



## Inside

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- Planning and building your office
- Building your patient base
- Establishing systems
- Managing growth

# Practice Success Series for Dentists

# Starting a Dental Practice

Wells Fargo Practice Finance



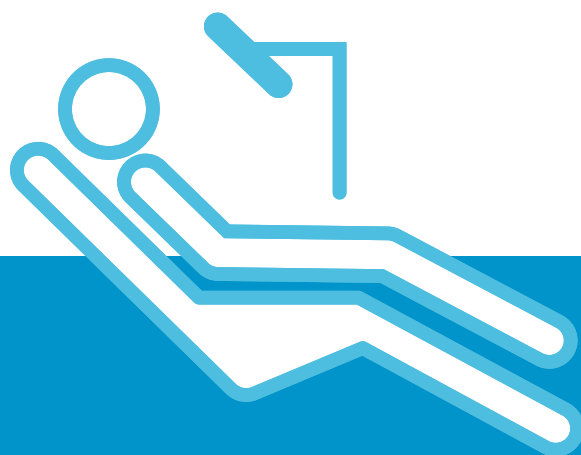
**ADA**  
Business  
Resources<sup>SM</sup>



***We're here*** to help you achieve your financial goals

Wells Fargo offers a wide variety of business products and services to help you manage, grow, and transition your practice through every stage. Let's talk.





*Every journey begins  
with a single step.*

Thank you for taking this  
one with us.

# Introduction



In *Preparing for Ownership*, you defined your practice vision and learned how to develop a business plan, manage your financial profile, and assemble your start-up team. Now it's time to outline practice specifics and lay the foundation for a smooth transition to ownership.

This workbook is your guide to the start-up process and includes strategies for leadership and building your business. Included are guidelines for building production, establishing sound business systems, marketing your practice, and monitoring practice performance.

## How we can help



Like we said before, we want to help you be as successful as possible — as soon as possible.

That's why we've taken our experience working with dentists like you to create tools that guide you through the process of planning, building, and transitioning into ownership.

We're also here to help you through every step of your journey. If there's something we can't provide or answer, we'll help connect you with the resource that can. Contact us. Let's talk about what you need — and figure out how to make it happen.

**Call 1-888-937-2321 or email [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).**

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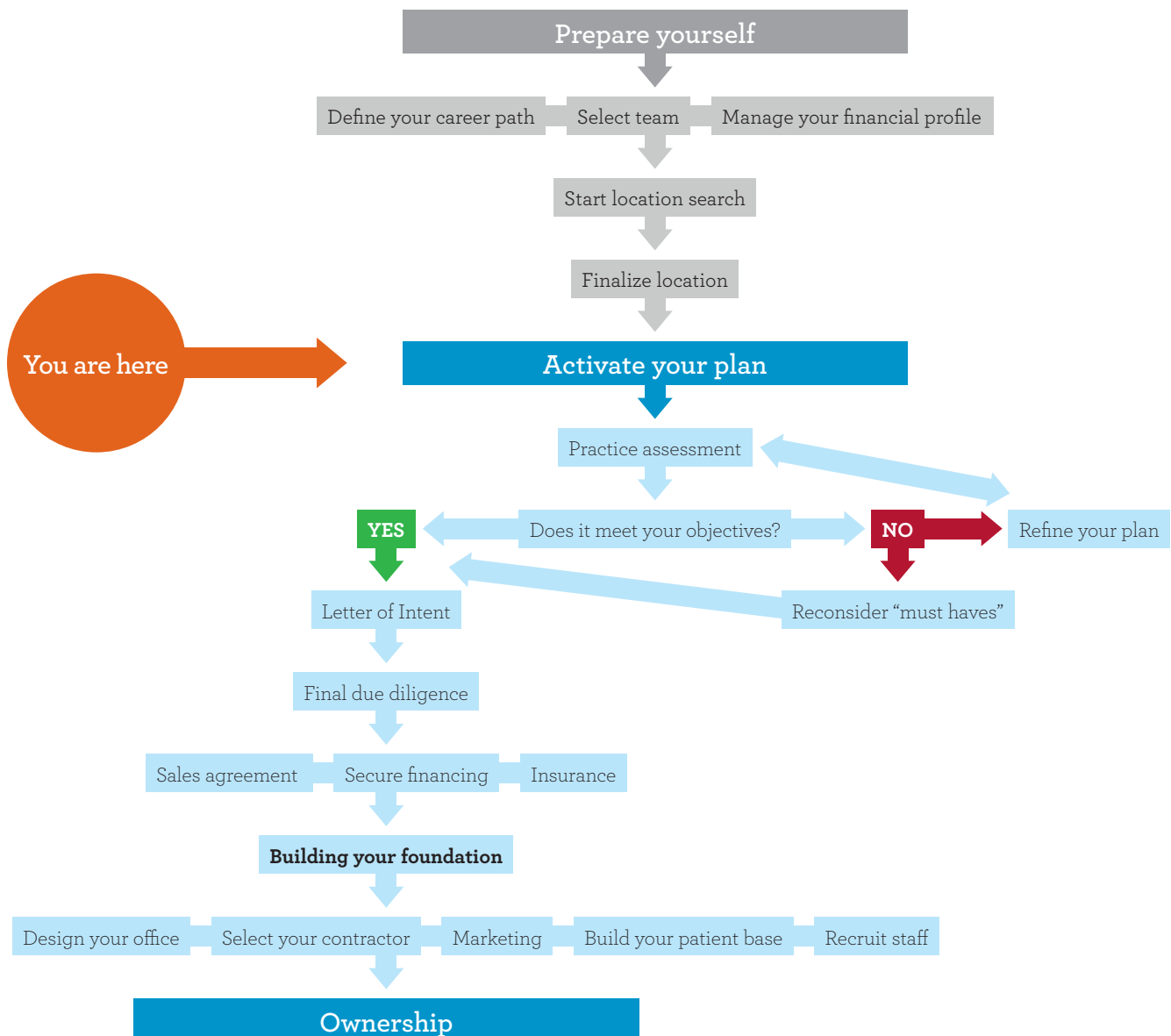
# Activating your plan

As you prepare to build your practice, it's important to stay actively engaged in the planning and due diligence process. Your start-up team can help make sure your plan is realistic but only you can ensure it's aligned with your vision.

