

C^{CLUB}.NNECT

THE COFFEE BREAK SERIES

N° 2

**Finding The Common Ground:
Where Patients Become *Loyal***

Business Thinking Exercises

BUSINESS INSPIRATION FOR
BETTER DENTAL HEALTH



CONTENTS

PAGE THREE	about Rose & Co
PAGE FOUR	introduction
PAGE FIVE	significant lessons that might shape your thinking
PAGE NINE	business thinking exercise one
PAGE THIRTEEN	business thinking exercise two
PAGE FIFTEEN	business thinking exercise three
PAGE SEVENTEEN	to wrap things up
PAGE EIGHTEEN	final thoughts
PAGE TWENTY	your notes

ABOUT ROSE & CO

In 2009, I chose to leave a successful career in banking and finance. At the time I had begun to discover how my ideas, principles and values about business, were no longer aligned with a profession that had become tarnished with scandals and a lack of trust from the customers it was meant to serve.

By chance, through the mutual interests of a dentist friend and a particularly underwhelming visit to my own dentist, I decided to 'do something' about dentistry. What inspired me then remains the same today; how can we encourage more people to go to the dentist and improve dental health?

This second release of The Coffee Break Series is designed to direct you towards a way of thinking about your dental business that will improve it. It will help you make better decisions and although I cannot guarantee you that the answers will come from my own keyboard, I can reassure you that you will have a different perspective simply by reading The Coffee Break Series. New perspectives inspire new ideas and new ideas create the most successful dental businesses and leaders.

Since writing the first release of The Coffee Break Series, we have expanded the coaching team, launched new services and expanded our Club Connect groups. There is more information about how we can help you on our website.

It's certainly not obligatory, but if you have not already read the first release of The Coffee Break Series (The Seven Skills of Successful Dental Business Leaders) I encourage you to do so. It will add value.

Kevin Rose
June 2015

INTRODUCTION

There have been plenty of 'significant events' in my modest business journey, but upon reflection it's those with the strongest message that still resonate and I think have the greatest impact upon the work that we do with our clients.

We are going to explore some of these and look at how they might shape your behaviours as a dental business leader.

There are deliberately few outright answers or instructions in here. Deliberate because we think that you are already experts in your own businesses and know them better than anybody else can claim to. However, there are certain principles and structures that are universal, and specific learnings from the activities of other businesses, that we can all benefit from.

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

We hope you enjoy it.

SIGNIFICANT LESSONS THAT MIGHT SHAPE YOUR THINKING

SELLING, MIS-SELLING & THE TICKING TIME BOMB IN DENTISTRY

The same failed sales techniques that were integral to the mis-selling scandals in financial services are still used today in many sectors. They need to be handled with care and where they are used carelessly in dentistry they will ignite a future mis-selling time bomb.

In the mid 1980's, I was a new recruit at the city centre branch of a high street bank. It was mandatory for everybody to meet the branch Director on their first day. Mr Smith (the name has been changed for legal reasons, but it was always 'Mr') was an old school manager who cut a dash in his Harris Tweed suits and half moon glasses. He knew how to put his authority upon everybody that worked for him and this simple message told me everything that I needed to know, even for a naive 18 year old; "When you walk into my banking hall, you will wear your suit jacket". That was pretty much it and it worked too. I read into that, that it was the customers that we served that paid our wages. This statement gave me a sense of hierarchy and purpose, something fundamental about values and doing the right thing for our customers. I also bought a new suit as soon as I could afford it.

It was then with some irony that a few years later, I was removed from the personal lending department because I refused to sell PPI (Payment Protection Insurance) to all loan applicants, despite having attended the appropriate course, been given the sales scripts and a bonus related target. At the disciplinary interview my exclamation that "they might not need or want PPI" held no weight against the layers of top heavy management that handed out head office directives to appease shareholders.

The mis-selling of PPI, remains the single largest scandal in UK retail banking history with one bank CEO stating that it will take years or even decades to rebuild the trust that banking once had with its customers.

