



Dentists build stronger patient bonds

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More dentists experienced declining net incomes and gross billings in the 4th quarter of 2008 than did during the 3rd quarter, according to the 2nd ADA Survey of Economic Confidence.

"The declines dentists are reporting can be expected," commented Dr. Michael Schuster concerning the findings. "Three things happen in every recession: sales decline, receivables increase and credit tightens."

Dr. Schuster authored the book and lecture series, *The Science of Creating Wealth—Recession-Proof Your Practice*. He's a practicing dentist—for more than 30 years—and in 1978 founded the

Schuster Center for Professional Development to teach concepts of managerial excellence, economic freedom and personal growth. Presenting his continuing education course in Chicago last month, Dr. Schuster said, "Dentists who think they will fly through the current recession on autopilot will be sorely mistaken."

Conducted by the ADA Health Policy Resource Center Feb. 20-27, the quarterly Internet survey drew responses from 1,699 dentists about 10 practice benchmarks. It finished with an open-ended question about dentists' practices and challenges.

ADA leaders expect its findings to produce substantive information key in forming recommendations to help dentists in their practices. Findings for the 4th quarter 2008 were compared to responses pertaining to the 3rd quarter and include:

- More dentists reported decreased incomes in the 4th quarter (58.1 percent) than did in the 3rd quarter (53 percent). Fewer dentists reported higher incomes in the 4th quarter (14.6 percent) than did in the 3rd quarter (18 percent).
- More dentists reported a decrease in gross billings (50.1 percent) in the 4th quarter than did in the 3rd quarter (46.5 percent). Fewer dentists reported higher incomes in the 4th quarter (18 percent) than did in the 3rd quarter (21.9 percent).
- Dentists indicated an increase in the average number of days of accounts receivable (26.4 percent in the 4th quarter relative to 24.4 percent in the 3rd quarter); but the increase was not statistically significant.

According to Dr. Schuster, there are several truths common to all economic recessions that dentists should know in order to adapt their practices:

- Recessions are cyclical and happen every 8-9 years;
- Businesses fail (500,000 businesses failed in each of the last four recessions);
- Recessions are actually healthy for the economy;
- Strong businesses get stronger and weak businesses get weaker;
- Recessions reward the nimble who adapt quickly to survive.

"Recessionary trends encourage dentists to look at their practices in a different way, which may be the way they looked at dentistry when they originally went into it: Because they loved it," Dr. Schuster told ADA News.

Like other business management advisors, Dr. Schuster says it's imperative that dentists approach this period with a positive mindset. He advises dentists to talk openly with patients about the current economic situation and do more basic and preventive dentistry now to help patients avoid more costly treatments later on.

"Dental practices exist to serve patients, not dentists," Dr. Schuster commented. "Those who forget that fact will see their practices deteriorate in a recessionary economy. But the dental practices that survive the recession will be stronger for it."

Providing more preventive dentistry may be a track some dentists are already taking. According to an industry report by Strategic Dental Marketing, dental industry categories that experienced an increase in the 4th quarter 2008 over the same quarter in 2007 were:

- alloys and accessories;
- anesthetics;
- bonding agents;
- cements, liners/bases;

- infection control;
- restoratives.

Communicate with patients

Schuster Center research shows that dentists who focus on their patients and establish strong relationships are increasing their revenues, even now.

Such findings show the value of good relationships in communicating with patients about their oral health, particularly when many patients' primary concern is saving money. During a recessionary economy, some patients may delay or defer care that could save them from experiencing severe oral health problems and additional expenditures in the future.

In fact, treatment acceptance by patients was the second most common category that respondents answered about in response to the open-ended question—What is your biggest challenge facing your practice and what are you doing to overcome it?—in the 2nd ADA Survey of Economic Confidence. Some 17.3 percent of respondents described challenges in that area. (Attraction and retention of patients garnered 24.2 percent of respondents' comments, indicating that it is currently the biggest challenge practices face. Patient payment problems drew 12.1 percent of comments, making it the third greatest challenge for practices.)

When Dr. William D'Aiuto, a general dentist in Winter Springs, Fla., noticed some of his patients weren't coming in for their regular recalls he e-mailed a simple, one-page newsletter to make sure they understood about the potential risks of delaying examinations and cleanings. Patients responded by scheduling their appointments. Now Dr. D'Aiuto sends a one-page newsletter out to patients each month.

"It's the first time many of us have had to think like business people," said Dr. D'Aiuto, who serves on the Subcommittee on Economic Issues. Created through the Council on Dental Practice, the group is charged with identifying ways to help ADA members survive and thrive in tough economic times.

"One thing dentists have to remember: We're not competing with the dentist down the road; we're competing with ourselves," said Dr. D'Aiuto. He says the way to lock patients into your practice is to let them know you care.

"We have to show patients our empathy for their situations and help them prioritize," said Dr. D'Aiuto. "A patient needs to know you care before he or she can calmly make a decision to go forward with a treatment plan."

Another step Dr. D'Aiuto recommends in gaining patients' trust is to follow-up with them after dental procedures.

"Every general dentist should call a few patients each night," said Dr. D'Aiuto. "Asking them how they're doing lets them know you care."

He recommends dentists avoid the gloomy introspection that can accompany an economic downturn.

"To re-energize and refocus," he recommended dentists read "CEO Crash Course—A Dentist's Guide to Practice Leadership," by the ADA Council on Dental Practice and the Department of Salable Materials, and "The One Minute Manager," by Kenneth H. Blanchard and Spencer Johnson.

"It's not the time to turn inward," advised Dr. D'Aiuto. "It's time to seek information."

"CEO Crash Course—A Dentist's Guide to Practice Leadership," is available from the ADA by calling 1-800-947-4746 or visiting www.adacatalog.org. The cost is \$39.95 for members, \$59.95 for nonmembers.

ADA members can download a summary report of the 1st ADA Survey of Economic Confidence. ADA News and ADA News Today will report when the 2nd report is also available for download. To access the reports go to www.ada.org/goto/surveyresearch. Click on Free Downloadable reports.

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