## The start-up process



As a reminder of where you are now and what to expect next, refer to the flowchart below.



# Activating your plan

## Building your timeline



The time it takes to start a new dental practice can vary depending on your project but a realistic guideline is nine to 12 months.

To manage the progress and timing of your project, refer to your timeline in *Preparing for Ownership* or recreate it here. Start by filling in your goal opening month where indicated. On the same row, work your way left to fill in the months leading up to your opening.

		Complete	Mo. 12	Mo. 11	Mo. 10	Mo. 9	Mo. 8	Mo. 7	Mo. 6	Mo. 5	Mo. 4	Mo. 3	Mo. 2	Mo. 1	Open
Month:															
Start-up	Write business plan, including financial projections														
	Prepare budget														
	Contact lender														
	Get demographic analysis														
	Contact CRE broker														
	Find a practice location														
	Work with lease negotiator														
	Meet with accountant														
	Meet with attorney														
	Hire rest of project team														
	Obtain proper licensing														
	Develop office design														
	Begin equipment selection														
	Develop marketing plan														
	Refine overhead projections														
	Apply for tax & employment ID numbers														
	Obtain insurance														
	Finalize/implement marketing plan														
	Post "Coming soon" banner														
	Develop initial equipment order														
	Set up credit card processing														
	Network with local business owners														
	Review/refine finances														
	Interview/hire staff														
	Finalize details for opening														
	Schedule appointments														
	Start seeing patients														

START WITH THE  
END IN MIND

For a checklist version of this timeline, see page 3. For an electronic copy, contact your practice financing specialist.

# Start-up timeline & checklist

## 6 to 12 months before opening

- \_\_\_\_\_ Write a business plan
- \_\_\_\_\_ Prepare your personal and business budget
- \_\_\_\_\_ Contact your lender about financing options
- \_\_\_\_\_ Obtain a demographic analysis of the area(s) you are considering
- \_\_\_\_\_ Find a location through a commercial realtor or local equipment representative
- \_\_\_\_\_ Work with a lease negotiator to negotiate the terms and conditions of your contract
- \_\_\_\_\_ Meet with your accountant and attorney to review your plans
- \_\_\_\_\_ Select and hire the rest of your project team (see ***Working with your start-up team***, pg. 4)
- \_\_\_\_\_ Obtain proper licensing from the appropriate experts on your team
- \_\_\_\_\_ Meet with your architect, interior designer, and/or equipment representative to develop office design
- \_\_\_\_\_ Meet with your equipment representative to begin equipment selection
- \_\_\_\_\_ Write a marketing plan and order communications materials (business cards, brochures, announcement banner, etc.)
- \_\_\_\_\_ Create a database of prospective patients and friends of the practice — everyone you meet

## 2 to 4 months before opening

- \_\_\_\_\_ Review your finances and refine overhead projections
- \_\_\_\_\_ Meet with your accountant to apply for Federal Tax Identification and employment identification numbers
- \_\_\_\_\_ Obtain insurance including property, Workers' Compensation, disability, overhead, liability, and malpractice
- \_\_\_\_\_ Credential with insurance companies
- \_\_\_\_\_ Finalize and start implementing your marketing plan, including launch of your website
- \_\_\_\_\_ Post a "Coming Soon" banner announcing the opening of your new dental practice
- \_\_\_\_\_ Send periodic emails to your list of prospective patients
- \_\_\_\_\_ Meet with your supply representative to begin developing your initial order
- \_\_\_\_\_ Set up credit card processing
- \_\_\_\_\_ Network with local business owners

## 1 month before opening

- \_\_\_\_\_ Review your finances and refine as necessary
- \_\_\_\_\_ Begin interviewing and hiring staff
- \_\_\_\_\_ Work with your contractor, equipment representative, interior designer, supplier, and marketing experts to finalize details for opening
- \_\_\_\_\_ Start scheduling appointments
- \_\_\_\_\_ Continue implementing your marketing plan

# Activating your plan

## Working with your start-up team



Once you've educated your team on your plan, it's time for them to get to work, helping you define and build your practice.



Look for these icons throughout the rest of the workbook as they indicate which member of your team can help with each step of your journey to ownership.

### General Contractor

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Lender

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Attorney

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Accountant

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Insurance broker

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Equipment supplier

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Lease negotiator

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Practice management consultant

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Marketing consultant

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Local practitioner/mentor

Name: \_\_\_\_\_

Company: \_\_\_\_\_

# Activating your plan

## Document checklist



You and your team will use the documents below to guide the development of your practice.

Document	Prepared/procured by	Needed by
<input type="checkbox"/> Architectural & design plans/blueprints	Architect, interior designer, and/or equipment supplier	General contractor
<input type="checkbox"/> Business plan	You	Full start-up team
<input type="checkbox"/> Cash flow projection	You, accountant, and/or lender	Lender
<input type="checkbox"/> Construction documents	Architect, interior designer, and/or equipment supplier	General contractor
<input type="checkbox"/> Construction and zoning permits	General contractor	General contractor
<input type="checkbox"/> Employee documentation	Attorney	Attorney
<input type="checkbox"/> Equipment plan and layout	Equipment representative	General contractor
<input type="checkbox"/> Insurance policies	Insurance broker	Lender
<input type="checkbox"/> Lease or deed	Lease negotiator/real estate broker	Lender, general contractor
<input type="checkbox"/> License to practice	You	Lender
<input type="checkbox"/> Marketing plan	You	Full start-up team
<input type="checkbox"/> Personal tax returns (2 years)	Accountant	Lender, accountant, and attorney

***You should also retain copies for your own files.***

# Activating your plan

## Due diligence questionnaire



Completing the exercise below will help ensure you address critical business needs and safeguards for your practice.

### Location and marketplace

The setting, population, and number of dentists in an area can impact the growth potential of a practice.