SIGNIFICANT LESSONS THAT MIGHT SHAPE
YOUR THINKING ...CONTINUED

**MANAGING PEOPLE AND MANAGING PEOPLE WITH YOUR
SURGERY DOOR CLOSED**

When you are busy doing your dentistry, the best that you can hope for is that everybody knows what is expected of them and why what is expected of them is important.

In 1999 I underwent a minor heart procedure. The preceding months of investigations had been a distraction. Meeting new potential clients can be difficult with a 24 hour ECGD and C90 cassette recorder strapped to you. Less than 48 hours after the procedure (when I could have been tucked up in bed with a lengthy sick note on paid leave) I was seeing a new client. I knew that I had some catching up to do and had probably lost focus and results for about a month. When it finally came to the financial year end, I knew that my results would be about one month behind target. I politely requested a reduced target in light of the minor distraction of a heart investigation. The response from my line manager, still astounds me "No reduction in target. You can't have been that ill, you didn't have any time off work!). I left a few weeks later.

A few years later and whilst suffering from what I now know to have been mild depression, my boss at the time and now long term friend, when presented with my symptoms, managed to release a great deal of the stress and anxiety by simply saying "We'll see you when you are ready." I was back to work within days and working remotely from home, proceeded to have one of my most productive years ever.

SIGNIFICANT LESSONS THAT MIGHT SHAPE
YOUR THINKING ...CONTINUED

LEADERSHIP AND VALUES BASED LEADERS

The forward thinking dental business leader will become an activist for better health and better dental health. This message will appeal to the common ground between dentists and their patients and surrounding communities. This will change the perception of 'going to the dentist.'

By 2000 I had been attracted to the finance division of a large family owned business. We were given the autonomy and authority to develop local offices, and in essence run our own businesses utilising the financial resources of our shareholder. The Chief Executive set out an ambitious 10 year plan for us all, that appeared to be grounded in sensible and honest ideas that resonated with the workforce, myself included. It created a sense of urgency and purpose.

About 5 years later, as the demands for even greater results and stretching targets applied more and more pressure across the businesses to meet the plan, I recall overhearing the shareholder's representative say, whilst referring to a business sector that was very lucrative for many but less so for the HMRC "I am not really sure that is a market we should be in."; the reality was that we had been lead into that market and the shareholder knew nothing about it!

The Chief Executive took no prisoners in meeting his 10 year plan and in doing so retired comfortably. Team members had become a 'human resource' and clients just convenient 'cash cows' for as long as it would last. The shareholder brought in a new Chief Executive, financial objectives were slashed and the division was shaken up. Some would say that it is returning to the principles and values that it was originally founded upon.

SIGNIFICANT LESSONS THAT MIGHT SHAPE
YOUR THINKING ...CONTINUED

SERVICE AND BUILDING LOYAL PATIENTS

“Listen to the patient, for he shall give you the diagnosis.” William Osler

Starbucks Drive Through, March 2015. At the third time of being asked if I would like any ‘pastries or muffins’ with my cappuccino, I pointed out to the manager that it might be worth listening to their customers to find out what they want. The response was a fascinating reflection of the culture of Starbucks, “Oh yeah, we have told our regional manager that we don’t like to keep asking that, but we have to, in case you are a mystery shopper!” My reply, “What if I am not a mystery shopper?” I have never been back.

In April 2015 Pret A Manger announced on the CEO’s blog that their staff had a discretionary fund to use as they wished, to hand out free coffees if someone looks like they are having a bad day for example and, no up selling. Pret has some of the most loyal customers in the fresh sandwich and coffee market.

