

CCLUB.CONNECT

COFFEE BREAK SERIES

The Seven Skills of Successful Dental Business Leaders

Business Thinking Exercises

**BUSINESS INSPIRATION FOR
BETTER DENTAL HEALTH**



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ABOUT ROSE & CO

Since 2010 we have been helping dentists and their teams to develop their businesses. Club Connect is a growing network of regional private advisory groups designed specifically for dental business owners. At our quarterly Club Connect workshops and during monthly one-to-one coaching sessions, one of our main objectives is to develop your business leadership skills.

This guide is the first in a series for 2015. We are starting with the development of your skills as a dental business leader. It's also your introduction to the development work we do at Club Connect. We've called it The Coffee Break Series because it's designed to provide you with a quick shot of inspiration, to get you thinking and get results for you and your business.

We hope you enjoy it.

Kevin and Jan
December 2014

INTRODUCTION

Why is it that some dental businesses do better than others?

If you are serious about developing your dental business, there is an overwhelming amount of information available to you these days, so much so, that if all of the advice about what to do, all of 'The Secrets to Success' and 'Top 10 tips' were valid for each and every business, then surely every dental business would be more successful?

The conclusion; that the most successful business owners have always known that business success is less about what you do, and more about the way that you think about your business. In other words, just like the best dentists study, learn and train to increase their understanding of the causes of dental problems, the best business owners invest their time in understanding the cause of their business problems, before they deal with the effects.

This is your time to invest in the way that you think about your business.

HOW TO COMPLETE YOUR BUSINESS THINKING EXERCISES

In a moment we are going to provide you with a brief introduction to The Seven Skills of Successful Dental Business Leaders and ask you to rate yourself on a simple scale of between zero (low) to ten (high). The headings are self explanatory but if you are unsure what any of the headings mean, please do not jump ahead to the detailed explanations later on. For now just go with your instincts or best guess. It is really important that you honestly appraise yourself against these measures and your current understanding of them. There are no right or wrong answers here, only how you rate your business leadership skills at this moment.

Once you have done that, we will explain each of The Seven Skills of Successful Dental Business Leaders in more detail and provide you with the opportunity to think even further about your relative strengths and weaknesses in each area. We have used both real life anonymous examples as well as a number of further ideas to assist you.

Then, we would like you to rate yourself again with the same measures, but this time from the perspective of where you would ideally like to be by the end of 2015. These two comparative measures will then highlight your biggest opportunities for business and leadership development.

We strongly recommend that you print all pages of this guide and we encourage you to make a few notes, doodle and be inspired.

So, when you are ready, sit back with a cup of coffee (and perhaps a few biscuits) and take your first steps towards making your business the best that it can be in 2015.

STEP ONE

YOUR INTRODUCTION TO THE SEVEN SKILLS OF SUCCESSFUL DENTAL BUSINESS LEADERS

1. Know The Numbers

It's an obvious place to start and there are probably no shortage of KPI's (Key Performance Indicators) metrics and reports available from either your accountant or practice software system. But, for now the question is simply how well you rate your ability to gather, analyse and interpret relevant, accurate and timely information about the performance of your dental business and how well do you use that information to make decisions about your business direction and strategy?

2. Inspire With a Shared Vision

If you were to ask any member of your team what your dental business is really about (think beyond 'it's a dental practice') what do you think they would say and what do you hope they would say? If your honest answers to these two questions are aligned, then you are leading with and communicating your business vision and purpose. How well do you do this?

3. Attract The Right Talent

Talent is often the difference between a good and an average member of your team. Great leaders recruit for talent, knowing that skills can be trained. Think about your success (or otherwise) at recruiting people with the talents that you require to faithfully interpret and apply your vision. How good are you at this?

4. Retain The Right Talent

Your best team members find it hard to leave and although remuneration is important, loyal team members cannot be bought. How well you engage your team is a critical part of leading a successful dental business. How do you rate yourself in this area?