Visit the competitive analysis tool on the Wells Fargo Works site: <https://wellsfargoworks.com/competitive-intelligence-tool>

- Location address: \_\_\_\_\_
- What is the population density surrounding the practice location? \_\_\_\_\_
- Describe the location of the practice site:
  - Accessibility & parking: \_\_\_\_\_
  - Public transportation: \_\_\_\_\_
  - Signage: \_\_\_\_\_
- Identify the competition in the area:

Practice type	1 mile radius	3 mile radius	5 mile radius
General Dentistry or similar specialists			
If you're a specialist, doctors who practice the same specialty			



## We're here to help

Your business plan will help you answer many of these due diligence questions. If you need assistance with your business plan or this worksheet, contact us at 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).

# Activating your plan

## Staffing

A reliable professional team is critical to practice success as they form a bridge between you and your patients.

- Team roles, responsibilities, and compensation  
*Indicate which tasks are complete or when they will be complete.*

Position	Job description	Compensation (pay + benefits)	Comments
Receptionist	<input type="checkbox"/> Complete <input type="checkbox"/> To be completed by _____	<input type="checkbox"/> Complete <input type="checkbox"/> To be completed by _____	
Dental assistant	<input type="checkbox"/> Complete <input type="checkbox"/> To be completed by _____	<input type="checkbox"/> Complete <input type="checkbox"/> To be completed by _____	
Hygienist*	<input type="checkbox"/> Complete <input type="checkbox"/> To be completed by _____	<input type="checkbox"/> Complete <input type="checkbox"/> To be completed by _____	
Office manager*	<input type="checkbox"/> Complete <input type="checkbox"/> To be completed by _____	<input type="checkbox"/> Complete <input type="checkbox"/> To be completed by _____	
Other: _____	<input type="checkbox"/> Complete <input type="checkbox"/> To be completed by _____	<input type="checkbox"/> Complete <input type="checkbox"/> To be completed by _____	

\* Most offices start with 1 receptionist and 1 assistant.

## Keep in mind

Most new practices start with one producer (the owner) who performs all treatment — preventative and restorative — until the patient base is large enough to support additional producers (e.g. hygienist).



# Activating your plan

- What is your initial staffing plan?
  - What recruitment methods will you employ? (check all that apply)

☐ Internet ads

☐ Job postings at local trade schools or colleges

☐ Networking

☐ Other: \_\_\_\_\_

- Interviewing and onboarding

*Indicate which tasks are complete or when they will be complete.*

Task	Status	Comments
Interview questions for candidates	<input type="checkbox"/> Complete <input type="checkbox"/> To be completed by _____	
Orientation and training plan	<input type="checkbox"/> Complete <input type="checkbox"/> To be completed by _____	
Team handbook including practice policies and standard operating procedures	<input type="checkbox"/> Complete <input type="checkbox"/> To be completed by _____	



# Activating your plan

## Marketing & new patients

Marketing is critical to create visibility, attract patients, create loyalty, and build cash flow.

- Most of the elements below should be in your business plan. If not, complete what's outstanding to begin the marketing process.
- Consider working with a marketing professional who can help you articulate your vision and create a graphic design that reflects your style.

Task	Status
<b>Practice mission statement</b> <ul style="list-style-type: none"><li>• Patient demographics</li><li>• Quality of care your practice will provide</li><li>• Type of environment you will create</li></ul>	
<b>Marketing plan</b> <ul style="list-style-type: none"><li>• Marketing objectives</li><li>• External marketing strategies and tactics</li><li>• Internal marketing strategies and tactics</li><li>• Budget</li><li>• Timeline</li></ul>	<i>See Marketing your practice (pg. 17) for additional guidance</i>
<b>Branding and identity</b> <ul style="list-style-type: none"><li>• Logo</li><li>• Business cards, appointment cards, and stationery</li><li>• Website</li></ul>	
<b>List of patients to contact, without violating non-compete covenants</b> <ul style="list-style-type: none"><li>• Friends</li><li>• Neighbors</li><li>• Nearby businesses</li><li>• Former patients</li></ul>	
<ul style="list-style-type: none"><li>• How do you plan to announce your practice to the community? Check all that apply.<ul style="list-style-type: none"><li><input type="checkbox"/> Online advertising</li><li><input type="checkbox"/> Local newspaper advertising</li><li><input type="checkbox"/> Social media campaign</li><li><input type="checkbox"/> Introductory letter to mailing list</li><li><input type="checkbox"/> Other: _____</li></ul></li></ul>	

# Activating your plan

## Business & financial systems

By mindfully managing your systems, your office should run smoothly and be able to withstand fluctuations in the economy and patient flow.

## Patients and scheduling

- How will you motivate patients to pre-book appointments?
  - *"Let's keep you healthy and schedule your next hygiene appointment today."*
- What is the plan for reducing hygiene cancellations?
  - Confirmation email(s) \_\_\_\_\_ days before the appointment
  - Confirmation phone call(s) \_\_\_\_\_ days before the appointment
  - Reminder text(s) \_\_\_\_\_ days before the appointment
  - Other: \_\_\_\_\_

## Patient payments

- Indicate which payment options will be available to patients.

Option	Comments
<input type="checkbox"/> Cash	
<input type="checkbox"/> Checks	
<input type="checkbox"/> Credit/debit cards	
<input type="checkbox"/> In-house payment plans	
<input type="checkbox"/> Outside financing	
<input type="checkbox"/> Other: _____	

- How and where will patient financial arrangements be documented?

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# Activating your plan

## Insurance payor mix

- Which insurance plans will your practice accept?

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## Cash flow

- Have you completed a budget projection for the first year?  
☐ Complete  
☐ To be completed by: \_\_\_\_\_
- What are expected average monthly collections (patient and insurance payments)? \$\_\_\_\_\_
- Will monthly collections cover overhead and practice loan payments? ☐ Yes ☐ No
  - If not, what is the variance? \$\_\_\_\_\_
  - How will you bridge the gap?

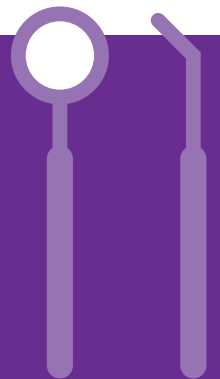
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## *Don't stop moonlighting...yet*

To start your practice, you'll be committed to full-time overhead, but have a part-time patient base. Having an additional source of income is essential to bridging the financial gap until your patient base grows large enough to cover your obligations.