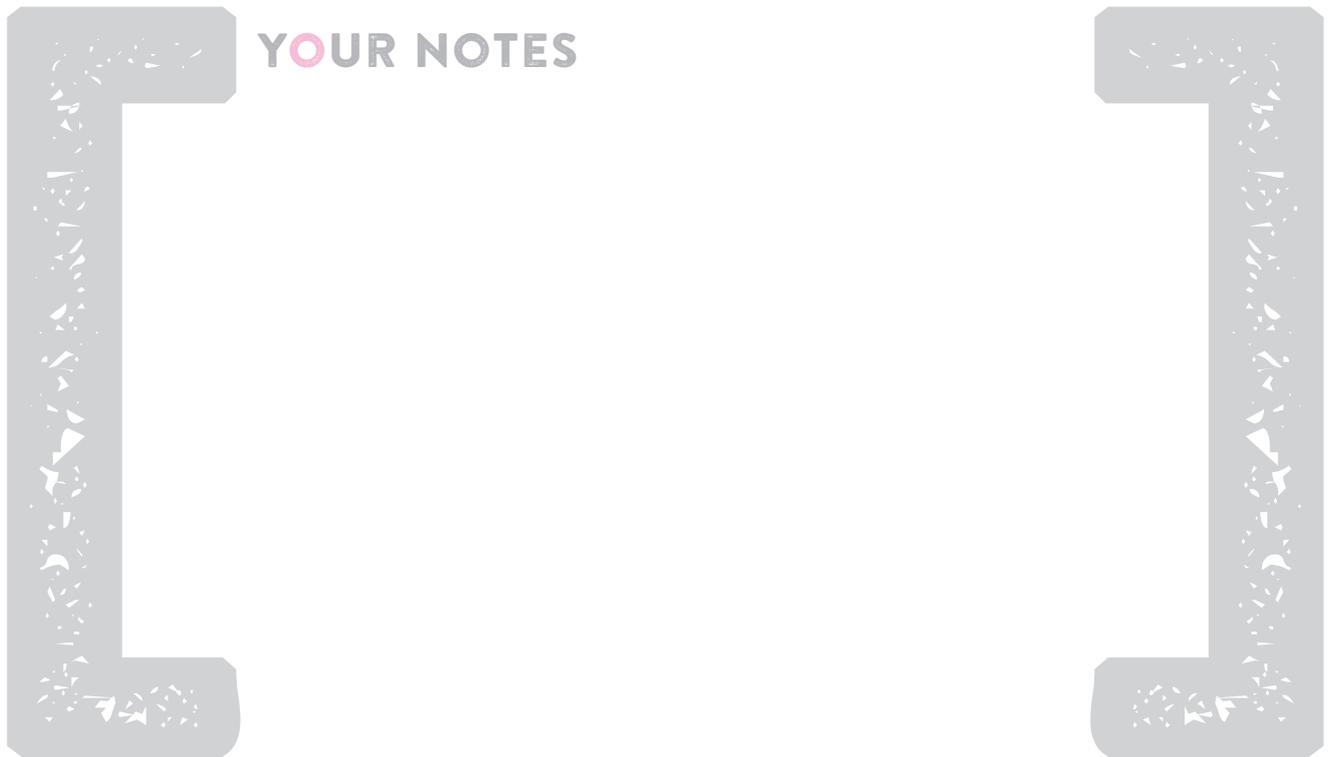
BUSINESS THINKING EXERCISE N^o. ONE

What are the fundamentals that you build your business upon? What are the 'non negotiables' (other than those imposed by regulation and clinical good practice) that you need everybody to understand. These fundamentals start to shape the behaviours that you want from your team and allow you to deliver your business's objectives, standards and values 'by proxy' even when you are not there or in your surgery with patients.

Think about the areas that I have mentioned; selling, managing people, leadership and service but you will probably be able to think of others. Don't get bogged down with the minutiae of exactly how to answer each phone call for example but think about the fundamentals that will shape the behaviours that you want to be delivered by proxy.

There is a space below for you to make a few notes.