5. Put Your Patients First

Of course you do! But, can you genuinely say that your patient's best interests are never compromised by internal factors that you should be otherwise able to control? How effective are you at putting your patient's perspective at the heart of everything that you do?

6. Lead and Let Others Manage

However bizarre this statement sounds, it is true. There is no potential for success in your market, premises, or even your patients. The potential for business success only comes from you as a business leader and what you do in your market, premises and with your patients.

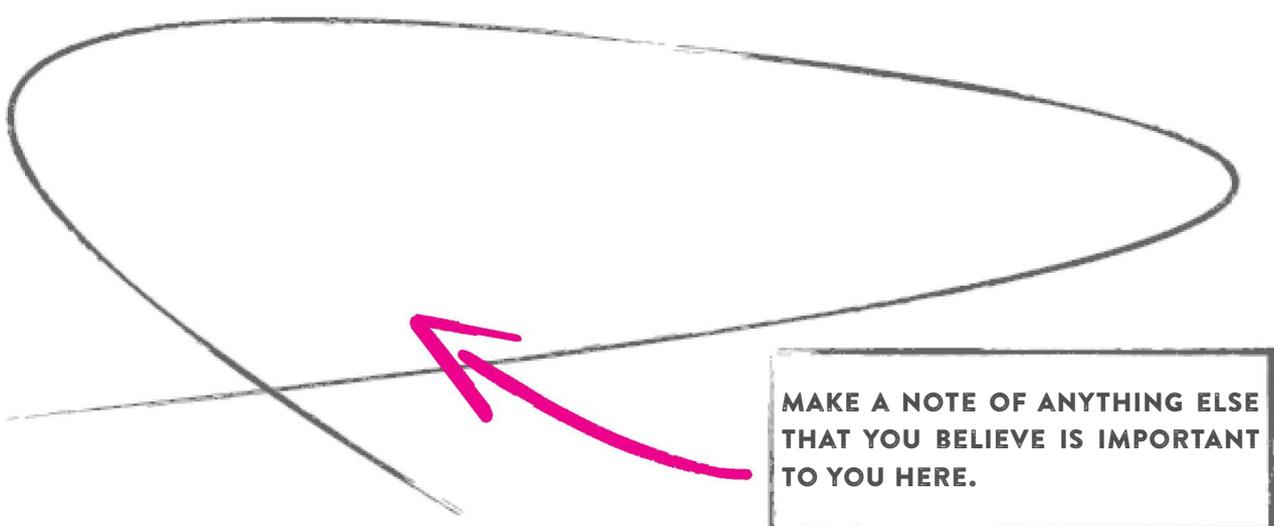
By absorbing your time with tasks that can be outsourced or delegated, you are limiting your potential. This is not just a truism from a financial point of view but also in terms of your ability to achieve business success. How well do you lead and then let others manage?

7. Take Care of Yourself

There are unhappy people that appear to have everything, whilst there are people who seem to have nothing and yet live in a state of bliss. We believe that the most successful business leaders have always been capable of 'work-life balance' well before the term was invented. If business success is only achieved at the expense of your own well-being then it is not success. How good are you at looking after you?

8. What if there's something else?

We have identified The Seven Skills of Successful Business Leaders but what if there is an eighth? If there is something else that you believe is important to you, whatever it is, then you need to recognise it and measure how good you are at it, but remember this is from the perspective of where you are now.





STEP TWO

HOW WELL DO YOU RATE YOUR SKILLS?

Now that you have an overview of The Seven Skills of Successful Dental Business Leaders, simply rate yourself on a scale of zero (low) to ten (high) in terms of your abilities with each measure and from the perspective of where you are now. Remember that there are no right or wrong answers, only how you rate your business leadership skills at the moment.

