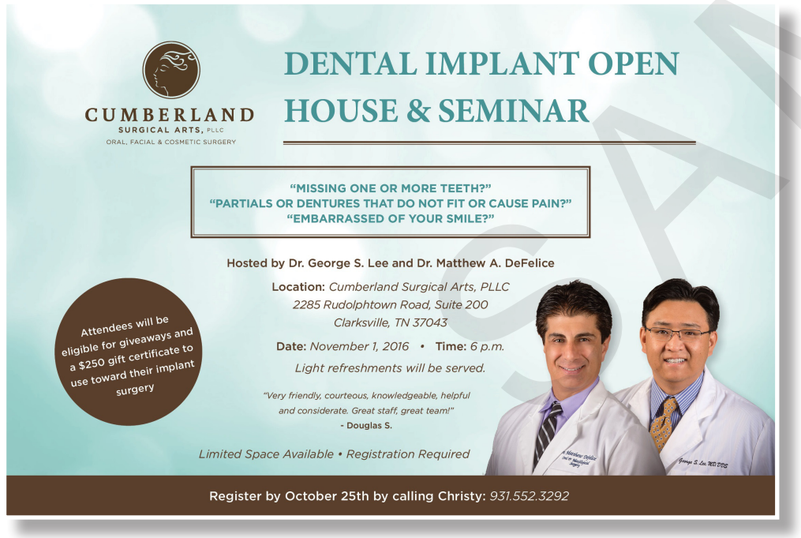
Thank you to everyone who came out to celebrate our 10th anniversary on September 29th. We had a great time and enjoyed sharing the evening with our colleagues, family, and friends. Be on the lookout for pictures from the event on our Facebook page and website!

DENTAL IMPLANT SEMINAR

Have a patient interested in dental implants or trying to decide what option for tooth replacement is best? We are hosting a free informational Dental Implant Seminar and Open House on Tuesday November 1st at 6pm at our office. This will be a great opportunity for patients to learn about dental implants and ask questions about the surgical process.

We will share with you a list of your patients that attend so you can follow up with them! Space is limited, so please encourage your patients to call us to register. Christy will be stopping by your office to provide you with invitations that can be shared with your patients. If you need more, please give her a call at 931-552-3292.

If you would like to be listed in our Implant Referral Guide for patients who attend the seminar and not yet established with a general dentist, email Christy at cdenote@cumberlandsurgicalarts.com with your office contact information.



5 OR 5 CAMPAIGN

We will once again sponsor the 5 or 5 Campaign this year to support Urban Ministries. Last year, Reflections Orthodontics took first place with the most food and personal care items collected per team member! We would like to challenge each office to donate at least 5 non-perishable food and personal care items or $5 per team member. The winning office receives lunch on us!

Christy will be sending out more information about the campaign. We hope your office will once again partner with us to support Urban Ministries.

Staging a Successful Associateship Partnership

By Dr. Mike Abernathy[1]

Surviving your first associate / potential partner is fraught with hundreds of twists and turns. One of the easiest ways to avoid these pitfalls that lead to failed associateships 93% of the time, is to begin with the end in mind. I am actually writing this article as a way to discuss what I see in many offices, but to mainly help an Endo practice that is struggling with a new doctor as an employee hired with the goal of having him buy in. Guess what? It's not working well. Both doctors are looking at each other as if they are from different planets. Kind of like that book about males and females: *Men are from Mars, Women are from Venus*. So let's create a list of the most common problems and fixes so that we can smoothly move toward a successful transition.

1. TIMING IS EVERYTHING:

Finances, new patient load, great systems, and a strategic plan and vision are paramount to a successful transition. Dentists spend more time planning their vacation than they do strategizing a transition. Everything matters, and anything you forget will create a very predictable ripple effect in your plans. This strategy for practice growth must follow the "ready, aim, fire" process. Cowboys that shoot from the hip will die every time. More than any other business strategy in dentistry, transitions demand that everything be in order. These follow the benchmarks of a Super General Dental Practice. I will just list them here for your reference.

a. 50-75 new patients a month and the ability to double that at will.
b. $20,000-25,000 of production per employee per month (at least $15.000-20,000 at the lowest).
c. Recall of at least 70%.
d. A wide range of services meeting the demand of the demographic of your area.
e. An overhead being no greater than 65% (ideal would be 50-60-%).

2. BEGINNING WITH THE END IN MIND:

What will this practice look like if everything could work out right: overhead, production, new patients, hours, types of patients, services, duties, etc. You should take the time to create a word-picture of exactly how you hope this will turn out. In a perfect world, what would this look like? Write it down. You will get what you deserve, not what you expect. This is a time in your practice where you have to be intentional about modeling and staging for a particular result. You need to know what that result looks like.

3. CLEAR EXPECTATIONS:

Not cloudy, not grey and not fluctuating. Crystal clear. If you can't write down your expectations, how will anyone else know what you expect? It's always surprising to me that the senior doctor, as well as the new hire, have never sat down and discussed and recorded how they both expect this to go. Generally you have two people who are clueless about what is required and what to expect. Kind of like two ticks and no dog. Is it any surprise that this will end in failure? One thing to keep in mind is that new doctors don't decrease stress and problems - they multiply them. In fact most, if not all, of your systems, which may work fine for

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