YOUR NOTES



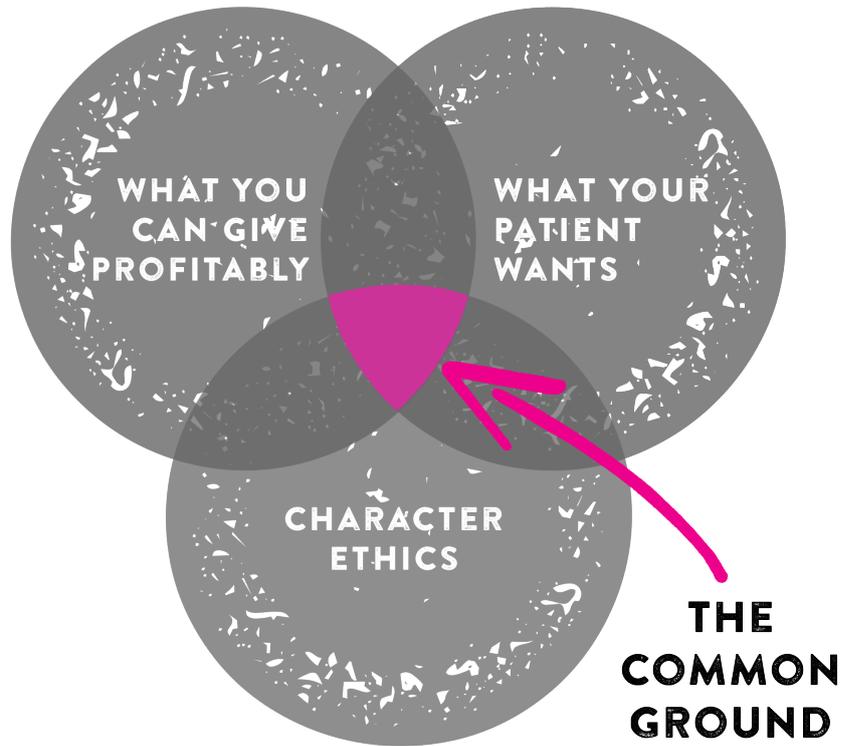
BUSINESS THINKING EXERCISE N^o. ONE ...CONTINUED

THE COMMON GROUND

In the context of attracting and retaining customers, The Common Ground is a phrase that I stumbled upon in 2009 when I first met Mike. Now in his 80's, Mike had had a very successful career in marketing. He modestly plays down his contribution towards the successful marketing of the original VW Beetle in the UK and whether or not he invented 'not taking two bottles into the shower' but none the less he is an inspiration to everybody that he meets.

We are all familiar with the phrase 'the map is not the territory' either from the various interpretations of Neuro Linguistic Programming, or just common sense; each of our perceptions of reality, what is relevant and important, is different to everybody else's. This is part of the basic premise of The Common Ground.

Mike introduced me to a way of understanding this principle to attract and retain loyal customers. In essence, whatever you offer in terms of features or benefits from your service, they are only of value when your customer perceives the value that you offer and only from their perspective, their map of reality. The point when what you can offer, both profitably and sustainably is perceived to be of value to your customers, this is The Common Ground and we are going to explore this in more detail.



BUSINESS THINKING EXERCISE N^o. ONE ...CONTINUED**WHY THE COMMON GROUND IS SO RELEVANT IN DENTISTRY IN 2015**

My experiences, observations, and the business lessons that they provide, have shaped how I look at businesses, including my own business and the clients that we work with at Rose & Co. These lessons are about behaviours. This is important to understand because at an absolute fundamental level, business is simply about cash (the attraction and accumulation of) and behaviours (your behaviours as a leader, those of your team, those of the customers / patients that you want to retain and the customers / patients that you want to attract).

The more you can understand the reasons for those behaviours, the more successful your business will be. The issue with this very simple model is that it is sometimes difficult enough to understand why we behave the way that we do, let alone to read the minds of others. I think this creates an uncomfortable paradox for any dental business leader and has had a negative impact upon how some dental businesses operate. Let me explain;

Up to and including Think and Grow Rich (Napoleon Hill, 1937) the methodology and commentary around business success was built around what Stephen Covey calls 'Character Ethics' such as trust, authenticity, credibility, industry and service. In other words values that it would be difficult to successfully build any society or business without. Try it, think about the exact opposite of these values and whether you could actually build a business based upon them. It wouldn't be impossible but it wouldn't be sustainable and surely not a business congruent with the stakeholders in any healthcare business. However what we witnessed leading up to the 2008 crash were the exact opposite of Character Ethics, fuelling mis-selling scandals, the downfall of Enron and RBS to name just a few. It seems like the recipe for success moved away from 'doing the right thing' to 'doing the things that make money today and to hell with the consequences.'