1. Know The Numbers
2. Inspire With a Shared Vision
3. Attract the Right Talent
4. Retain the Right Talent
5. Put Your Patients First
6. Lead and Let Others Manage
7. Take Care of Yourself
8. Anything else that is important to you

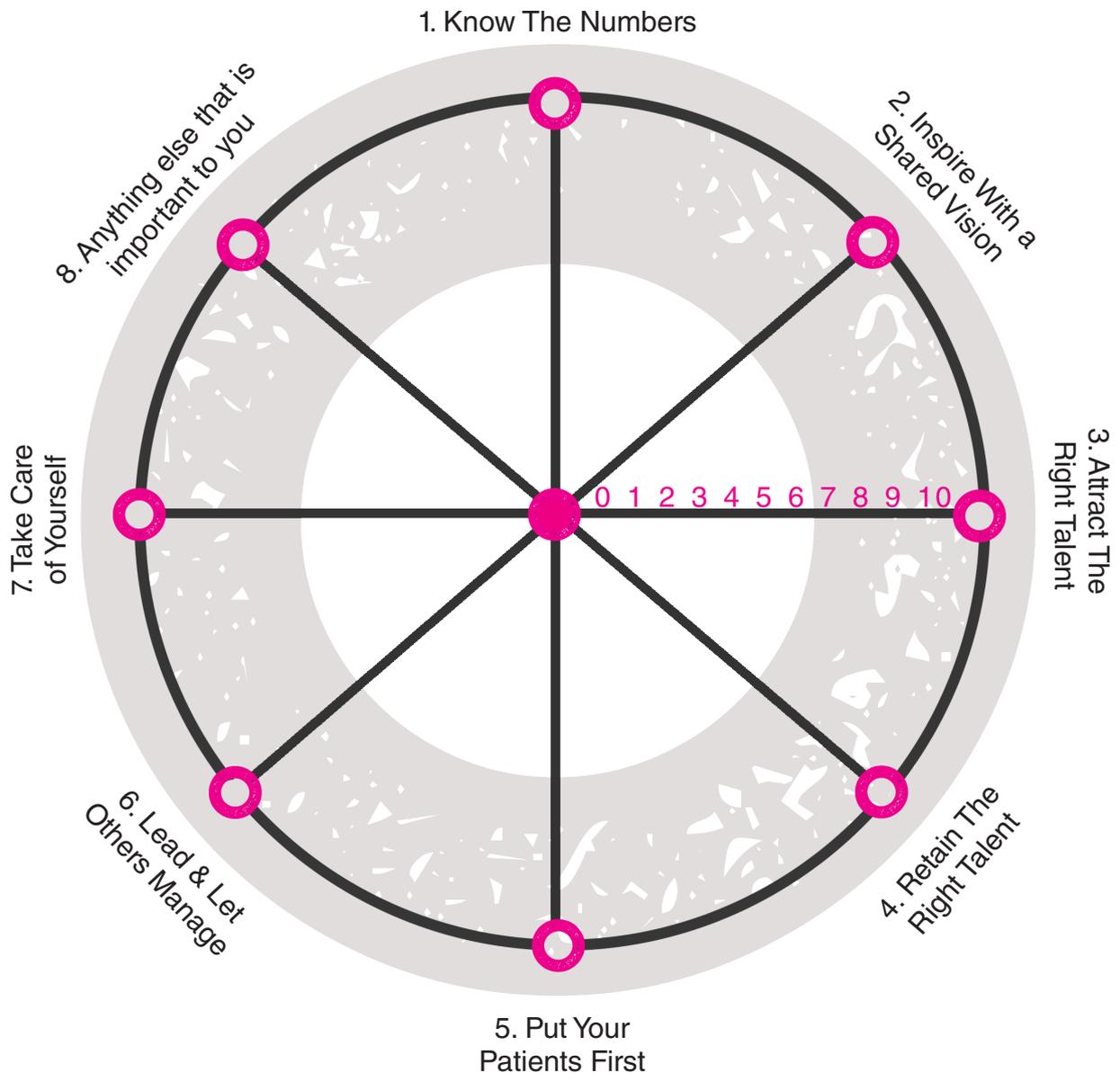
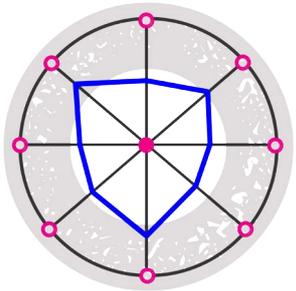


WRITE DOWN YOUR RATINGS BETWEEN ZERO AND TEN IN THIS SPACE.

