Eleven tips for success in your dental clinic

Part IV: ROI and PEST

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Welcome to the fourth part of the series Eleven tips for success in your dental clinic. Our new tips are about knowing how to choose the right investment for your clinic in order to have the greatest possible ROI!

Now what is ROI? ROI stands for the acronym Return on Investment. Let's explain the term a little bit further. It shows our clinic's ability to use its assets to generate profits. How many of you have bought a new equipment bursting with excitement and, six months later, had completely forgotten about it and never used it? How many of you bought an intra-oral camera and are still using it?

I will present to you now a very unique protocol that I use every time I purchase or I am thinking of purchasing new equipment or making an investment at my clinic. This protocol includes four components:
1. Patients
2. Your clinic
3. The environment
4. The actual investment.

Now, for example, you are thinking of buying a new piece of laser equipment:

Observe your patients' needs

Which patient needs are we going to cover with laser treatments? Let's brainstorm a little bit more on this! By choosing a laser treatment instead of a conventional treatment, we can cover their needs for: minimal pain, minimal or no anaesthesia, no drill sound, less fear, anxiety or stress, minimal or no bleeding, faster healing, reduced postoperative complications, reduced chair time.

We are responsible to choose the investment with the highest ROI and we can do it by asking our patients for their needs based on an efficient protocol, for example by asking them questions such as: What are the most important treatments for you? Are you getting what you are expecting from us? What new treatments and trends are you interested in?

Never ever buy a new piece of technology because your friend/competitor/colleague has done it! Why? Because he does not have your patients. Please always remember this, it is very important!

Furthermore, you can assess your patients by yourself: What is your main target group? To which society groups do they belong? Are they afraid of the dental procedures or are they comfortable with them? Do you have a lot of patients and need to make more fillings in less time?

Know thyself and thy clinic

You can achieve this by learning in which areas we should improve ourselves (clinic) and in which areas we are in advantage. We can do that by using a very essential tool every six or twelve months, the so-called SWOT analysis. This is composed of four elements: our strengths, weaknesses, opportunities and threats as dentists. And we have already talked about it in the first part of this series (please see laser 3/2015).

Analyse your environment

The third component of the protocol that I would love to share with you is PEST analysis. PEST stands for political, economic, social and technological environment. By knowing potential problems in advance, you will be more prepared and capable of finding the correct solutions. By making effective use of PEST analysis, you ensure that what you are doing is positively aligned with the forces of change that are affecting our world. By taking advantage of change, you are

much more likely to be successful than if your activities oppose it. Good use of PEST analysis helps you to avoid taking action which is condemned to failure for reasons beyond your control.

PEST is useful when you start operating in a new country or region. Applying PEST analysis helps you to break free of unconscious assumptions, and helps you to quickly adapt to the realities of the new environment. Its four components include:

- Political aspects: government type and stability, regulation and de-regulation trends, social and employment legislation, tax policy and trade/tariff controls, environmental and consumer-protection legislation, likely changes in the political environment
- Economic aspects: stage of business cycle, current and projected economic growth, inflation and interest rates, unemployment and labor supply, labor costs, tax system (corporate tax: 10% in Cyprus), likely changes in the economic environment
- Socio-cultural aspects: population growth rate and age profile, population health, education and social mobility, and attitudes to these, population employment patterns, job market freedom and attitudes to work, press attitudes, public opinion, social attitudes and social taboos, socio-cultural changes
- Technological environment: impact of emerging technologies, impact of Internet, reduction in communications costs and increased remote working.

Some years ago, Cyprus held the monopoly in communication services, but now the prices have dropped dramatically since there are a lot of players in the market. For example changes, in the government policy may affect the nature of treatments that may be available, for example under the NHS. Changes in the economic climate can have a direct impact on the spending power of patients. The so-called 'feel good factor' amongst home owners when interest rates are low and house price inflation is high is one example of how the state of the economics affects the mood of consumers.

Social changes can also affect our practice. People are tending to work longer hours. This could have an effect on your practice opening hours. Or maybe there are many people in your area who are older than 60 years old and, as a consequence, there is an increased need to treat this group of people. Or there are less births and thus there is no need of orthodontists.

Technology has made a huge impact on our lives and the internet in our workplace. We need to raise




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the expectations of our patients, using for example Google advertisements, Facebook pages etc.

Make an investment

The last element of this unique protocol is the investment itself. We should see to regaining our money for this investment, as well as when and how we can do that! I have designed a model that could assess whether a dental investment is both viable and profitable according to the data of each clinic. For this, I choose ROI and payback as parameters of assessment. You are going to learn how to choose your investment like an expert by applying the ELIT (Invest Like an Expert Table) table excel formula.

