



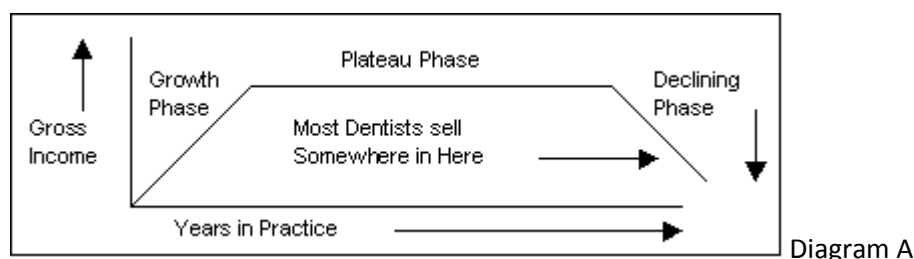
# Don't let Dental Practice Fatigue ruin your retirement plans

By Simon Palmer and Dr Phillip Palmer

Selling your practice can play a large and important part in a dentist's retirement nest egg. Unfortunately, while many dentists plan for this to be the case, the value of this asset often gets drastically reduced later on in a dentist's career by a phenomenon known as Dental Practice Fatigue.

Dental Practice Fatigue (DPF) doesn't hit a dentist all at once. It usually creeps in incrementally - slowly building until one day the dentist turns around and realises that he is weary of the practice of dentistry and has been for some time. DPF, all the while, has been subconsciously sabotaging and undermining the value of the practice in a number of ways.

The usual career value of a dental practice can be seen below in diagram A. In the diagram you will note that early in a dentist's career their dental practice undergoes a period of growth as they inject youthful energy and enthusiasm into their practice, working hard to build a patient base. Later in their career, Dental Practice Fatigue will usually creep in incrementally and the practice growth slows. Unchecked DPF will cause the practice value to plateau and later decline. By the time many dentists weary of dentistry decide to sell and retire their practice is worth significantly less than it did at its peak.



As such, it is important that a dentist recognises the symptoms of DPF when they occur and acts swiftly to rectify their behaviour where possible. So what are the symptoms of Dental Practice Fatigue and how can you rectify this behaviour when you see it?

## **What are the symptoms of Dental Practice Fatigue?**

There are many symptoms of DPF and they all impact on the value of a dental practice.

1. Giving patients treatment that they want not what they need.

Many patients have chronic dental conditions such as: periodontal disease; weakened over filled teeth which are prone to fracturing; missing teeth which are slowly migrating; attrition that can impact the bite. But because these conditions are largely painless so the patient is unaware of the outcome of these problems. The tired dentist will simply give the patient the treatment that the patient wants. This results in symptomatic treatment that will perpetuate the patients underlying problems. These practices will be busy with emergencies and by doing patch and fill dentistry will perpetuate more emergencies. This cycle will affect all elements of the practice.



## **2. Little re-investment in the practice**

Many dentist practice owners weary of their careers will stop re-investing in their practices. They will become comfortable in a practice's old decor/ fit-out and become blind to how tired the place looks. They will generally stop buying new equipment for the practice because they want to focus efforts and money on other pursuits.

This can reduce the value of your practice in a number of ways

- Lack of investment in up-to-date modern decor and fit-out will make your practice less attractive to patients and they will start going and referring elsewhere.
- Staff morale and retention will be affected.
- Any potential buyer will have to weigh up your practice against others and factor in a re-fit /new decor of the practice or the cost of replacing old equipment and bringing the practice up to date. Depending on how long it has been since there was investment in the practice, the cost could be considerable to convert old records to a modern system be it film based x-rays to digital or files to computerised records, train staff in new technologies, etc.

## **3. Scale back**

Usually, the later it is in a dentist's career, the more the dentist has reprioritised away from their work-life towards quality-of-life pursuits. This could mean more family time, it could mean a day spent on a hobby like golf or sailing.

While this reprioritisation may well be justified, it is important to note that hours scaled back from the practice can impact on the practice's production and thereby the value of the practice.

## **4. Attitude and enthusiasm**

A dentist who has 'had enough' of dentistry will usually bring that attitude and lack of enthusiasm to the practice. It will be noticeable to the practice's staff, affecting morale and patient retention. It could also be noticeable to a patient (I am sure you can think of times where you have been in a business and you can visibly see that the proprietors heart isn't in it anymore). The longer the poor attitude of the dentist, the more the practice will suffer the consequences.

### **What can you do about DPF?**

There are several things that you can do as a dental practice owner if you feel that you are getting weary of your practice so that the value of your practice is not compromised.

1. Do some clinical and practice management continuing education to work on all areas of the practice that aren't as good as they could be. Don't allow yourself to be complacent and make sure that you are proud to have your name on the door.
2. Learn to communicate effectively so that you are not trapped in a patch and fill environment. Without advanced communication techniques you will be a victim of the patient's wants instead of their needs.
3. If your DPF means that you are scaling back your hours in the practice taking on an employee dentist or hygienist would fill the time that is now available in your practice. It would:



- a. create leverage and passive income for you in your practice. If all the money earned comes out of your two hands, you have a job. If you derive income from the efforts of others you have a business,
  - b. bring some new energy, enthusiasm, services and ideas to the practice,
  - c. mean that the practice can continue to grow despite your scaling back.
4. Reinvest in the practice.  
Bring the practice decor and technology up to date. If you cannot afford the reinvestment needed to bring the practice up to date it may be an idea to take on a partner to share this cost with you.
5. Sell the practice and work as an employee. Selling your practice doesn't mean that you need to be ready for retirement. Working as an employee at your practice post sale can:
  - a. Be a good way to ease into retirement,
  - b. Increase the attractiveness of your practice when it is for sale as a practice seller who stays on as an employee can mean less patient attrition,
  - c. You may find that without the headaches of ownership you find a new enthusiasm for dentistry.

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