Complete this exercise before you turn to the next page.

BUSINESS INSPIRATION FOR BETTER DENTAL HEALTH

ALONG EACH LINE MARK YOUR RATING FROM THE PREVIOUS PAGE, WHERE ZERO IS AT THE CENTRE AND TEN IS AT THE PERIMETER THEN DRAW A LINE BETWEEN EACH MARK. WHEN COMPLETED, YOU WILL HAVE SOMETHING THAT LOOKS LIKE THIS.



STEP THREE

Now that you have rated yourself with The Seven Skills of Successful Dental Business Leaders, it's time to explore each measure in more detail. Remember that this exercise is about developing the way that you think about your business and for now it is less about doing. We have used real life experiences to highlight the potential benefits associated with each skill. This will help bring them to life. We have then added some key pointers to think about. Once you have read through this section we suggest that you take a quick break before completing the final exercise.

1. Know The Numbers

What do you need to know about the performance of your business to make informed decisions about it? Income, margins, patient numbers, surgery occupancy, patient satisfaction, employee engagement, marketing efficiency and others?

Over what periods of time do you measure, how often and how do you use this information to make informed decisions in your business?

Example One is a worst case scenario of a 55 year old owner with unpaid personal tax arrears of £150k. The underlying business was profitable and three potential purchasers had expressed an interest. The bank was not prepared to refinance the tax arrears. After four weeks of negotiations with the purchasers, and with the vendor unable to provide accurate financial information, all three purchasers pulled out. Ultimately, the owner was forced to enter a personal insolvency arrangement, simply because he could not produce the information requested by the purchasers.

Example Two is a best case scenario of a 47 year old who had owned a dental practice for 14 years. The decision to sell was made in order to have a career break whilst retaining the freehold to the premises within a personal pension fund. Favourable heads of terms were agreed within eight weeks and a completed sale within six months. The owner managed to sell the business for £95,000 more than the average of all three initial independent valuations. The owner had been able to demonstrate three years of a proven track record, consistent analysis of business performance to budget, a business plan that included marketing for new patients, investment and development of employees.

Both businesses were on the face of it perfectly saleable but clearly one was more saleable than the other. This was mainly because example two was able to demonstrate that it had a plan, had consistently measured the performance of the business to the plan and could demonstrate the performance of KPI's successfully compared to a budget over a three year period.

- Have a plan and consistently measure the performance of your business to the plan.
- Review a sufficient number of KPI's often enough so that you understand what is happening.
- If the benefits from measuring with each KPI are less than the workload involved in gathering the information, then it is the wrong KPI.
- There is no magic number of areas to measure. Less than ten however is normal.
- If you choose to add an additional KPI then have the discipline to remove one too, otherwise the list gets too long.

2. Inspire With a Shared Vision

When the door of your surgery is closed, the best that you can hope for is that everybody knows what they are expected to do and how they are expected to do it. The challenge of course is when you don't get the behaviours that you were hoping for. What's missing in this case is a motivation and a reason why you are expecting the behaviour that you want. Sometimes behaviours are forced upon us by regulation but what about the non and less regulated soft skills, levels of care and patient service?

The best place to start is with a vision that is shared and understood by your team. Of course, if you have historically recruited for the wrong reasons then not everybody will connect with your vision, but as blunt as this sounds, it will connect with the ones that matter.

Behaviours are shaped by values and then beliefs. If your values are shared through your vision then you can work on developing beliefs. This is how you get behavioural change in any business.

Our example is that of a substantial second generation family owned dental practice with a turnover of £2m. The owner was struggling to run the business on his own. Service standards were falling, lots of people were leaving, costs were going up and profit was going down.

