

Dr. Farran's **ONE-DAY**  
**DENTAL MBA**



**&** Course Handouts  
Study Guide

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www.HowardFarran.com



[www.facebook.com/DrHowardFarran](http://www.facebook.com/DrHowardFarran)

[www.facebook.com/Dentaltown](http://www.facebook.com/Dentaltown)

For seminar information contact Jenna Farmer at:  
480.445.9712 or [jenna@farranmedia.com](mailto:jenna@farranmedia.com)

You Only Manage 3 Things:



People



Time



Money

Business Only Has 3 Functions:



Make  
Something



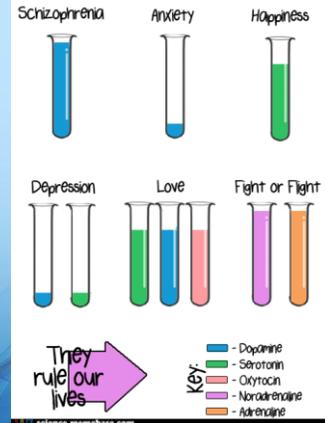
Sell  
Something



Watch  
The  
Numbers

What do 90% of  
Orthodontist figure out in  
2 years that most dentists  
never figure out?

Treatment Plan Presenter



Gum disease  
is contagious.



Did you know that you can give it  
to your kids by sharing utensils?

**meineke**  
car care center

Complete Car Care  
and More

SPRING/SUMMER '10

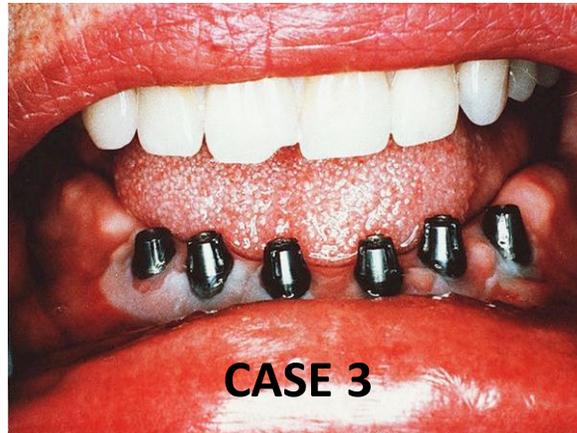
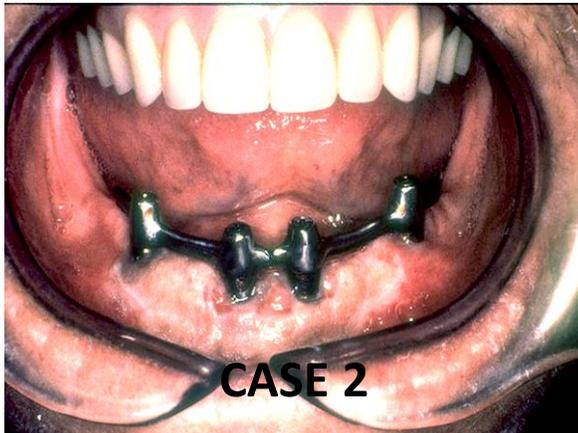
- CAR FAQ: CAR MAINTENANCE MYTHS
- THE MEINEKE PROMISE
- SUDDOKU PUZZLE
- BRAKE SERVICE SPECIAL

THE DRIVER: AT MEINEKE, YOU'RE ALWAYS THE DRIVER.

**Basic**  
Economical choice to "just fix it."

**Preferred**  
"Make it like new" and includes higher level of inspection and parts with extended warranty.

**Supreme**  
The most complete service we offer, including parts with extended warranty and may include performance enhancements.



**Appointment Confirmation**



**TODAY'S DENTAL** 19850 South 48th Street  
Phoenix, Arizona 85044  
480-893-CARE (2273)

Howard's appointment is on Wednesday, October 19 at 10:00AM

**Click above to confirm appointment.**  
\*\* Please inform us of any insurance changes for 2011 prior to your appointment \*\*

[Like us on Facebook!](#)

Best regards,  
Today's Dental  
480-893-1223

Please do not reply by email. If you have any questions about this reminder, please call our office at 480-893-1223.