We have witnessed the drinking equivalent of 'sipping brandy and knowing when enough is enough' to 'slamming down tequilas and never mind about the inevitable hangover!'. The hangovers that some businesses have awoken from are as surely more painful than even Fred Goodwin could have imagined. We have the Chief Executive of Barclays stating that it will take decades to rebuild the trust that it once had from its customers and we can barely go a month without a bank making an even larger provision for PPI mis-selling compensation. Slamming tequilas? It seems that some sectors were drinking the whole bar dry!

...cont/

BUSINESS THINKING EXERCISE N^o. ONE ...CONTINUED

Progressively and over the decades, intelligent and educated people lead businesses that moved away from serving their customers, building for the long term and 'doing the right thing'. Employees became a 'human resource' and rather than responding to behaviours, top heavy and profit hungry managers began manipulating and managing behaviours. Business success was peddled as a system to copy and implement, driven by quick fixes, techniques and positive mental attitudes. Few people stopped to consider; "Just because we can, doesn't necessarily mean that we should."

As I suggested to a client recently "Given the reputation of your competition, you could build your business by simply not being pushy and not trying to sell them something every time a patient walks in the door!" or as Ralph Waldo Emerson put it, for some "What you are shouts so loudly, I cannot hear what you are saying"

In theory, every tooth could be a bit whiter, straighter and every gap can be filled with an implant. I think that one of the biggest threats to dentistry is that if we fail to learn from the mistakes of other professions and fail to consider, "Just because we can, doesn't necessarily mean that we should."

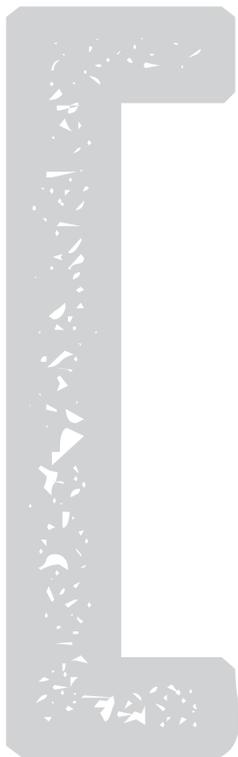
Dentistry in the UK is a relatively late developer compared to other professions. Although the dental innovations keep coming, it is against a backdrop of a relatively immature business. It wasn't that long ago that marketing was unheard of and the regulations allowed for little more than a brass plaque and two lines in the phone book. 'Selling' to patients was unheard of and considered to be a dirty word. Patients addressed their dentist as Doctor and the team didn't eat lunch with the dentists. Receptionists could be as grumpy as they wanted and the staff would be lucky to get an appraisal once per year. A dental practice was considered to be somehow different and surely not a business?

This has all now changed of course and dental practices are now businesses, run and operated commercially. It's easy to think that you can make quick wins and yet recent business history suggests that you shouldn't. So here's the paradox. It's easy and no doubt very tempting to look back at recent business history and see the short term success that other businesses had and ignore the hangovers that they are now waking up from, the burden of regulation that they must operate within, the collateral damage to millions of peoples lives and the headlines that were so shocking. So on one hand you instinctively know that you have to grow and develop your business but on the other hand, when so many businesses that we once trusted and respected managed to get it so wrong, where do you look for inspiration and ideas?

BUSINESS THINKING EXERCISE N^o. TWO

What are the businesses that you recognise to have loyal customers? Think about how through their actions and behaviours, they build trust and have become trustworthy. Be wary of businesses that use the word 'trust' too liberally though. Trust is more than a few words on a website, a press release or head office directive. Business leaders don't create trust but through their actions, leadership and behaviours, they demonstrate their trustworthiness in the minds of the customers they choose to serve.