The owner had produced a business plan every year for the past two years but at the end of the year, he was noticing that nothing was actually progressing. The situation was becoming desperate and he had considered selling.

The plans were fine, there was nothing wrong with the ideas, they all made sense and there was lots of explanations for WHAT the business should do but it lacked any sense of purpose and there was no motivation for any of the team to actually do anything other than the very basics. What did we do?

We interviewed a cross sample of the team and asked them what they thought about working at the dental practice. The feedback was that they wanted some direction and leadership. We agreed four core principles for the business and made sure that every member of the team understood them. The four principles covered clinical procedure, teamwork, innovation and personal development.

Every member of the team was given the opportunity to apply the four principles to their own role, to offer and action suggestions for improvement in all areas of the business plan.

Within six months, 98% of all of the team believed that the purpose of the business was important to them and it was shared with every member of the team. Within twelve months we had grown the business by 12% and reduced staff attrition to just 3%.

- People don't buy what you do or how you do it, they only buy WHY you do it and where there is no WHY there is no leadership.
- Values (what is important to you) and then beliefs (what you believe to be true) shape behaviours. Motivation happens in this order and this is why successful dental business leaders share their values through their vision.
- Your team want clear direction and leadership.
- Your team want the opportunity to have a voice and feel involved.

VALUES + BELIEFS = BEHAVIOUR

3. Attract The Right Talent

We know that the most successful dental business leaders recruit for talent, knowing that skills can then be trained. How do you apply this principle to your recruitment process? What are the costs when you get it wrong and what impact does it have upon the rest of your business? What talents do you need in your business and how can you recognise them in the recruitment process, including at C.V. stage?

Our example is a single handed dental practice in an affluent area. Staff costs were running at around 40% more than they should be because of high recruitment costs and using temps. The dentists were demanding higher and higher levels of remuneration. Repeated efforts to get the right team had been failing over a two year period and this was having a knock on effect upon service standards and patient numbers.

The recruitment process had been very much driven by examining C.V.'s and looking for experienced nurses and dentists but this was missing the point...from our client's perspective, the candidates were looking for a job for the wrong reasons, primarily financial. Despite being very experienced, they then proved to be hard to manage, not willing to be part of a team and had poor patient communication skills.

We completely reviewed the recruitment process and began recruiting for the necessary talents that we were looking for rather than experience and skills. As a result we started undertaking 'talent based interviews' which looked for their ability to work as part of the team, patient communication skills, initiative and motivation. If the talent was there but the necessary skills were not, then we provided skills training.

Within 6 months we had a whole new team and staff costs were back to within the norms. Two years later, the same team are still with us.

- If you keep having consistent problems with your team then you probably have a recruitment problem not a management problem.
- If you delegate recruitment, remember that average employees rarely recruit somebody who is going to be better than them. 'Sevens and Eights' will recruit 'Sixes and Sevens'!
- 'Talent based interviews' are not the same as normal job interviews and are far more effective at identifying the talents that you really want.
- You can assess clinical skills at the next stage. Don't get sidetracked by an 'impressive C.V.'

4. Retain the Right Talent

If you can't buy loyalty then what can you do? There is a simple and proven model for developing employee engagement (just Google '12 employee engagement questions') which is best brought to life by one example that we have dealt with.

In this extreme situation a practice was purchased from a retiring dentist who had owned the business for 30 years. The new owner arrived and discovered that the previous owner had created fictitious accounts and to top it all off, 50% of the team resigned within the first week. We then began replacing them using the Attract the Right Talent principles. At first this created a divide between the old and new members of the team. At the same time, two of the dentists also left which meant that the new owner was having to do the dentistry of three dentists. Therefore there was no time for building the team, looking at the finances, marketing and developing patient service.

