

Start-Up Practice Reaches \$3 Million in Just 4 Years!

by Steffany Mohan²

My oldest son, Luke, has a goal. He wants to be a billionaire. It's a lofty goal considering he is eleven years old and still working his way through elementary school. However, I support him 100%. (I assume that means that he will support me someday!) Do I believe that he will achieve his goal? Absolutely! There are several reasons why, and they are the same ones that have made our practice successful.

First, Luke has set a goal. It is concrete, and written down, and he has a lot of great ideas for just how he is going to get there. He also works to take action toward the goal that he has set.

Second, he measures his progress. Clearly, he is nowhere near reaching a billion dollars net worth, but he does have a solid picture of his present day worth. Luke has a spreadsheet of exactly what his assets and liabilities are and he checks it regularly. He loves it when I owe him money and he has accounts receivable from Mom – I guess he trusts that I will eventually get around to paying him!

Third, Luke does things that others are unwilling to do in order to accomplish his goals. For example, he has read Warren Buffett's 900 page biography – yes, he is really only 11. He is studying what other successful billionaires already know. Modeling successful people is a massive shortcut.

Why not discover in a book what Warren Buffett knows rather than wasting time learning the hard way? Mentors come in all shapes and sizes and they can even be someone that you have never met, but simply read their book or taken their courses.

Luke is willing to put time and effort into his goals. Not many eleven year olds would read a 900 page biography that was not assigned. He really enjoyed it and it was all his choice, I don't need to coerce him to learn. He loves to read and discover. There are many things that he understands about business that I did not know until recently. While he is young, it is never too late for us grown-ups to read and research. The most successful business owners and dentists are lifetime learners.

Luke is not afraid of change and failure. Many people let fear of failure dictate their course in life and in their practices. Ask yourself: What would you attempt if you knew that you could not fail?

Luke believes in himself and so do I. Mind-set is critical for success in any venture.

Warren Buffet's 10 Rules:

1. Reinvest your profits. "Even a small sum can turn into great wealth," if you're disciplined to not touch your profits. Let the power of compound interest work for you.

2. Be willing to be different. Don't follow the herd. Do what is best for you and your situation.
3. Never suck your thumb. Ah, how I could learn from this one. Buffett makes decisions quickly based on the available information. I tend to sit and stew about things. Acting decisively can give you an advantage and prevent procrastination.
4. Spell out the deal before you start. I stress this all the time: Don't sign a contract unless you've read it (especially not a mortgage). Read the fine print. Understand what you are getting yourself into.
5. Watch small expenses. While it's true that the big things matter, the little things do too. Frugality is an important part of personal finance. But this principle also applies when investing, which is one reason I'm a fan of low-cost index funds.
6. Limit what you borrow. "Living on credit cards and loans won't make you rich," writes Schroeder. Sure, leverage can get you into a home or a new car, but too much debt is one of the biggest drags on your financial well-being.
7. Be persistent. If you know what you're doing is important and right, stick to it. Doggedly pursue your goals. Learn to "fail forward."
8. Know when to quit. The other day, I wrote about the danger of the sunk-cost fallacy. Just because you've already paid \$10 to see a movie, it doesn't mean you should sit through to the end. Be willing to cut your losses and walk away.
9. Assess the risks. Asking yourself "and then what?" can help you see all of the possible consequences when you're struggling to make a decision - and can guide you to the smartest choice.
10. Know what success really means. Success is different for each of us. Find what it is that brings meaning to your life, what makes each day important. Make this your focus. Buffett says: "When you get to my age, you'll measure your success in life by how many of the people you want to have love you actually do love you. That's the ultimate test of how you've lived your life."

This begins to explain how we met our goal of building a \$3 million dollar practice in just four years. It should give you insight into the building blocks and mind-set that go into business growth and success. In the meantime, I will keep you posted on Luke's progress!

What would you attempt if you knew that you could not fail?

Dr. Steffany Mohan grew her dental practice from scratch to 3 million in less than four years. She sold her first dental practice after doubling its size and revenue in six years. Dr. Mohan's expertise lies in growing practices to unprecedented levels of financial viability. For more info on her method: thepracticedoctor@gmail.com.