See ***Sudden impact strategies*** on pg. 22 for tips on accelerating production growth.



# Activating your plan

## Banking services

- Identify which business and financial services you have established or will establish.

Service	Provider	Comments
<input type="checkbox"/> Business checking		
<input type="checkbox"/> Business credit card		
<input type="checkbox"/> Business savings		
<input type="checkbox"/> Credit card processing		
<input type="checkbox"/> Insurance <ul style="list-style-type: none"><li>• Building</li><li>• Disability</li><li>• Employee Benefits</li><li>• Liability</li><li>• Life</li><li>• Malpractice</li><li>• Property</li><li>• Worker's Compensation</li></ul>	<div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div>	
<input type="checkbox"/> Payroll services		
<input type="checkbox"/> Patient financing		
<input type="checkbox"/> Other: _____		



## Cover your bases

Ask your practice financing specialist about how Wells Fargo can support your practice's business and financial needs.  
1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com)

# Activating your plan

## Performance tracking

Do you know how to run these monthly following reports?

- Production, by procedure (dentist and hygienist) ☐ Yes ☐ No
- Collections ☐ Yes ☐ No
- New patients ☐ Yes ☐ No
- Adjusted production due to insurance programs ☐ Yes ☐ No
- Total monthly expenses ☐ Yes ☐ No
- Accounts receivable ☐ Yes ☐ No
- If you answered "No" to any of the above, what is your plan for getting trained?  
\_\_\_\_\_  
\_\_\_\_\_

- How will you track delayed or unaccepted treatment?  
\_\_\_\_\_  
\_\_\_\_\_

Did you know that your practice management software calculates this for you? And monthly expense comes from your accounting software?

## Technology plan

Equipping your office with state-of-the-art technology can maximize operational and clinical efficiencies and give your practice a competitive advantage.

- Outline your technology implementation plan

Must have		Nice to have/will add later		Training plan	
Practice management software					
Accounting software					
Business technology	1.	_____	1.	_____	
	2.	_____	2.	_____	
	3.	_____	3.	_____	
	4.	_____	4.	_____	
	5.	_____	5.	_____	
Clinical technology	1.	_____	1.	_____	
	2.	_____	2.	_____	
	3.	_____	3.	_____	
	4.	_____	4.	_____	
	5.	_____	5.	_____	

# Activating your plan

- Who is responsible for daily data back-ups? \_\_\_\_\_
- What is your plan for offsite back-up storage? \_\_\_\_\_  
\_\_\_\_\_

## Safety and compliance

- What safeguards are in place to protect against internal theft? \_\_\_\_\_  
\_\_\_\_\_
  - Who will make daily bank deposits? \_\_\_\_\_
    - If this person is unavailable, who is the back up? \_\_\_\_\_
  - What systems are in place to comply with OSHA guidelines and requirements? \_\_\_\_\_  
\_\_\_\_\_
  - Which team member is responsible for OSHA compliance? \_\_\_\_\_
- For more information, visit the OSHA dental page: <https://www.osha.gov/SLTC/dentistry/>

## Does this practice meet your objectives?

Review your business plan again. Compare it with your responses above.

- Is your plan in sync with your answers, including your list of “must haves”? \_\_\_\_\_ Yes \_\_\_\_\_ No
- Will owning the practice you’ve defined allow you the lifestyle balance you want? \_\_\_\_\_ Yes \_\_\_\_\_ No
- Do you have the information you need to move forward? \_\_\_\_\_ Yes \_\_\_\_\_ No

If you answer “Yes” to these questions, you’re ready to move on to office design, construction, and pre-marketing. Continue to the next page.

If you answer “No” to any of the questions above, sit down with your start-up team and talk about what’s missing and why. You might want to look at your list of “must haves” again. Is there any flexibility? If not, reevaluate your plan, with special attention to those aspects that don’t align with your vision. Adjust as needed so your vision, objectives, and plan come together to define the practice that gets you where you want to go.



## Protect your assets

Published statistics suggest that three in five dentists will be embezzlement victims at some point.\* Safety and compliance systems protect the business against fraud and ensure fulfillment of regulatory obligations.

\* “Embezzlement: It Can Happen in Your Practice,” P. Anderson Dentistry iQ

# Building your office

Creating a professional, inviting, and comfortable environment is the ultimate goal of most office design projects.

## Office design



To understand what makes a design plan successful, consider these five principles.

Principle	Why it's important	How this applies to your office
Meets stated objectives	Reflects your vision	
Utilizes an effective floor plan	Supports both current and future growth needs	
Achieves functional balance	Helps produce a functional office that expresses your vision and effectively meets the needs of your patients	
Integrates updated equipment and technology	A design plan that starts with the essentials and allows for upgrades and additions with minimal disruption provides flexibility and positions the practice for growth	
Looks professional	The environment should convey professional competence and be physically appealing to help communicate your commitment to patient comfort and care	

### You get one chance to make a first impression

Here are some additional resources to help you prepare for working with your design consultant:

- **The ADA Practical Guide to Dental Office Design** — An American Dental Association publication with sample floor plans, interior design trends, legal considerations, case studies, and more. Available at [www.ada.org](http://www.ada.org).
- **Dental Office Design Competition case studies** — Case studies of Dental Office Design Competition winning practices including photos, floor plans, project information, design solutions, and project advice from the practice owners. Available at [wellsfargo.com/dodc](http://wellsfargo.com/dodc).

# Building your office

## Construction



Your contractor and the type of contract you use have considerable impact on the outcome of your office and the opening of your practice.

During the pricing phase and throughout construction, your contractor should work closely with you and your architect to deliver the project on time, on budget, and with the quality you expect.

Here's a quick look at the three most common types of construction contracts. Your start-up team, especially your architect or designer, can provide input on the most appropriate selection for you.