Today's Dental  
19850 S. 48th Street, Phoenix, AZ, 850441701  
Phone: 480-893-1223  
[www.todaydental.com](http://www.todaydental.com)

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**Do The Math!**

Manual Cost  
**\$24K a year**



Automated Cost  
**\$3.5K a year**



Collection	Overhead	Paycheck
\$125,000	80%	\$25,000
\$71,500	65%	\$25,000
\$50,000	50%	\$25,000
\$41,667	40%	\$25,000

**Dental CPA Associations**

**The Academy of Dental CPA's**  
<http://www.adcpa.org>

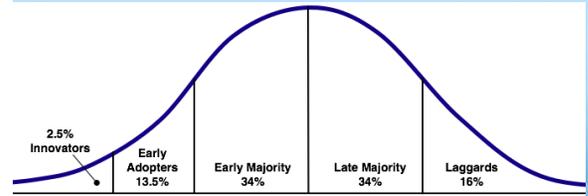
**The Institute of Dental CPA's**  
<http://www.indcpa.org>

Business World's Method

**Price - Profit = Budget**

Dentist's Method

**Cost + Profit = Price**



- Intraoral Cameras
- Computers in every operatory; a \$500 laptop
- KAVO Diagnodent -Stop WATCHING everything Magnification Loupes for DDS, RDH & Assistants
- CAD-CAM Same Day Restorations
- Digital X-rays 2 Dimensional & Cone Beam Computed Tomography (CBCT) 3-Dimensional
- Waiting Room 48-inch monitor playing dental videos
- \$3000 diode laser like the AMD

Location is #1 key to Practice financial success.

David James of [www.REALscore.com](http://www.REALscore.com) provides location scoring, demographics & interactive maps for dentists!

The definition of "Location" isn't just the physical location of the office.

- Demographics
- Competition/Market Saturation
- Future Growth Potential

**Dental offices 8 to 5  
Monday –Thursday**

**32 Hours / 168 Hours**

**=**

**19% utilization of your  
facility**

**McDonald's is  
open more hours  
with breakfast  
Egg McMuffin**

## The Dupont Formula:

$$\left( \frac{\text{Net Income}}{\text{Sales}} \right) \times \left( \frac{\text{Sales}}{\text{Assets}} \right) \times \left( \frac{\text{Assets}}{\text{Equity}} \right)$$

**(Profit Margin) X (Turnover) X (Leverage)**

## The Dupont Formula

$$\left( \frac{\text{Net Income}}{\text{Sales}} \right) \times \left( \frac{\text{Sales}}{\text{Assets}} \right) \times \left( \frac{\text{Assets}}{\text{Equity}} \right)$$
$$\left( \frac{\text{Net Income}}{\text{Sales}} \right) \times \left( \frac{\text{Sales}}{\text{Assets}} \right) = \left( \frac{\text{Net Income}}{\text{Assets}} \right) = \text{ROA}$$

Return On Assets

## The Dupont Formula

$$\left( \frac{\text{Net Income}}{\text{Sales}} \right) \times \left( \frac{\text{Sales}}{\text{Assets}} \right) \times \left( \frac{\text{Assets}}{\text{Equity}} \right)$$
$$\left( \frac{\text{Net Income}}{\text{Sales}} \right) \times \left( \frac{\text{Sales}}{\text{Assets}} \right) \times \left( \frac{\text{Assets}}{\text{Equity}} \right) = \left( \frac{\text{Net Income}}{\text{Equity}} \right) = \text{ROE}$$