The Role of Teeth Whitening... continued from page 1

charging \$600 for an in-office whitening treatment would be approximately \$150 to \$210. If 200 people buy the deal (which is not uncommon - depending on your area and could be as high as 500+) this could bring upwards of \$42,000 to a dental practice in revenue. However, the profits gained from this promotion are driven a great deal by product cost.

While some whitening companies charge up to \$80 to \$90 per patient kit, many companies are far more affordable and equally effective solutions in the \$30 to \$40 range which, after adding allocated expense for staff time and other various materials, can still lead the group buying strategy to be very profitable.

Furthermore, the true underlying value is to capture new patients with long-term value. During the course of examining a patient prior to the whitening treatment, other treatment needs may become obvious and will present an opportunity to service the patient beyond the whitening treatment alone. This is a critical element that is oftentimes overlooked and not planned properly. It is crucial to treat these new patients in a comprehensive manner with a full exam that allows for additional oral care services.

Certainly there will be individuals who are taking advantage of the promotion for a one-time service, but if approached properly a number of them, and potentially other family members and friends, can become full care patients if they have a positive experience. Also, it is critical to capture all contact information and make sure these individuals are included in all other marketing outreaches of the practice including print newsletters, email campaigns and follow-up calls.

While the group buying programs do offer an outstanding way to drive awareness of a practice and revenue, it is important to ensure it does not de-value your offering long-term. These are meant to be unique savings opportunities for consumers while offering a broad new patient base to a practice. Normal prices should be held in place outside of these promotions to maintain the value integrity of professional whitening along with profit margins.

TAKE HOME WHITENING SOLUTIONS:

This category of whitening typically covers two categories. First are custom trays made by the dental office for the patient. This also tends to be a very profitable category given the low cost of materials and relatively low staff time requirements. All of the same value propositions outlined above for in-office whitening for use with group buying programs can also be applied to doing a similar offering specifically for custom trays.

However, custom trays are also a way to help differentiate your offering from other dentists by providing them for free whenever a patient purchases an in-office treatment in order to help maintain the results. The economics of making custom trays typically make this a relatively low cost, loss leader investment when used in this manner. A second category is pre-configured take-home whitening kits that include whiten-

ing gel and a "do-it-yourself" type tray system. These types of kits can be a more cost-effective alternative to offer as a complimentary item given there is no staff time involved. However, it is critical to use a company that offers a product in the right cost range to minimize the expense of offering this solution to patients for free and maximize profits when sold as a retail product.

For the patient who cannot afford custom trays, this can also serve as an outstanding alternative with costs as low as \$20 per kit. It is also critical to choose kits where the tray system has a short-term shelf life so that patients will need to return to the practice for both gels and tray systems.

PROMOTIONAL WHITENING PRODUCTS:

This is a relatively new category that holds a tremendous amount of promise for practices to drive their grass-roots marketing strategies, patient referrals and even serve as a retail profit center. One of the most prominent products used in this category are teeth whitening pens. These are unique, highly visible, fun products that patients use regularly and can be very cost effective for a practice as low as \$10 to \$15.

These products are most effective in building a practice name if they can be customized with the practice information which some companies offer. They can be used as giveaways for recall visits, referrals, new patients, local marketing events, and for maintenance after in-office whitening or for use in conjunction with custom made trays or other take-home whitening kits. Pens are also a great way to help build a practice's social media presence by offering them, for example, whenever patients "Like" a Facebook Fan Page or follow the practice on Twitter. Social media is a massive wave that is no longer an option but a mandate for practices to maintain awareness, develop new business and stay connected with current patients.

CHOOSING A WHITENING COMPANY:

While the role of whitening is changing, it is clearly still playing a critical role for dental practices in terms of both revenue and promotional strategy. However, in order to make the most of your whitening business via the strategies outlined in this article, it is critical to choose a company that has the right prices, results, product mix, and marketing support to maximize your efforts and financial returns. Any of these elements on their own will leave your initiatives and patient experiences short of what you expect for your practice. When evaluating your current whitening provider or when exploring new alternatives make sure to comprehensively question the company about how they are going to help you succeed on all fronts.