Contract type	Pros	Cons	Comments
<b>Competitive bid (lump sum)</b> Key characteristics: <ul style="list-style-type: none"><li>• Architect prepares plans and specifications ("bid documents") to two or more contractors for bidding</li><li>• Project is awarded to lowest qualified bidder</li><li>• Execute "lump sum construction contract" to begin construction</li></ul>	<ul style="list-style-type: none"><li>• Multiple bids offers choice</li><li>• Typically lowest <i>initial</i> price</li><li>• Easy to plan for or add alternatives</li></ul>	<ul style="list-style-type: none"><li>• More time-consuming in design and pricing phase than others</li><li>• More change order potential</li><li>• Final cost can be higher than contract due to additive change orders</li></ul>	
<b>Negotiated, Cost-Plus with a Guaranteed Maximum Price (GMP)</b> Key characteristics: <ul style="list-style-type: none"><li>• Architect prepares bid documents to submit to pre-selected contractor</li><li>• Contractor offers cost-saving suggestions and prepares estimate</li><li>• Use a "Guaranteed Maximum Price" (GMP) contract to begin construction</li></ul>	<ul style="list-style-type: none"><li>• Better upfront collaboration</li><li>• Potentially fewer change orders</li><li>• Can streamline pre-construction process</li><li>• Contractor responsible for cost overruns</li><li>• You share in cost savings</li></ul>	<ul style="list-style-type: none"><li>• Must make decisions earlier in the process, and faster</li><li>• Initial cost could be higher than bid method; final price should be lower</li><li>• Final cost can be higher than contract due to additive change orders</li></ul>	
<b>Design/Build (D/B)</b> Key characteristics: <ul style="list-style-type: none"><li>• D/B firm develops plans and specifications to estimate construction costs</li><li>• D/B firm prepares final design and construction documents</li><li>• Construction performed on a "cost-plus" basis with a GMP</li></ul>	<ul style="list-style-type: none"><li>• Fastest overall method</li><li>• You get price protection and share in cost savings</li><li>• Likely fewer change orders</li></ul>	<ul style="list-style-type: none"><li>• Initial cost could be higher than bid method; final price should be lower</li><li>• No separate architect</li></ul>	

Once construction is under way, your focus should turn to building your patient base. It's time to start marketing.



# Building your patient base

Just like any other small business, you need a marketing plan to introduce your practice, build business, and keep it growing.

## Creating your marketing mix

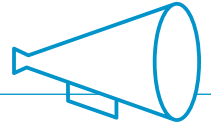


Combining an external marketing strategy with internal efforts will help your practice grow. But how do you know where to invest, how much, or when?

Should you start a Facebook page or Twitter feed and promote new patient specials? What about a direct mail campaign or advertising? How about sponsoring a local youth sports team? Or should you focus on branding with attractive signage, letterhead, and patient education materials? The answer really depends on your objectives.

Once you've established the fundamentals, specifically your brand and identity elements (see "Marketing and new patients" in your *Due diligence questionnaire*, pg. 6), the rest of your marketing plan depends on your vision and objectives. As we learned in *Preparing for Ownership* (see *Marketing*, pg. 10 – 12), the Objectives-Strategies-Tactics framework helps ensure that every strategy and tactic in your plan is connected to at least one of your business objectives. Following that plan will keep your marketing activity focused so you don't run the risk of over-spending or under-executing.

## External marketing



Externally focused marketing is important for attracting new business and developing your patient base.

External, or community-focused, tactics such as direct mail, a website, email marketing, and advertising are essential to create awareness and generate interest in your services. The appropriate mix and timing of tactics depends on multiple factors, including your budget and ability to execute. Here are a few ideas to consider.

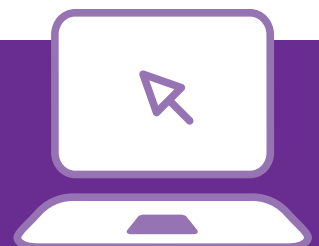
### Announcing your practice

Construction activity draws attention and presents a golden opportunity to let the community know you're coming. Here are a few ways you can use that time — and real estate — to start attracting patients.

- **Launch your website.** Go live at least 90 days before opening to create awareness. Search engine optimization (SEO) can improve your position in online searches on sites like Google, Bing, Yahoo, and more.
- **Post a "Coming soon" banner.** Include your phone number or website address so patients can find you.
- **Local events, newsletters, or websites:** Register with the Chamber of Commerce and network with local businesses to discover the most effective ways to build relationships within the community.

## Website Dos and Don'ts

For a simple check list of common dos and don'ts for a website, contact us at 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).



# Building your patient base

## Introducing yourself

A personal letter to members of the community allows you to introduce yourself and your services. The letter can also serve as an invitation to meet you and your team personally at your Open House.

### Sample introductory letter

Practice name  
Practice address  
City, State ZIP

Date

Use practice letterhead

Dear neighbors and friends,

I am very pleased to announce that I have recently opened a new dental practice in \_\_\_\_\_ (city) focusing on \_\_\_\_\_ (specialty area). I am delighted to be a part of this vibrant community and invite you to join me for a fun and informal Open House at the practice on \_\_\_\_\_ (date) at \_\_\_\_\_ (time) p.m. Please feel free to bring your family and friends to enjoy wine, soft drinks, appetizers, and music.

Let me tell you a little about myself. I graduated from \_\_\_\_\_ (name of dental school) in \_\_\_\_\_ (year) with a \_\_\_\_\_ (degree) in \_\_\_\_\_ (discipline), and practiced as an Associate at \_\_\_\_\_ (practice name) in \_\_\_\_\_ (city/state) before moving here in \_\_\_\_\_ (month/year). I am [married/children] and enjoy [hobbies]. Building my own practice with the latest dental technology has been the fulfillment of a personal dream. It has long been my goal to ensure maximum comfort for patients while providing the best dental health care available.

I look forward to learning more about you and our community at our upcoming Open House. If you have an immediate need for dental care, please call my office at \_\_\_\_\_ (phone number) or visit \_\_\_\_\_ (website address). I promise to make your dental health my first priority.

Sincerely,

\_\_\_\_\_, D.D.S./D.M.D.

## Building and sustaining momentum

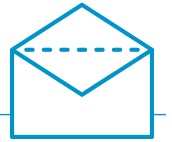
Make sure your marketing plan includes an ongoing external marketing activity to continue building awareness and engage your growing patient base.

### More marketing tips and tools

Your marketing or practice management consultant can help you with your plan but if you're looking for easy-to-implement ideas, a sample calendar, or electronic templates you can customize, contact us at 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).