Return On Equity

**McDonalds spent \$787 million on advertising**

**VS.**

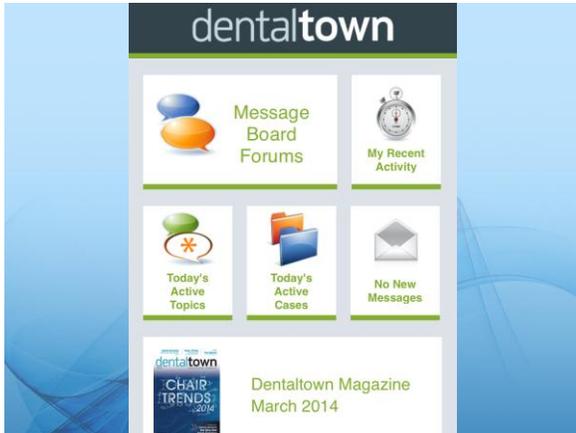
**Burger King's \$48 million!**

## The Numbers

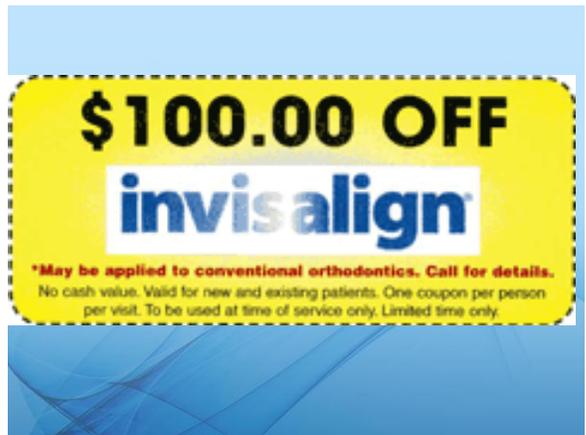
- **Yellow pages - \$300/per new patient**
- **Direct Mail - \$200 per new patient**
- **Internet marketing - \$100 per new patient**

## Top 18 Review Sites

- Google
- Ask
- CityVoter
- CitySearch
- iBegin
- Bing
- Dogpile
- NoMoreClipboard
- Yelp
- Wellness
- Yahoo
- Demandforce
- Superpages
- Mojopages
- Manta
- Local
- Yellowpages
- Lycos



1. Open the phone's browser and type in [www.todaysdental.com](http://www.todaysdental.com)
2. Click on the bottom browser navigation icon (on the iphone it's an up arrow inside a box) which will open a screen to share this website on social media along with an option to "Add to Home Screen".
3. Click and it will add the icon to the phone's home screen similar to an app shortcut.





The purpose of life is not to be happy - but to matter, to be productive, to be useful, to have it make some difference that you have lived at all.  
~Leo Rosten

**Purpose**

The difference between leadership and management is purpose.

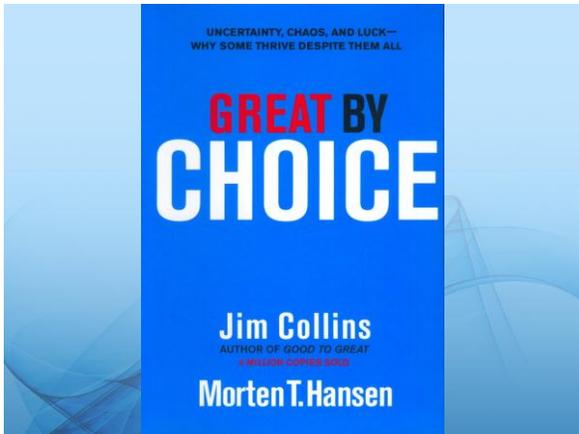
The happiest people on earth are those that have meaning and relevance to their life.

**Purpose**

If you hire people just because they can do a job, they'll work for your money, but if you hire people who believe what you believe, they'll work for you with blood, sweat and tears.

**Purpose**

The more purpose you give your team members, the more you delegate to your team members, the more they all have a mission, and the more they will work every day with blood, sweat and tears.



## Daily

- Final Daysheet
- Daily Register
- End of Day Call Back
- Missed Appointments

## Bi-Weekly or as Needed to Work

- Outstanding Insurance Claims – by company
- Outstanding Treatment Plan – all not scheduled
- Recall Report
- Laser Reminder Postcards

## Monthly

- Account Aging, show details of accounts
- Monthly Register – all providers
- Transactions for a period – current month – totals only (shows all providers production)
- Year to date Register
- Transactions for a period – year to date totals only (shows all providers production)
- Accountants Earnings
- New Patients Report
- Referral Reports – Patient and Professional
- Unsubmitted Insurance