We brought in an interim manager to run the business and manage the team. We then created an initial six month programme of employee engagement as follows;

- Role specific job descriptions were introduced and we replaced all equipment that the team felt hampered their ability to work.
- One-to-one monthly meetings with every member of the team, including associates, where we discussed how to improve anything and everything.
- Group exercises to discuss the patient's perspective and create service standards.
- Any issues between members of the team were openly discussed and dealt with. We removed all bickering and back stabbing.
- Each member of the team created a Personal Development Plan that was reviewed monthly and they were given the resources for training and personal development.

Within three months we had a stable team and within six months we had recruited two new dentists to create what was effectively a brand new business. Concerns about massive patient losses proved to be false. Turnover and profits have increased significantly.

5. Put Your Patients First

It's an often over looked fact that until your patient's see the value of what you can offer them and it is aligned with their motivations, then it is of no value to them. The only perspective that matters therefore is that of your patient and that is where we suggest you start in all communications.

With a greater level of awareness and focus, you can structure your communications and language patterns, tonality and body language to put patients at ease and build confidence and trust. There are a number of ways that you can do this.

In recent years, dentistry has adopted many commonly used commercial tactics in it's marketing and communications. These tactics have tended to focus on answering the question "how can we get better at communicating what we do and how we do it?" in order to attract more patients and increase the volume or value of the treatments that they accept. However, ask a disgruntled patient or somebody that doesn't go to the dentist and they will want to know that they can trust you, way before they consider your actual dentistry.

As an example of this, we worked with a well administered three surgery dental practice with a stable team and good profits, but patient satisfaction and service levels were poor. As a result 50% of patients were not coming back after their initial consultation.

As a team we reviewed the whole process of becoming a new patient, including speaking to those patients that did not initially return. We discovered that there were some key problems;

- Lots of money had been spent on logo's, interior decor and even the toilets but not in understanding their patient's perspective.
- Dentists were either reluctant to talk about money and ask for commitment or they felt so pressurised to sell to their patients, that it made them feel uncomfortable. The reception team were also poorly trained and often too busy to spend time with all patients.
- Patients fed back that they felt they had been 'sold to' and that it was 'pushy'.

We implemented the following changes;

- All new patients were initially met and assessed by the principal and the initial consultation was increased by 10 minutes.
- Basic treatments were passed to a newly recruited therapist.
- Treatment plans were discussed face-to-face with each patient by the principal and all costs were discussed in the same meeting. Complicated or lengthy treatment plans were broken down into much smaller procedures and stages over a longer period.
- Robust systems were introduced for the follow up of all outstanding or open treatment plans.

We had long discussions about patient care and communicating the value of what we do in a way that we all felt comfortable with.

This Club Connect member subsequently received national recognition for standards in patient care and customer service.

6. Lead and Let Others Manage

How is your time best spent - doing administration or seeing patients? How can you delegate key responsibilities to your team and yet still be in control of your business? What do you delegate and how can you do this effectively without micro managing or just getting in the way?

In this example we had to turn around a large practice with multiple surgeries and disciplines. We also had to deal with one very stressed out owner and a business manager who lacked managerial skills.

Over six months we developed and implemented an operating plan for the business manager. This was fundamentally divided into five key areas;

- Planning - Financial budgets, introduction of seven KPI's including both financial outcomes, employee engagement and patient satisfaction.
- People - Introduction of Personal Development Plans, regular team meetings and training in all aspects of employment law.
- Promotion - Twelve month marketing plan reviewed annually, balancing both internal and external marketing, community engagement, new patient numbers and patient retention.
- Product - Patient focus groups and continual improvement of service standards.
- Profitability - Monthly analysis of management accounts, highlighting deviations from budget with suggestions for improvement, 30% increase in turnover within twelve months and a dental business owner who was able to sleep at night!

7. Take Care of Yourself

As the saying goes, 'All work and no play makes Jack a dull boy' and there is a lot of truth in this. The words 'work life balance' are readily used these days too. The implication is however time honoured, that we all recognise the importance of investing time to look after ourselves. Business success at the expense of your or your teams wellbeing is not success.

With some research showing figures as high as 81% of dental professionals affected by burnout, this needs to be addressed. There are simple things we can do to avoid burnout and one is taking enough time out for ourselves with breaks, holidays and enough leisure time.