- How can your actions, leadership and behaviours, demonstrate your trustworthiness?
- What are the areas and behaviours within your dental practice that potentially undermine your patients trust in you?
- Think about the notes you made in exercise number one and how the fundamentals of businesses that you admire could be used as the basis for your own fundamentals and the behaviours that will demonstrate your trustworthiness.



YOUR NOTES



BUSINESS THINKING EXERCISE N^o. TWO ...CONTINUED

**FINDING THE COMMON GROUND: WHERE PATIENTS
BECOME LOYAL**

Beyond the logistics, number crunching and the administration of running a successful dental business, how often do you stop to think about what your patients really want? How exactly can you grow and develop your business and avoid the mistakes made by others who we all thought knew what they were doing? What exactly are these behaviours that we instinctively know patients are searching for?

Our advice is simple. However and wherever you position your dental practice, the fundamental home truth is that all practice owners have to consider what their patients want, what they will value and pay for. Until your patients can perceive the value of what you offer, it is of no value to them and they won't pay for it. This may be a truism but it is sensible advice. We have witnessed practice owners creating expensive follies without consideration for what patients actually want.

Our suggestion is that you work through the following process in order to establish your basic business model;

BUSINESS THINKING EXERCISE N^o. THREE

1 WHAT IS YOUR BUSINESS PURPOSE (THINK BEYOND 'DENTIST') AND FOCUS ON HOW YOU CAN OR COULD DIFFERENTIATE WHAT YOU DO AWAY FROM YOUR COMPETITION.

A few thoughts on differentiation.

It's tempting to get drawn into thinking that this is all about premises, equipment and gadgets but stop and think about the reality of your patients. Think about what is good or different about what you offer and then put yourself in the shoes of your patients and ask the question "So what, why should I care about that and would I pay for it?". Avoid meaningless cliches like 'life transformational' and 'unique personal service' all of which are tired and worthless.

What if you take the fundamentals that you have identified and make them your differentiators? This is the dental equivalent of what has happened with our supermarkets. At one end, the discounters deliver on their promises to keep prices low. This is a price differentiator and because they genuinely are low prices, their actions demonstrate their trustworthiness. At the other end of the market, Waitrose differentiate on service and that little green tidily wink you put in the charity box sends an unconscious message about 'doing the right thing', their values and trustworthiness.

Compare both business models to Tesco. The strap line 'Every Little Helps' is meant to stand for low prices, but their reputation for misleading prices, land grabbing for stores that communities don't want and poor treatment of suppliers do not position the business as the cheapest or for being trustworthy.

In this post recession era where the consumer has lost it's trust for everything from banks through to supermarkets, businesses are moving away from failed old models that satisfied short term financial objectives but could not build loyal customers. Those that survive, recognise that the availability of information online and the ease of switching supplier or brand can be a threat as well as an opportunity. Personal service businesses have to differentiate themselves through their behaviours, listening to their customers, collaboration, authenticity and most of all the loyalty they build, which is surely the most valuable asset in any business, and in particular dental healthcare.

BUSINESS THINKING EXERCISE N^o. THREE ...CONTINUED

2 WHO ARE YOUR PATIENTS AND POTENTIAL PATIENTS AND BE ABSOLUTELY CLEAR ABOUT WHAT THEY WANT. REMEMBER THAT YOU CAN ASK THEM. YOU ARE IN THE PRIVILEGED POSITION OF BEING ABLE TO COMPLETE LIVE MARKET RESEARCH EVERY DAY!

As my seasoned colleague Sheila Scott will tell you, "It's not about the dentistry". How high up your patients priority list are the things that don't actually require you to spend any money, simply the time to invest in understanding their world. How close are those priorities to the 'Character Ethics' that we looked at or the fundamentals that you have identified. Perhaps the conclusion here is that the fundamentals that you want to deliver are also what your patients want?

