

Hitting a slow patch?

Brett Churnin MSc/BM

Jack answered the phone and I asked him how things were going. I could hear it in his sigh, before he said the word... “Terrible!” I was surprised, so I asked him to explain what happened.

The first two weeks of February in the practice had been “very quiet – almost dead”. A panic had set in for Jack, and it hadn’t taken long to do so. In Jack’s mind the past two weeks were evidence that all the talk in the media of an impending recession was not only true but starting to hit his practice and livelihood.

Jack had immediately started wondering about how he was going to pay the bills. He jumped right into solution mode for the impending doom that was imminent for his practice. He told me about how he had been thinking he should get rid of a team member, spend a few thousand dollars on a marketing blitz and maybe cancel his upcoming holiday.

With “economic downturn” and “recession” being buzzwords in the news at the moment, it is easy for a person to make it the diagnosis for a short quiet period in the practice without it necessarily being true. This can then become a self fulfilling prophecy as we become stressed in our practice lives and stop doing the things that work for the practice.

In order to diagnose any quiet period in the practice we need proper perspective and context to discover the scope of the problem.

Question 1: How bad a month had it been?

It isn’t enough to have a feeling like it was a slow month. We need to quantify the problem:

In **practice utilisation** so far, downtime (the difference between time available and time worked) for Jack was at 24% - considerably more than his average of 10% downtime. However, despite the gaps, that still meant that 76% of his time was being utilised – not quite an empty/dead book!

In **case acceptance and production**, we noted that despite having a fair bit more downtime his case acceptance hadn’t changed and his production was only down about 8%-hardly catastrophic!

In order to see the extent of a problem it’s essential to see how **expenses** were affected that month. It is difficult to look at expenses for such a short amount of time. However Jack has to realise that all expenses don’t stay the same for a practice when things are quiet. When production is low, fixed costs (e.g. rent) stay the same and variable costs (like supplies) will drop proportionally.

In **new patients** to the practice, the goal of 18 for the month of February had only reached 11.

So now we know exactly how bad a month February was, but does this mean that we have confirmed the diagnosis “recession” or hard times ahead for the practice? Not yet. We now need to work out whether February’s results were part of an anomaly or a trend.

Question 2: Is this an anomaly or trend?

If February in Jack’s practice was going to be below goal does this mean that we have evidence of the practice ‘slowing down’ or was this possibly simply just a bad month? In order to answer this, we have to do some trend analysis. We need to look at previous months’ practice results and see if we have evidence of a slowing down. In the case of Jack’s practice when we looked at the previous seven months, they had all been on or above goal. So it seems that February was the first month of bad results that the practice had for a while.

In order to complete the trend analysis we have to look at previous years’ Februaries. Many businesses experience cyclical annual peaks and troughs in business and production. Dentistry is no different. Some practices have a Christmas rush, a school holiday trough, etc. What did previous Februaries tell us about this February’s low production? When we looked at the previous 3 years, it was a huge relief for Jack. It showed that February has often been a quiet month for Jack for some reason. He was even happier when we saw that it seemed to be followed by a huge March in previous years.

So it seems that February’s poor results are most likely to be just part of the cyclical trough that happens every year around this time and not necessarily proof of impending hard times.

However what if this wasn’t the case... what if trend analysis did show that your practice was slowing down...?

Question 3: What should a dental practice owner do when the evidence shows a slowing down of the practice?

Don’t Panic

The primary thing to remember when faced with problems like these in the practice is not to panic and make hasty knee-jerk decisions. Take time, get perspective on the situation at hand and weigh up all your options properly before you jump to action. You may find new ideas and your options are increased by talking to people who would have seen this before (for example supply reps or your practice management company).

Talk to the team

The team members will already know if their practice is slower than usual. After all they are there every day. Good team members don’t like an empty book either. It’s not just about lack of job security for most employees; people want to be busy and



don't want to be bored. Good team members will have an emotional ownership of the place that they work in, and will want to help in any way that they can.

Talk to the team and organise a brainstorming session about the possible reasons why things are quiet. They will appreciate that you value their input. Often team members will live in the area, know the community well and have a finger on the pulse of what influences are at play. Brainstorm possible solutions on how to fill empty spots, or where to get new patients, or analysing why cancellations have increased.

Why was it quiet? And what to do about it?

There is no magic formula for what to do when a practice is quiet because no two quiet practices will be quiet for exactly the same reasons. Analyse the statistics that you have available to work out what made this month a slow month at your practice. Knowing the answer to this will prevent a lot of energy being wasted in the wrong area.

If your practice is quiet it could be a lack of new patients in which case you should consider a marketing revamp or a new campaign. Maybe patients aren't coming in for their normal active maintenance visits. It may be time to look at how to build on that. If you have an unusually high number of cancellations or 'failed to attends' maybe it is time to look at the procedures for confirming appointments. If production is low you may want to look at employing or training someone to do some of the procedure internally that until now you have been referring out.

There is a difficult balance that needs to be attained when quiet times hit a practice – the balance between not panicking (and hence not jumping too quickly to solutions), and being in (appropriate) action to remedy the problem. If you're experiencing some downtime, take a moment to reflect. It can really help to speak to someone who can remind you of the big picture, provide perspective, and offer an unbiased view of the issues at hand. Together, see the true reality of the moment – then if you need to act, you can do so from a realistic and informed place.

{Published in Australasian Dental Practice Magazine 2008}