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a Farran Media interactive healthcare community | www.dentaltown.com

magazine and online community

Dentaltown began in 1999 with a simple goal – to connect dentists with one another so they would never have to practice solo again.

www.dentaltown.com



## Sharing Knowledge: Message Boards

- Cornerstone of the DentalTown.com community
- More than 2.7 million posts
- Content organized in 45 forum categories
- Replies to topic posts 15:1

Statistics	
<b>Message Board Activity</b>	
New Posts Today	541
Total Visitors Today	1,568
Total Visitors Last 30 days	21,354
Total Visitors Last 60 days	37,300
Total Visitors Last 90 days	52,679
Total Posts	2,897,896
<b>Users Currently Online</b>	
Registered Members Currently Online (view)	1,249
Anonymous Visitors Currently Online	8
Total Registered Users on this Site	146,169

Screenshot taken on 01/10/2012 at 1:05pm

## Active Forums

Categories	Impressions	Impressions /Day
Endodontic	851,332	2,117
Practice Management	754,500	1,876
Implantology	694,495	1,727
Restorative Dentistry	497,769	1,238
Pediatric Dentistry	464,419	1,155
Oral & Maxillofacial Surgery	397,237	988
CAD/CAM Technologies	348,349	866
Prosthodontics	314,071	781
Cosmetic Dentistry	291,192	724
Imaging	135,754	337
Periodontics	111,536	277

Time period: July 2010 – July 2011

## Sharing Knowledge: Case Presentations



Total Cases: 8,074

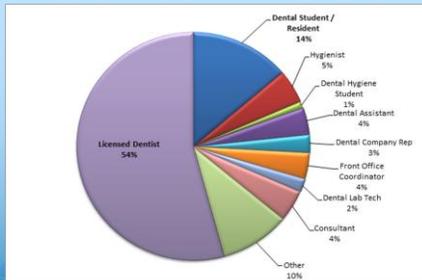
## Sharing Knowledge: Online Education



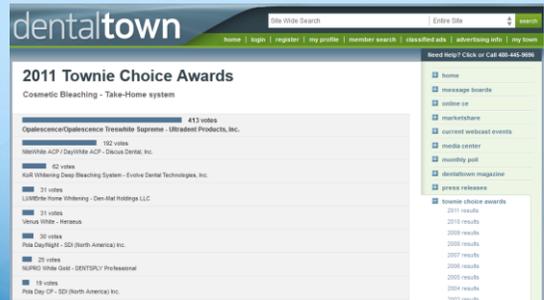
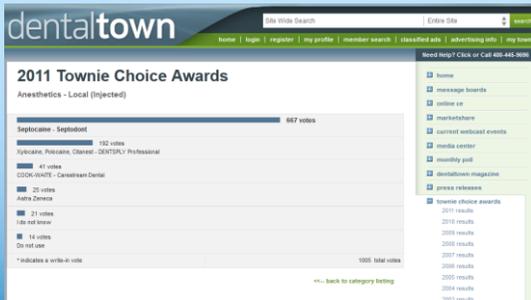
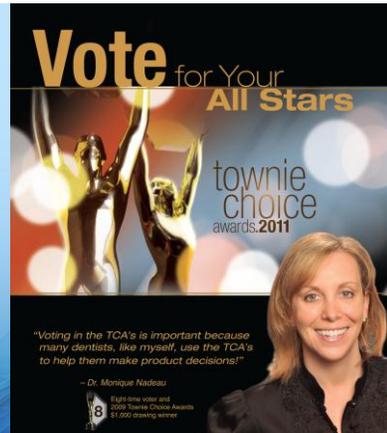
- Rapidly growing catalog of 125 courses
- Course views: 323,198
- AGD PACE and ADA CERP credits
- \$36 to view and claim credits

## DentalTown.com

### Distribution of New Members by Professional Title



Annual total using monthly averages



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**2011 Townie Choice Awards**  
Gloves - Latex

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- Monthly Post
- Advertisement Magazine
- Press Releases
- Insider Choice Awards

**88 votes**

- Glove Club
- Creations International
- COVID Medical Gloves
- Cranberry Original / Silkcare / Signa - Pq2 Solutions, Inc.
- Kevlar-Clack
- SmartPractice
- Actual
- Aurora - Suppman, Inc.