3 WHY WOULD YOUR PATIENTS REMAIN LOYAL TO YOU? THINK ABOUT THE REASSURANCE AND ADVICE YOU PROVIDE, THE CONFIDENCE THAT THEY HAVE IN YOU, YOUR TEAM AND CLINICAL ABILITIES. IN OTHER WORDS, THINK ABOUT HOW YOU CAN DEMONSTRATE THROUGH YOUR ACTIONS, YOUR TRUSTWORTHINESS.

4 WHAT DO YOU STAND FOR? THE MOST SUCCESSFUL BUSINESSES ARE RECOGNISING THE IMPORTANCE OF VALUES AND 'DOING THE RIGHT THING' IN ALL ASPECTS OF WHAT THEY DO.

TO WRAP THINGS UP

By taking the time to read this release of The Coffee Break Series we hope that you have;

- 1 LOOKED IN THE DIRECTION OF THE CAUSE OF BUSINESS FAILURES**
- 2 IDENTIFIED THE FUNDAMENTALS THAT WILL ALLOW YOU TO LEAD YOUR BUSINESS BY PROXY**
- 3 RECOGNISED THE SIGNIFICANCE OF IDENTIFYING THE COMMON GROUND**
- 4 CONSIDERED THE BEHAVIOURS REQUIRED TO DEMONSTRATE YOUR TRUSTWORTHINESS**
- 5 IDENTIFIED THE COMMON GROUND THAT YOU SHARE WITH THE PATIENTS THAT YOU WANT TO ATTRACT AND RETAIN**

A FINAL THOUGHT, ON THE DIRECTION THAT DENTISTRY IS HEADING

At the time of writing, the GMC is proposing new guidelines for doctors undertaking cosmetic surgery. The cause seems to be that not all practitioners are as capable or as trained as others, that patients have been put under pressure to proceed, that some marketing has not been responsible and they are wary that commercially used 'sales tactics' are now being applied in healthcare. This is worrying. The proposals also advise that doctors should be 'open and honest' with their patients...this is really worrying; shouldn't patients expect that as a minimum? What happened to the implied relationship of trust between doctor and patient, when did healthcare become healthsell?

What if I was to write all of that again and simply swap GMC for GDC – is this the shape of things to come? Sadly, I think it is.

If you have read any of my previous blogs going back to 2009, you will have noticed a theme; my concerns about the exact same causes that the GMC are trying to address, are creeping into dentistry. I have received both criticism and approval for commenting on what I consider to believe a 'time bomb' for dentistry. It's the same time bomb that was armed in the mid 80's throughout banking and financial services.

Unfortunately the regulators either can't or don't see the point in looking at the past to learn from the mistakes of other sectors. Regulators only have a limited number of blunt sticks to regulate and guide with, unless they have the intelligence to look in the rear view mirror.

The problem with regulation is that it affects everybody. It has to try and deal with only the lowest common denominator but it can't do that in isolation. Do you really think that all staff in all banks deliberately set out to rip off their customers with PPI, and were all IFAs guilty of mis-selling pensions and endowments? The pattern is so familiar I find it almost painful to see healthcare charging head on towards making exactly the same mistakes. The statement that the GMC have made is yet another early warning sign for dentistry.

...cont/

A FINAL THOUGHT, ON THE DIRECTION
THAT DENTISTRY IS HEADING... CONTINUED

Some bad apples, some rogue apple salesmen and suddenly the regulators step in. The apples then all have to meet the increasingly strict requirements of the Apple Standard Authority and you can no longer buy an apple without completing an extensive apple user analysis form, followed by a 14 day cooling off period and post apple consumption audit. None of this ever actually works in the long term because a bad apple eventually finds it's way around the regulation, the Apple Standard Authority gets renamed the Orchard Watchdog, imposes even tighter regulation, it becomes impossible to run a three tree orchard successfully and only the apple prairie farms survive.

And yet, there was once a time when most people just wanted an honest apple and most orchards managed to harvest successfully for years.

LETS NOT SPOIL THE CROP.

BUSINESS INSPIRATION FOR
BETTER DENTAL HEALTH

YOUR NOTES



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

WWW.ROSEAND.CO

**BUSINESS INSPIRATION FOR
BETTER DENTAL HEALTH**