# Building your patient base

## Internal marketing



As patients enter your practice, marketing to them helps create loyalty and referral opportunities. Here are some low- and no-cost ideas to help enhance your patient relationships.

### New patient communication

Establishing friendly communications at the beginning of a relationship is the first step to generating goodwill. Once patients have scheduled their first appointment, send an email to let them know how much you appreciate their patronage, and what they can expect during their visit.

#### Sample welcome email

Dear [patient name]:

Welcome to our practice! And thank you for selecting our team to manage your dental care needs.

Our goal is to provide you with the highest quality dental services available in an efficient and comfortable environment. We are committed to helping you prevent dental problems by restoring and maintaining your oral health through regular preventive care.

We will provide a thorough examination on your first visit, including an oral cancer screening and necessary x-rays for proper diagnosis, followed by a consultation regarding your dental needs. Treatment costs will be discussed and financial arrangements can be made.

To make your experience with us most convenient, we have two requests:

- Complete our **health questionnaire and registration form** before you arrive at the office. Both documents are located in online patient portal. Simply [click here](#) and you'll be taken directly to them.
- Bring your **insurance information** to your appointment.

If you have any questions, please contact us at \_\_\_\_\_ (*phone number*) or \_\_\_\_\_ (*email address*). We look forward to meeting you!

Sincerely,

\_\_\_\_\_, D.D.S./D.M.D.

# Building your patient base

## Help patients prepare for their visit

Include the following items in your email communications:

- Directions and/or a map to your location
- Link to registration and medical/dental history forms
- Link to patient education content

## Post-op phone calls



The post-procedure follow-up phone call is an important customer service tool for enhancing relationships and building trust.

Create time in your schedule at the end of the day for a quick two- to five-minute phone call to every patient who experienced a significant procedure (anything with anesthesia) the previous or same day.

**Note:** your sole purpose is to ask patients if they are doing well. Patients will appreciate your concern and be more likely to generate positive word-of-mouth about your practice.

## Asking for referrals



Asking patients to refer a friend or family member is one of the easiest and least expensive ways of generating new business.

**Goal:** encourage and increase new patient referrals.

**Note:** you are **not** trying to get a name and phone number on the spot.

The following steps will help prepare you and your team to effectively ask for referrals.

- Review your patient schedule each morning with your team, and have each team member identify at least one patient he or she will ask for a referral.
- Be sure the patients you approach for referrals have expressed a positive attitude toward your practice and services.
- Document the referral request in the patient record, noting the date and initials of the team member who asked for the referral. Do not ask patients for referrals more than once a year unless you get a spontaneous glowing compliment from them.
- Practice this technique by role-playing at staff meetings, with one person playing the patient and the other asking for a referral.
- Develop an incentive program to reward staff members for learning and implementing a new skill as well as patients for providing referrals, being mindful of anti kickback statutes as applicable.
- Your staff can also be an important source of referrals. Offer treatments to your staff so that they can provide recommendations for your excellent work to patients, friends, and family members.

# Building your patient base

## How to ask for a referral

The best time to ask for a referral is when you receive a compliment about some aspect of your practice or service. An easy way to tactfully invite a compliment is with a simple question such as, “How was your visit with us today, Mr./Mrs. \_\_\_\_\_?”

If you receive a positive response, follow these easy steps (it should take about 12 seconds!):

1. **Thank** your patient for the compliment.
2. **Share** your practice philosophy — for example: “We want everyone to feel comfortable here so we really make an effort to make everyone as relaxed as possible.”
3. **Ask** for the referral — for example: “You know, you’re a terrific patient. If you have friends or family looking for a dentist, we’d love to have more patients like you.”
4. **Offer** a business card.

If you have questions about marketing, consult with your start-up team. Or you may want to consider working with a practice management or marketing consultant who understands and has experience with dental practices and their unique needs. Wells Fargo Practice Finance works with reputable dental marketing firms all over the country. Call us for more information, or for a referral.



## Why join your professional association?

Your professional association offers a wide array of resources and programs designed to enhance your ability to achieve success and improve your excellence as a doctor. As a member, you have access to print and online publications that keep you up-to-date on the latest happenings in the industry.

Training programs, CE courses, and career centers are available to help you manage your practice and enhance your professional skills. Qualified members may also have access to discounted products and supplies. Plus, your professional association gives you a powerful voice in state and national legislatures to help ensure a healthy future for the industry. For example, here are just some of the benefits members of the American Dental Association (ADA.org) enjoy:

- An active New Dentist Committee with specialized programs and resources for emerging practitioners
- The ADA Center for Professional Success, [Success.ADA.org](http://Success.ADA.org), an online resource to help you manage your career, expand your knowledge, and balance your life
- Online CE and other educational resources
- Value-added products and services through ADA Business Resources<sup>SM</sup>
- ADA Catalog and media publications
- Membership at the local or state level automatically qualifies members at the national level. With one membership, you get the benefits of all
- Guidelines for Practice Success<sup>TM</sup> ([Success.ADA.org/gps](http://Success.ADA.org/gps)) with patient-centered, ethically based best practices for managing patients, finances, regulatory issues, and more

# Building production

Simply put, production is the first step toward cash flow. In order to grow your practice, it is essential that you collect enough revenue to cover your operating expenses, pay down debt, and deliver adequate profit.



## Sudden impact strategies

Production will build as you attract new patients. As your schedule starts to fill, here are some steps you can take immediately to initiate and sustain momentum.

- Establish daily production goals based on monthly overhead requirements.
- Announce production goals at morning meetings, making sure everyone is aware of the daily target (see **Team huddles**, pg. 27).
- Develop a scheduling template that helps you consistently meet production goals (see **Preblocking for production**, pg. 28).
- Ask for referrals. Reward your team and patients for every patient they refer (see **How to ask for a referral**, pg. 21).
- Review charts. Start a reactivation campaign for patients who have fallen out of their ideal treatment cycle.
- Determine whether a patient coming in for hygiene needs.
- Contact patients who haven't used all of their insurance benefits, and in the case of incomplete treatment, remind them how their benefits can help them pay for their treatment.
- Offer elective or cosmetic treatment. (Ask: "If you could change anything about your smile, what would it be?")
- Offer additional financial arrangement options.
- Improve your verbal skills, especially for handling concerns. (For example: "If we could fit this into your budget, would there be anything else that would prevent you from making an appointment?")
- Start tracking case acceptance (see sample form below). Review reasons for non-acceptance, look for patterns or trends, and improve your presentation skills as needed.