**Find opportunity with your customized CareCredit Practice Performance Review**

Your customized 5-page Practice Performance Review uses actual data from your practice and highlights opportunity from CareCredit's Community of Practice contributors — and potential you already have with your existing patient base. The following is a sample Practice Performance Review (for illustrative purposes only).

**Practice Review**  
 Dental Locator Views: 512  
 CareCredit Network: 46  
 Additional Procedures/Treatments: 20  
 CareCredit Contributions: 53

Total Available Credit: \$142,315

## Practice Performance Review

**Professional statement that highlights:**

- Practice's CareCredit Performance
- Total CareCredit usage
- Area Comparison
- Practice usage vs. avg regional usage
- Total available credit within a practice
- CareCredit Network Opportunity
- Usage from repeat use and cross-shop
- # of Provider Locator hits

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**Continuing Education**

Recently Added Courses | Most Popular Latest Courses | Featured Course

**Categories**

- Anesthesia (3)
- CAD-CAM (4)
- Cariology (3)
- Cosmetic Dentistry (3)
- Dental Ergonomics (1)
- Dental Hygiene (1)
- Digital Radiography (2)
- Endodontics (8)
- Ethics, Jurisprudence, and Malpractice (1)
- Fixed Prosthodontics (1)
- Health and Medical Topics (5)
- Implant Dentistry (11)
- Infection Control (3)

## Categories

- All Courses (125)
- Anesthesia (3)
- CAD-CAM (4)
- Cariology (3)
- Cosmetic Dentistry (3)
- Dental Ergonomics (1)
- Dental Hygiene (1)
- Digital Radiography (2)
- Endodontics (8)
- Ethics, Jurisprudence, and Malpractice (1)
- Fixed Prosthodontics (1)
- Health and Medical Topics (5)
- Implant Dentistry (11)
- Infection Control (3)

## Categories

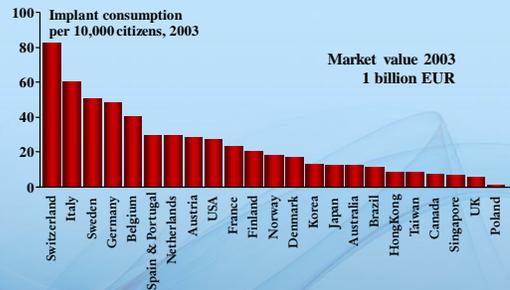
**Marketing (5)**  
**Oral Medicine and Pathology (2)**  
**Oral Surgery (4)**  
**Orthodontics (8)**  
**Pediatric Dentistry (1)**  
**Periodontics (5)**  
**Personal Finance (1)**  
**Photography (1)**  
**Practice Management (13)**  
**Public Health (1)**  
**Removable Prosthodontics (4)**  
**Restorative Dentistry (25)**  
**Sleep Medicine (1)**  
**Substance Abuse (1)**  
**TMD and Occlusion (7)**

## The Top 5 Most Viewed Online Dentaltown CE Courses of All Time!

1. 10,989 - *Locating the Elusive Root Canal* by Dennis Brave, DDS and Kenneth Koch, DMD
2. 9,005 - *Practical Oral Surgery for the General Dentist: Surgical Extractions* by Jay B. Reznick DMD, MD
3. 8,312 - *Practical Oral Surgery for the General Dentist: Impacted Third Molars* by Jay B. Reznick DMD, MD
4. 7,370 - *Precision Based Endodontics Locating the Elusive Root Canal* by Dennis Brave & Kenneth Koch
5. 7,010 - *Techniques To Create Beautifully Esthetic and Functional Direct Composite Restorations* by Robert Lowe, DDS, FAGD

## Classified Ads

## High Potential Due to Low Penetration



Nobel Biocare estimates

## Harvard Study: Adult Learning

<b>Verbal</b>	100% of what the speaker wanted to say was said...	
	80% was said	
	60% was heard	Average Dental Practice Consult
	40% was remembered after 3 Hours	
	15% was remembered after 3 Days	
	0-5% was remembered after 3 Months	
<b>Verbal + Visual</b>	60% after 3 Days	
	40-50% after 3 Months	Top 1% Dental Practice Consult
<b>Verbal + Visual + Notes</b>	80% after 3 days	
	60-70% after 3 Months	

