

To buy or not to buy... is that the only question?

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In this age of accelerated technological innovation, and in the face of lavish marketing campaigns by the dental supply industry, the question: 'should I buy' will become even more common. While smart salesmen in the supply industry know it's bad for long term business to create disappointed customers in such a small and incestuous industry as dentistry, there is always the danger that an enthusiastic sales person talks a relatively naïve dentist into an expensive mistake.

It is self evident to say that before making a major purchase such as a laser, Cerec or other expensive equipment, dentists should do some due diligence such as a cost/benefit analysis and ask for references from other users of their equipment. But even when this due diligence is all done, the answer to the question of 'to buy or not to buy' will still be one filled with a certain amount of risk.

Why can two identical dental practices purchase the same new equipment and it have very different impacts on their practice? Most Cerec machine owners rave about how they have become an essential piece of equipment, and yet some other dentists who have bought one have resold it with the original unused milling blocks included. What is it that determines whether a technological investment will be good or bad investment for the practice? The answer lies not only in the equipment but in the dentist's skill set.

There are two classes of skills...hard skills and soft skills. The hard skills are the clinical skills that we are all taught at dental school. The soft skills are our communication skills. As dentists, we are all taught the hard skills at dental school (like how to do fixed bridgework). It is the soft skills - the ability to communicate with and influence our patients that separates us. The reason for the wide spread of patient acceptance between dentists has everything to do with the dentist's ability to influence the patient to want the recommended treatment.

When the dentist and team have good communication skills, the equipment will boost the quality of care and the bottom line profitability of the practice. Out of Prime Practice's top producing clients, (those who do over \$1,000/ hour) over 80% of them have a Cerec.

(We monitor over 500 dentists at Prime Practice. Our focus is not only on their expenses or just the bottom line. We look at their efficiency from a clinical point of view. Number of new patients; average amount paid per patient per year; hourly rate; recall rate; number of indirect units).

When the dentist and the team have poor communications skills, they will be unable to utilise the equipment that seemed wonderful when they wrote the cheque. The shine comes off the gadget after a few months of dormancy and that is when all the rationalisation begins; “I’m not sure about the quality of the results”, “patients in my practice don’t want this sort of treatment” and so on.

So before you buy the toy, make sure you can sell the treatment.

A further consideration is, even with great communications skills, why do you want this equipment? If the answer is ‘to make money’ then the next step is to study the practice metrics and do a cost/benefit analysis. But what numbers should you look at and how? The (very simplistic) equation that you could do is:

1. Make realistic estimations of how many procedures you will do per month.
2. Multiply this by what you will charge per procedure with this new equipment. You may be able to use the ADA or Prime Practice benchmarks.
3. Compare the result with the monthly repayment amount or monthly leasing cost for this equipment.

However you should also factor in additional considerations like:

- Any extra time it takes to do the procedure with the machine.
- Time taken to become proficient with the new equipment
- Will I need more patients? Will this equipment help me get more patients?

If you are contemplating the purchase purely to improve your quality of care, you should still consider the financial implications because it is difficult to be a fabulous clinician if you are stressed out of your mind with financial worries! Chances are, you are doing very well financially and can afford a few blunders in your career. But with the price tag for the new exciting equipment only going up and the increased relative ease to get financing, the size of these mistakes will only be getting larger. Having the knowledge to analyse before you make another big purchase could save your skin.

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