

## Unlocking the secrets of your practice management software

Simon Palmer Ba/BEC and Dr Phillip Palmer BDS

When it comes to making a business decision you need to make sure that you have all the relevant information at hand. The information has to be accurate and displayed in a way that is user friendly and easy to read. Dentists need to make those decisions all the time, but as dentists where can we turn to get the best possible information regarding the performance of our practices?

Our accountants and bookkeepers should be able to give us much of the financial information but often as dentists we need more detailed information in order to diagnose a problem with the practice. How many cancellations have there been in the last month? How many new patients has the practice had in the last month? Are these numbers getting better or worse? These are not numbers that an accountant can tell you.

In order to get information like this you need practice management software. The usefulness of this software varies from practice to practice for four reasons:

1. Quality control of the data
2. The skill of the operators of the software and
3. Knowing what statistics to look at
4. Knowing how to look at them

Let's address these reasons one at a time

### **1. Quality control of the practice data**

It is important to realise that whilst practice management software can help with analysis of practice information, the information itself can only ever be as good, as detailed and as accurate as the information you put in it. You, as a business owner, need to ensure that the business is collecting and maintaining the right information in the first place and that it is of a high standard accuracy-wise. After all, the most basic maxim of computer use is 'garbage in, garbage out'.

### **2. The skill of the operators of the software**

When practice management software is bought by the practice there is some limited training that is usually included by the vendor when it is installed. For the average practice, time goes by and the staff becomes very familiar with the frequently used features and the other features that were in the original sales brochure fade out of memory.

As most practices experience staff turnover, they have their experienced staff train and pass on their knowledge to the newer people. This of course is like trusting your practice operations to a game of 'Chinese whispers'. The initial efficiency and

effectiveness of the training is diluted and distorted. This intellectual attrition limits the use of the software. There could be many time saving features that you are missing out on or statistics that your software could be giving you that you will never see.

In order to utilise all your dental software features as effectively and efficiently as possible, you need to have a practice commitment to the training of staff. Not just at the outset when the software is being purchased, but also training each new staff member. It is important that as a practice owner, you undergo training as well so that you know what features are available.

Not being committed to software training almost ensures that you won't be using the software to anywhere near its fullest. You will probably end up paying more in computer support, fixes and time lost than the software would have cost in the first place.

### **3. Knowing what statistics to look at**

There are many reports that you can get from your practice management software. They range from the extremely useful to the fairly esoteric and are of use in only limited practices. So what information should you be looking at?

All the pm software companies are trying to capture in their management reports the information that they think the dental practice will find useful.

Some of the reports that are there as a result of specific marketing requests from individual dentists (birthdays and postcodes, patients by ethnicity and age), and some are as a result of some large multi-clinician practices (minutes patients wait in the reception area)



While multiple reports, capturing all the various elements of a functioning practice and its client management, can appear attractive, there is an obvious burden in the time it may take to enter information, collect the reports, read and analyse them. There is a real art in choosing the appropriate reporting areas for a practice at a given point in time. Each of the reports can give value at a particular time in the lifecycle of a practice, but to review each of them on even a monthly basis could result in a sense of overwhelm.

The art is in developing a few Key Performance Indicators (K.P.I's) to get a handle on how well their practice is being run. Every modern CEO knows that every day, they need to look at a handful of K.P.I's to get a snapshot of the health of their business. These act as forward indicators to help the CEO understand what needs attention. So what K.P.I's should a dentist look at from his software to see if his practice is healthy?

At Prime, we have found that there are nine really useful K.P.I's that can help point to room for improvement in the skills and systems of a practice.

#### Prime K.P.I's

1. Production per hour worked
2. Collection percentage
3. Clinician hours scheduled
4. Number of new patients per day worked
5. Percentage of patients reappointed
6. Credit adjustments
7. Average appointment time
8. Number of active patients (unique patients in the last 18 months)
9. Number of indirect treatments done per last 100 unique patients

Each of these could be the subject of an article by themselves, but overall they would give a switched-on principal dentist powerful tools for analysis of how their business was performing.

#### **4. Knowing how to look at the Statistics**

Statistics in isolation have limited usefulness. How do you know if a collection rate of 93% is high or low for your practice? The missing ingredient is having a comparison either:

- over time (this period's statics compared to the last period's)
- between clinicians (and if available between practices)
- or both of the above

In addition K.P.I's obviously don't operate in isolation and are interrelated. They need to be compared and looked at together as several pieces of a bigger puzzle in order for the issues to be fully understood.

It is impossible to analyse data from practice management software without looking at the figures on a regular basis, but all the various software companies have the



ability to generate information in the form of reporting that will help unlock the secrets of your dental practice.

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