## The Four Things You Do During "The Great Contraction"

- Cut costs
- Double or triple your marketing budget
- Add new products & services
- Slash your prices by joining a PPO

## Daily “We Care” Calls are the “Golden Rule” of Dentistry!

- Every single patient who receives an injection will receive a “We Care” call from Today’s Dental that night or the very next morning to make sure everything is going fine! Hopefully it will be the very same person who actually gave the injection!
- A week later, the dental assistant who assisted the procedure will call to make sure everything is going fine! This gives the patient a solid week to “Drive it around the block!”

## “We Care” Calls

DAILY OPERATIONS REPORT		Monday November 23, 2010	
Dr. Name	Dr. Name	Dr. Name	Dr. Name
4:00 AM	4:00 AM	4:00 AM	4:00 AM
4:15 AM	4:15 AM	4:15 AM	4:15 AM
4:30 AM	4:30 AM	4:30 AM	4:30 AM
4:45 AM	4:45 AM	4:45 AM	4:45 AM
5:00 AM	5:00 AM	5:00 AM	5:00 AM
5:15 AM	5:15 AM	5:15 AM	5:15 AM
5:30 AM	5:30 AM	5:30 AM	5:30 AM
5:45 AM	5:45 AM	5:45 AM	5:45 AM
6:00 AM	6:00 AM	6:00 AM	6:00 AM
6:15 AM	6:15 AM	6:15 AM	6:15 AM
6:30 AM	6:30 AM	6:30 AM	6:30 AM
6:45 AM	6:45 AM	6:45 AM	6:45 AM
7:00 AM	7:00 AM	7:00 AM	7:00 AM
7:15 AM	7:15 AM	7:15 AM	7:15 AM
7:30 AM	7:30 AM	7:30 AM	7:30 AM
7:45 AM	7:45 AM	7:45 AM	7:45 AM
8:00 AM	8:00 AM	8:00 AM	8:00 AM
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8:45 AM	8:45 AM	8:45 AM	8:45 AM
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9:15 AM	9:15 AM	9:15 AM	9:15 AM
9:30 AM	9:30 AM	9:30 AM	9:30 AM
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2:15 PM	2:15 PM	2:15 PM	2:15 PM
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2:45 PM	2:45 PM	2:45 PM	2:45 PM
3:00 PM	3:00 PM	3:00 PM	3:00 PM
3:15 PM	3:15 PM	3:15 PM	3:15 PM
3:30 PM	3:30 PM	3:30 PM	3:30 PM
3:45 PM	3:45 PM	3:45 PM	3:45 PM
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11:00 PM	11:00 PM	11:00 PM	11:00 PM
11:15 PM	11:15 PM	11:15 PM	11:15 PM
11:30 PM	11:30 PM	11:30 PM	11:30 PM
11:45 PM	11:45 PM	11:45 PM	11:45 PM
12:00 AM	12:00 AM	12:00 AM	12:00 AM

When a patient gets an injection, they are called that night.

A line gets drawn through the scheduled block.

The sheet is put in a three ring binder.

## Make More Calls!

- Driving in car to work.
- Before you leave for lunch.
- Before you leave to go home.
- Driving home from work.

A team with a great attitude is the best marketing of all!!!



Does everyone on your team dive for the ball?



Does everyone on your team play to win?



I will not treat a dental patient in a way I myself would not want to be treated. The ethic that we should treat others as we ourselves want to be treated and not in a way we ourselves would not want to be treated is found in all the great religions of the world:

Religion	When Founded	Membership	"Golden Rule"
Judaism	2000 BC	13,866,000	"What is hateful to you, do not to your fellow man. That is the entire Law, all the rest is commentary." -- The Talmud, Shab 31A
Hinduism	1500 BC	793,075,000	"This is the sum of all true righteousness: deal with others as thou wouldst thyself be dealt by." -- The Mahabharata
Buddhism	500 BC	325,275,000	"Hurt not others in ways that you yourself would find hurtful." -- Undanavarga:518
Confucianism	500 BC	5,086,000	"Surely it is the maxim of loving kindness: Do not unto others that you would not have them do unto you." -- Analects
Christianity	0	1,955,229,000	"Do unto others as you would have done unto you."-- Luke 6:31
Islam	500 AD	1,126,325,000	"No one of you is a believer until he desired for his brother that which he desires for himself." -- Sunnah