The above protocol is one of the tools that you can be taught by the DBA educational programme full courses and seminars, including how to design your own ELIT. In the next issue, we will reveal two brand new tips and practical solutions that will help you access new opportunities and potentials of your dental clinics and change the way you see and make business in dentistry. Until then, please remember that not only are you the dentist in your clinic, but you are also its manager and leader.

You can always send me your questions and request for more information and guidance at dba@yiannikosdental.com or via our Facebook account. Looking forward to our next trip of business growth and educational development!_

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Kurz & bündig

Im ersten Teil der Serie „11 Tipps zum wünschenswerten Erfolg in Zahnkliniken“ ging es darum, sich als Praxisinhaber intensiv mit den eigenen Fähigkeiten, Stärken und Schwächen auseinanderzusetzen. Der zweite Teil befasste sich im Anschluss mit der Suche nach dem idealen Praxismitarbeiter. Im dritten Teil ging es dann ganz um den Umgang mit den Patienten. Die Autorin zeigt den Lesern in fünf einfachen Schritten, wie sie ihr Terminmanagement optimieren können und auf unvermeidbare Verzögerungen und Wartezeiten reagieren.

Im nun vorliegenden vierten Teil befasst sich die Autorin damit, wie Zahnärzte ermitteln können, welche Investition in ihre Praxis sinnvoll ist. Das Akronym ROI umschreibt dabei den sogenannten Return on Investment, die Investitionsrentabilität. Anhand von vier Schritten lässt sich diese strategisch ermitteln, sodass eine gute Entscheidungsgrundlage für mögliche Investitionen gegeben ist. Diese vier Aspekte umfassen die Erwartungen und Bedürfnisse der Patienten, eine Stärken-Schwächen-Analyse der eigenen Person und Praxis, alle Faktoren im direkten und weiteren Praxisumfeld sowie die finanziellen Aspekte der Investition.

Bei Analyse des Praxisumfelds stehen vier Faktoren im Fokus: politische Aspekte, insbesondere der Gesetzgebung, wirtschaftliche Gesichtspunkte, soziokulturelle Einflüsse sowie der technologische Entwicklungsstand. Die Autorin erläutert alle Punkte ausführlich und gibt so einen Leitfaden zur Entscheidungsfindung. Seien Sie gespannt auf die nächste Ausgabe der *laser* international magazine of laser dentistry, in der Ihnen die Autorin zwei weitere Tipps für Ihren Praxiserfolg an die Hand gibt.

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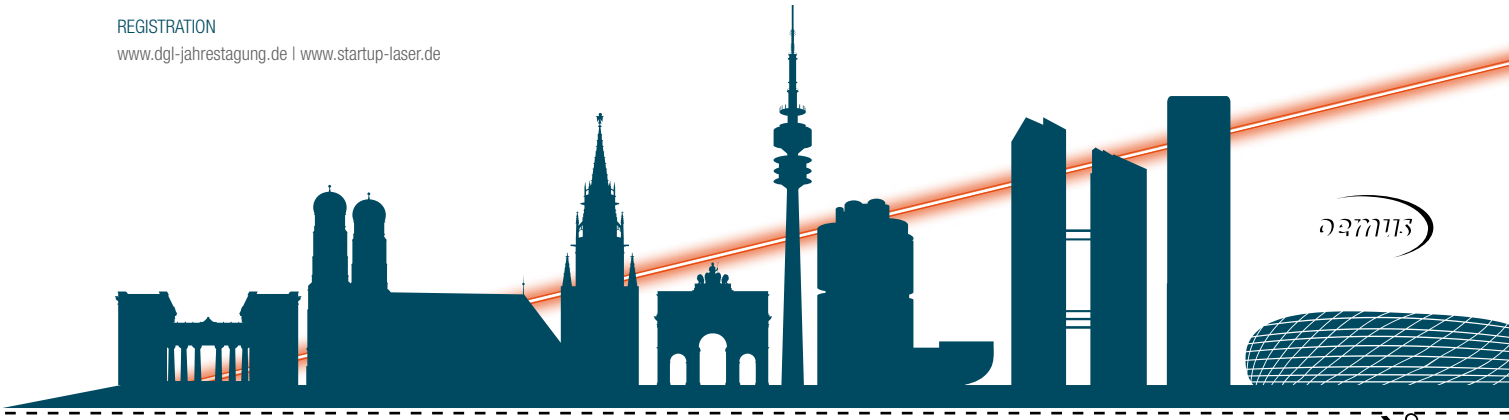
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