It's often easier said than done but not drinking too much, exercising and finding time for hobbies and interests, will have a positive impact upon both your business and personal lives. Many dentists report increased productivity when they take more time out or shorten their working week.

The definition of success is different for everyone so you will need to define it for yourself.

We suggest that you use this space to simply list what is success and what you really want to achieve both within and outside of dentistry.



8. What if There's Something Else?

This area is for you to add in anything else that is important in your life. It will be different for everyone. There may not be a number eight for you and that is fine but if there is, write it down here, write down what you want to achieve and mark yourself accordingly.

Now take a break before you complete the last exercise.

STEP FOUR

Now that you have thought about The Seven Skills of Successful Dental Business Leaders in more detail it's time to rate your abilities with each of the skills again, but this time from the perspective of where in an ideal world, you would like to see yourself by the end of 2015.

Turn back to page nine and with a different coloured pen or pencil complete the exercise again. But this time with your increased understanding of The Seven Skills of Successful Dental Business Leaders, and from the perspective of the abilities that you think you need to have by the end of the year to make 2015 the best that it can be.

Once again there are no right or wrong answers and we cannot answer this for you. However tempting it might be though, don't just dive straight and assume that everything needs to be a ten. Give this some thought; in your role as a dental business leader, how good do you need to be with each of these skills?

Complete the exercise now.

WELL DONE!

You have taken your first steps towards making 2015 the best that it can be by thinking about your leadership skills and highlighting your strengths and your areas for development. The exercise that you have completed on page nine simply highlights where you need to focus your development in 2015. We will be covering all of these areas in more detail throughout the year with The Coffee Break Series. If you can't wait, then there are number of ways that we can assist you at Rose & Co.

As we said at the start, the most successful business owners have always known that business success is often less about what you do and more about the way that you think about your business.

Think about it, some of the greatest success stories in business have often come from taking something that already existed and then disrupting the way that the market is supplied. All of these groundbreaking businesses have at some point looked at their markets from a completely new perspective, with a new way of thinking;

- **Apple.** Once they just made computers but at some point turned everything on its head by coming up with solutions to problems that we didn't even know we had!
- **Yo! Sushi.** There were always sushi restaurants well before Simon Woodruff completely reinvented the way that sushi is served, priced and marketed.
- **Virgin.** Sir Richard Branson, the archetypal entrepreneur that we all know. How can one man have transformed each of the markets that he has chosen to enter?

SO WHAT'S NEXT FOR DENTISTRY?

Something just doesn't stack up in dentistry. We have a profession that in recent years has made significant improvements in the way that it does things, and yet for some reason we are not really seeing a significant increase in the number of people going to the dentist regularly. How can this be, given all of the technological and clinical advances as well as the improvements in marketing and communication? Well, maybe we have been looking in the wrong direction?

What will it take to overcome the cause of not enough people going to the dentist? How can thinking differently overcome the memes, fears, prejudices and anxieties that people have... even more special offers, even faster straight teeth and even more luxurious waiting rooms? All of these things serve a purpose, of course they do, but they are only dealing with the effect and not the actual cause. Dentistry will no doubt keep getting better at what it does but on it's own, will getting better at doing dentistry ever actually create a significant shift in demand?

We said at the very start of this exercise that the most successful business owners have always known that business success is mostly about the way that you think about your business, to understand cause before dealing with the effect. The best thinkers amongst our current and next generation of dental business leaders are beginning to recognise that something has been missed. The cause can never be overcome by the effect and will only ever be overcome by thinking differently. If millions of people don't go to the dentist regularly, then the only way to overcome this will be by directing them towards thinking differently about dentistry too. Simply adopting this principle into your dental practice will go a long way towards making your business the best it can be in 2015.



For further information about ROSE & CO please visit our website at:

WWW.ROSEAND.CO

**BUSINESS INSPIRATION FOR
BETTER DENTAL HEALTH**