### Be prepared

For additional guidance and tools to help you implement sudden impact strategies, including tips on marketing, treatment presentation, and cash flow management contact us at 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).

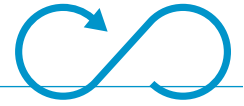
### Sample case acceptance tracking form

Date	Patient name	Treatment presented	Accepted? (Yes/No)	Reason for non-acceptance	Treatment scheduled (date)
7/24/XX	Jody Taylor*	2 crowns, upper left	Yes		8/15/XX
7/25/XX	Mark Johnson*	2 fillings, upper right	No	Not enough time for all of the appointments required	

\*for example only

# Building production

## Establishing a recall system



At the end of each patient's visit, scheduling their next appointment is the best way to build and maintain consistent production levels.

Here are a few ideas for developing an automatic reappointment system.

- Pre-appoint patients for their next hygiene appointment. This is more time-efficient and productive than sending a recall card asking patients to call you.
- Establish a clinical protocol to determine the type of hygiene treatment a patient needs.
- Evaluate services offered by hygiene, and add new services as appropriate (e.g., ARESTIN® or Periodontal therapy).
- Send reactivation postcards to patients becoming inactive.
- Build value into the next appointment by including the three “Ws” in your conversation:
  - **When** they're coming back.
  - **What** treatment they will receive.
  - **Why** it's important (saves money, time, and keeps their smile attractive).

## Cash flow management



Any business can find itself with cash flow shortages at times. Dental practices are no different.

Use the following steps to help manage cash flow during these times.

1. List expenses that are critical to keeping the doors open. This is called the “make-break point.” Usually included are:
  - Staff and dentist salaries
  - Payroll taxes
  - Office lease and utilities
  - Current lab and clinical supplies expenses (include past due amounts for labs or supplies in your outstanding bills)
  - Loan payments
2. List every outstanding bill you have to pay, starting with the oldest due date and ending with the most recent. List payee, amount owed, interest rate, and due date (as well as the number of days past due). Rearrange this list to prioritize bills with the highest interest rates, which could harm your credit rating.
3. Pay only the make-break expenses and nothing else.
4. Take 10% of any funds left over and place them in an interest-bearing savings account. Reserve this account until it totals one to two months of your average monthly expenses. This reserve fund becomes your long-term solution.
5. After saving the 10% reserve, take all funds remaining and start paying down the outstanding payables list, paying as much as you can on one bill at a time until it is paid off. Start with the highest priority bill, as you determined in your list.

# Building production

Take a moment to think about the strategies you will employ to jump-start production and/or grow the practice. Capture them here for easy reference if/when you need them.

1. 

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2. 

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3. 

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4. 

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## *Consistency is critical*

You may not be able to pay off everything at once, but managing cash flow will help you:

- Motivate your team to meet your goals
- Save 10% after your make-break expenses are paid
- Pay down any outstanding balances
- Work with creditors to pay off any debt

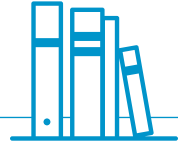
If you need additional guidance or tools for managing cash flow, or strategies for reactivating patients, contact us at 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).



# Managing your team

As a practice owner, you need to be a competent people manager in order to attract and retain a team that will help you run your practice effectively. Here are a few things you can do to position yourself for success.

## Practice policies and guidelines

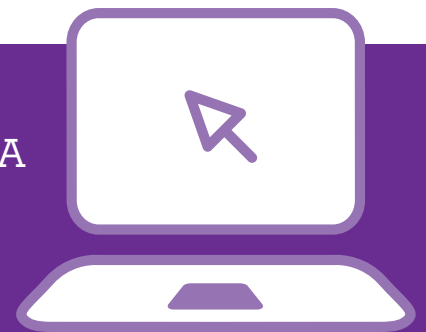


Document practice policies and business protocols. Your guidance may include:

- Employee practice handbook
  - Describe policies and guidelines for the effective management of your practice, including:
    - Your practice philosophy
    - Employment practices
    - Hours of operation
    - Employee benefits
    - Other business policies
  - Ensure the handbook is updated to support how you want to run your business
  - Have your attorney review before implementing to ensure it is legally compliant
  - Introduce the handbook in a team meeting and distribute copies to each staff member
- Standardized job descriptions
- Employee files

**Tip:** Practice management support from the ADA

- ▶ Visit the ADA Store ([adacatalog.com](http://adacatalog.com)) for practice management tools and resources, including help with your practice handbook
- ▶ Visit the ADA Center for Professional Success ([success.ADA.org](http://success.ADA.org)) for whitepapers, articles, and guidelines to help you build business acumen and improve leadership and management skills



# Managing your team

## Healthy communications



### Open communication is another secret to success.

You can help establish a healthy workplace and model positive communication by doing the following:

- Set expectations early and meet regularly with your team
- Provide a regular forum for staff members to openly share their ideas, suggestions, concerns, and operational issues
- Implement a documented procedure for staff to raise complaints involving procedures, business processes, or even other team members
- Create an environment where team members feel safe being open and honest

When problems do arise:

- Confront them early while they are still relatively minor
- Restore order as quickly as possible to keep the practice running smoothly
- Enlist the help of your practice management consultant or attorney if the issue is severe or you cannot manage a situation internally

***Collaboration*** is the most desirable behavior in establishing a harmonious office. But in the midst of a communication breakdown or conflict among staff members, moving toward collaboration can take a unique set of social skills. Contact us for resources to help navigate the path: 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).



# Establishing business systems

Instituting a few basic business systems helps you manage productivity and profitability. With clear guidelines, you can delegate tasks more effectively and set standards against which you can evaluate job performance and develop training protocols. The following business systems are fundamental to running an efficient dental practice.

## Team huddles



Team huddles give you and your team time to discuss and prepare for the day ahead.

Take a few minutes toward the end of each day to prepare for the next morning's huddle. Then take no more than 15 minutes at the beginning of the day for the morning huddle, before your first patient arrives. Use the sample agenda below as a guideline.