*Spring 2011 Survey by the American Association of Cosmetic Dentistry http://www.aacd.com/index.php?module=cms&folder=3&cmd=cmsproxy&filename=files/Whitening%20Survey_Apr11.pdf

Keith is a Partner and Director of Sales for Whiter Image Dental, an innovative leader in the teeth whitening industry with an approach that delivers outstanding results for patients and marketing performance solutions for any dental practice. You may contact him at www.whiterimagedental.com or 1-877-944-8330.

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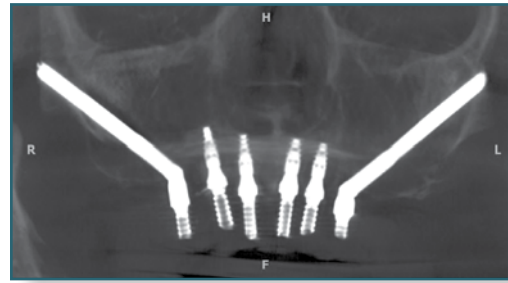
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WELCOME JEFF!



We are excited to have our new Patient Coordinator, Jeff, join our team. He comes to us from Upstate New York with an extensive background in the United States Army. After leaving the active Army in 2013, he enlisted in the reserves and attended Ultimate Medical Academy where he earned a degree as an Administrative Medical Assistant. He currently serves as a member of the Army Reserves and is an avid sports fan. His favorite teams include the Boston RedSox, The New York Rangers and the New York Giants (soon to be Denver Broncos).

ALL-ON-4 ("TEETH IN A DAY"):



The All-on-4 procedure, also known as 'Teeth in a Day,' is a solution to cutting the overall treatment time and cost by using fewer implants. The idea of the procedure is to replace the patients missing teeth with a full dental bridge supported by only four dental implants. Typically, a temporary set of teeth can be placed on the same day of surgery, later to be replaced with a permanent bridge by the general dentist. This has become more commonly

sought by those looking to improve their quality of life without the hassle of a denture. As always, Dr. Hart must first consult with the patient to verify they have adequate bone in order to be a candidate for successful results. As a method to help educate patients about this treatment, we will be including this on our website under our procedure tab. We hope this will be a useful tool for informing your patients on their options when it comes to implants. Look for this to be up on our website in January!

'TIS THE SEASON:



Dr. Hart hopes that you and your staff had a very Merry Christmas and have a Happy New Year! Cheers to 2014 and we look forward to continuing working with you in 2015!



The Role of Teeth Whitening is Changing

by Keith Rodbell¹

Teeth whitening has long been a staple offering among most dentists but the level of income generated and the role it plays has changed rather drastically in the last several years. The days of charging \$600 or more for traditional in-office whitening procedures are waning as more retail solutions enter the market and group buying programs such as Groupon and Living Social have continued to drive down the price within the dental community.

Further, whitening has become more commoditized among dentists and is being used more progressively as a marketing tool to drive patients in the door and hopefully secure them, and their families, as lifelong patients. This also tends to lower the average whitening treatment revenue as dentists compete in their local communities to bring patients in their direction. This has proven to be a very effective technique if organized and executed properly; however profits from whitening need not be diminished entirely with this strategy.

Whitening can be used as a promotional tool very successfully if pricing, product mix, messaging, and patient education are planned effectively. And with the rapid increase of the internet and social media, whitening is also a service that integrates very well with these mediums as will be highlighted.

Despite the declining fees, whitening is an outstanding tool that offers immediately visible results, drives patient referrals, can generate strong profits, and appears to still be on the rise. According to a recent study released from the American Academy of Cosmetic Dentistry (AACD), AACD members performed an average of 77 whitening treatments last year generating an average annual income of \$19,100, and 57% said they expect this number to rise.*

IN OFFICE WHITENING:

In-office whitening treatments offer the most substantial, immediate whitening results for patients and also tend to have a sizeable margin which makes this offering most attractive to promote through the group buying programs such as Groupon and Living Social.

Depending on the population size of a practice location, this technique can typically drive hundreds of responses. For those unfamiliar with how these programs work, here is a brief summary.

The companies maintain a large database of subscribers to whom they send daily emails on various promotions from businesses in their community. For example with teeth whitening, if a dental practice normally charges \$600 for an in-office treatment, the company will ask that you discount it at least 50% or more. This is what the patient would pay directly to the group buying company. Then the company takes 30% to 50% in fees and pays the balance to the business. Therefore, the net payout to a dental office normally

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