Source: The New York Times 1998 Almanac and *Children are worth It!*, Barbara Coloroso, 1997

## The Number of Industrious Hours per Week that You Work DRASTICALLY Affects Your Net Income!

Dr. A	32 or More Hours a Week	Averages \$150,000 / Year
Dr. B	32 or Less Hours a Week	Averages \$114,000 / Year

Source: ADA Survey of Dental Practice, 2002

## Portrait of a Millionaire

- The Median Income of a Millionaire in America is \$131,000 per year.
- It's not what you make it is what you spend!
- We live in homes currently valued at an average of \$320,000.
- About 80 percent of us are first generation affluent.
- About two-thirds of us work between forty five and fifty-five hours per week.
- There are about 3.5 millionaire households like ours.

Source: The Millionaire Next Door, Thomas J. Stanley, PhD & William D. Danko PhD, 1996

## 3 Business Strategies

1. Market Differentiation
2. Cost Leadership
3. Target Market

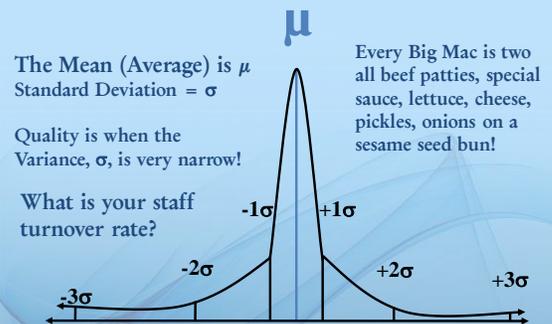
## The 5 Love Languages



1. Physical Touch
2. Words of Affirmation
3. Quality Time
4. Gifts
5. Acts of Service

Source: The 5 Love Languages by Gary Chapman & Ross Campbell MD

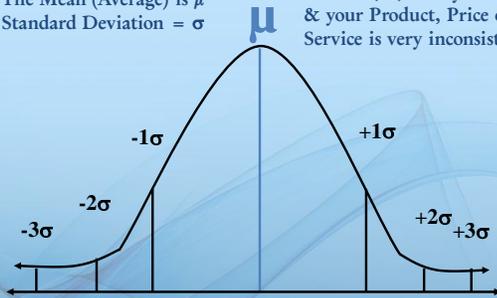
## So What is Quality?



## Low Quality is When You Have a Large Variance!

The Mean (Average) is  $\mu$   
Standard Deviation =  $\sigma$

Low Quality is when the  
Variance,  $\sigma$ , is very broad  
& your Product, Price or  
Service is very inconsistent!



## Employee Turnover Formula

$$\frac{\text{Time}_1 - \text{Time}_2}{\text{Time}_1} \times 100\%$$

$$\frac{50 - 30}{50} = \frac{20}{50} = 0.4 \text{ or } 40\%$$

## The First Law of Customer Service is:

Satisfaction = Perceptions - Expectations

## The Second Law of Customer Service is:

It's hard to play catch up ball  
once you are behind!

Arizona State University, OPM 502, Professor M. Rungtusanatham

## Equity

Fair dealing with people.

- Motivate with Production Goals
- Staff must share the wealth



Production Goal #1 =



Production Goal #2 =



Production Goal #3 =



## The 3 Business Strategies

### Cost Leadership

- Do you have a cost competitive advantage over your competitors?
- Do you take their dental benefits?
- Do you have lower prices?

## Keep One Eye on the Customer Keep One Eye on Cost

Give your patients the freedom  
to keep their own teeth!