**1. Yesterday's schedule (Assistant/All)**

What went well, areas to improve?

**2. Today's schedule (Assistant/All)**

Emergency time, catch-up time, problems, concerns, celebrations

**3. New patient information (Appointment Coordinator)**

Share information gathered over the phone about the new patient

**4. Financial discussion (Financial Coordinator)**

Patients we're expecting payment from today, patients needing financial arrangements, problems accounts/unpaid balance

**5. Pre-blocks (Appointment Coordinator)**

Next available production pre-block and new patient pre-block, the back office staff should jot these down so they can guide patients into appointments

**6. Internal marketing (All)**

Each person target 1 – 2 patients to ask for a referral (first, follow up on yesterday's efforts)

**7. Patients with unscheduled treatment needs (Assistant, Appointment Coordinator)**

Report any patients coming in today with treatment that has been diagnosed, but not accepted. Report on patients from yesterday's schedule who had treatment presented to them, but did not set up financial arrangement or make an appointment to start that treatment.

**8. Goals (Financial Coordinator/Appointment Coordinator)**

Did we reach production and collection goals yesterday? How about today? Where are we month-to-date?

**9. Thoughts for the day (Doctor)**

Use a quote, a cartoon, or a short story to help everyone stay positive and team focused

# Establishing business systems

## Preblocking for production



Preblocking — preserving a block of time for significant treatment\* on all days you see patients — is an effective tool that focuses every staff member on meeting daily production goals.

### How to preblock

#### 1. Calculate your daily preblock goal

- Multiply the dentist production goal for the month by 75% *Example:  $\$40,000 \times 75\% = \$30,000$*
- Divide by your crown fee. (This gives you the number of preblocks you need per month to meet your goal.) *Example:  $\$30,000 / \$1,200 \text{ crown fee} = 25 \text{ preblocks per month}$*
- Divide monthly production preblocks by the number of days the dentist will work on patients this month. (This gives you the average number of preblocks you need per day to meet your goal.) *Example:  $25 \text{ preblocks} / 16 \text{ days} = 1.5 \text{ preblocks per day}$*

#### 2. Post and announce your daily goal

- Announce the daily goal at your morning huddle.
- Post the goal in a prominent place for the front desk staff to reference throughout the day.

#### 3. Block your preferred times for performing significant procedures

- On a computer scheduler, use preblock commands or a template to reserve preblocked time.

#### 4. Keep the 48-hour rule

- If you're unable to fill the preblocked time 48 hours before the scheduled day, fill the time with any available procedure.
- Move the lost production preblocked time to another day in the same month, keeping the importance of meeting the cash flow needs of the practice for the month at the forefront.



\*Significant treatment is defined as any treatment — including multiple minor procedures — that equals a crown fee and can be completed within 1 to 1.5 hours.

# Establishing business systems

## Financial arrangements



The way your office manages patients' financial arrangements can make the difference between a thriving practice and one that struggles to make ends meet.

### Guidelines for an effective system

Here are a few “best practices” to use as a starting point for your financial policies. Use this chart to note your preferences and enhancements.

Practice	Comments
<input type="checkbox"/> Financial protocols should be clearly written, for internal use only, and easily accessed by your staff.	
<input type="checkbox"/> Include protocols for a full array of scenarios ranging from insurance, payment plans, and worker's compensation to telephone shoppers, emergency visits, and courtesies.	
<input type="checkbox"/> Document all financial arrangements in writing, include a due date, and have both the patient and financial coordinator sign to indicate acceptance.	
<input type="checkbox"/> When negotiating, start by asking for payment in full prior to treatment. <ul style="list-style-type: none"><li>• Many offices offer a 5% courtesy for this option.</li></ul>	
<input type="checkbox"/> Offer a variety of payment options (e.g. credit card, dental credit card, bank loan, auto debit) and provide the ability to mix and match them to patient needs.	
<input type="checkbox"/> Do not tie payment to appointment dates. <ul style="list-style-type: none"><li>• Provide a payment arrangement that is separate from the appointment.</li></ul>	
<input type="checkbox"/> In your morning huddle, discuss who needs to be seen by the financial coordinator for expected payments, financial arrangements, problem accounts/unpaid balances.	
<input type="checkbox"/> Develop a collection protocol (e.g. 2 – 3 telephone calls, followed by 2 – 3 letters) and follow it consistently.	
<input type="checkbox"/> Measure success with a case acceptance log (see page 22).	

# Establishing business systems

## **Tip:** The 4 Ps of successful financial arrangements

A well-defined system that's consistently followed will help keep your patients satisfied. Keep these principles in mind as you develop your program:



### **Person:**

Make sure the person responsible for financial arrangements is a well-trained professional who can confidently negotiate treatment acceptance.



### **Place:**

Conduct financial conversations in a comfortable, private, and quiet location where you can sit at eye level with the patient, preferably side by side.



### **Policy:**

Develop guidelines that provide a win-win for both your patient and your practice.



### **Procedure:**

Develop a system and negotiation process that allows for healthy case acceptance.

For assistance with your financial arrangements system, work with your practice management consultant, visit the ADA Center for Professional Success ([success.ADA.org](https://success.ADA.org)) or contact us at 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).

## Monitoring practice performance



Tracking and analyzing your business on a regular basis is a critical tool for managing the success of your practice.

Wells Fargo Practice Finance's Milestones program enables you to recognize trends, determine the financial health of your practice, and establish baseline measurements of everything from production to operating expenses. By measuring on a monthly basis, you'll develop an early warning system for recognizing and reacting to negative trends before they become critical problems. For more information, contact us at 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).

# Congratulations

We hope the *Practice Success Series* has helped you prepare for a smooth transition into ownership. For more information about additional planning tools and financial products or services that can help you continue on your path to success, contact us at 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).

We're here to help you take your next step and appreciate the opportunity to work with you. Enjoy ownership and your new practice!



# Notes

[illegible]



# How can we help?

Let's talk

1-888-937-2321

Monday through Friday

7:00 a.m. to 4:30 p.m. Pacific time

[practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com)

[wellsfargo.com/dentists](http://wellsfargo.com/dentists)



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