Keep One Eye  
on the  
Customer



Keep One Eye  
on Cost

## Getting to Yes

Time	Day	Date

1. Hygiene appointment time available per request? yes / no
2. Doctor appointments time available per request? yes / no
3. Appointment time after 5pm available? yes / no
4. Appointment time before 9am available? yes / no
5. Patient has HMO insurance? yes / no
6. Patient has no insurance or money? yes / no

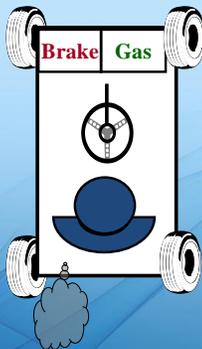
### comments:

Keep one eye on the customer so you can create a supply of  
what your patients want, need and desire!

Time to reorder ? Call Farran Media 480-598-0001

## Brake

- 1) Raise  
Your  
Prices



## Gas

- 2) Increase  
Your  
Capacity
- 3) Increase  
Your  
Speed

$$\$70 \times \frac{8}{8} = \$560$$

100% Capacity  
Bottleneck

$$\$80 \times \frac{7}{8} = \$560$$

87.5% Capacity  
No Bottleneck

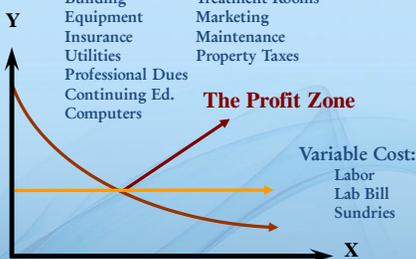
## Fixed Costs vs. Variable Cost

Fixed Costs:

Land  
Building  
Equipment  
Insurance  
Utilities  
Professional Dues  
Continuing Ed.  
Computers

Tenant Improvements  
Treatment Rooms  
Marketing  
Maintenance  
Property Taxes

Cost which are  
incurred on a  
monthly bases  
whether you are  
open and  
treating patients  
or closed.



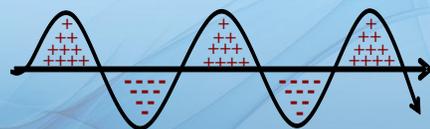
Output of High Quality Dental Services During a Monthly Period.

Variable Cost:  
Labor  
Lab Bill  
Sundries

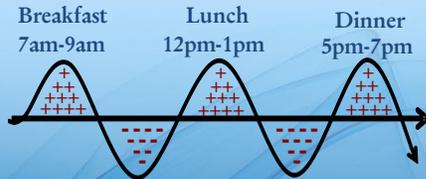
## Ray Kroc 1902 - 1984 Founder of McDonald's in 1954

Match "Flow with Demand"  
Not "Capacity with Demand"

Ray Kroc said you need "Excess Capacity!"



## Do Restaurants, Hotels and Airlines have Cancellations, No Shows and Broken Appointments?



Do restaurants charge the same price for dinner on Friday night as they do for lunch during the week?

## The 3 Business Strategies

### Target Market

- Do you target a specific group of people that have special unmet needs, wants and desires?
- Does your office speak a foreign language?
- Does your office have a diversified staff?

## McDonald's is a System Long Before It is a Restaurant!

- 1) Take Order
- 2) Take Money
- 3) Give Food

### Dr. Great

- 1) Does Exam
- 2) Fixes Tooth
- 3) Begs For Money

## Business World's Method

$$\text{Price} - \text{Profit} = \text{Budget}$$

### Dentist's Method

$$\text{Cost} + \text{Profit} = \text{Price}$$

## The 8 Principles of Waiting

1. Unoccupied Time Feels Longer Than Occupied Time
2. Pre-Process Waits Feel Longer Than In-Process Waits
3. Anxiety Makes Waits Seem Longer
4. Uncertain Waits are Longer Than Known, Finite Waits
5. Unexplained Waits are Longer Than Explained
6. Unfair Waits Are Longer Than Equitable Waits
7. The More Valuable The Service, The Longer I Wait
8. Solo Waiting Feels Longer Than Group Waiting



Source: Harvard Business School, The Psychology of Waiting Lines

## Reward Referrals

- Reward patients who refer new patients to your office with gifts & rewards such as coffee mugs, gift certificates, free dinners, or any other unexpected items.
- Ask your patients for "referrals"
- If you don't "ASK" then you won't "GET!"

