

---

# Recession-Proof Your Practice

by Ken Runkle – America's Profitability Expert™

Based on the last recession in America, one can assume that the current recession may last a few years. For many in the business world, including dental practitioners, a few bad years can devastate a business. However, during the last two decades of working with dental practices, we have discovered ways to avoid potential ruin in difficult times.

Statistically, twenty percent of businesses will inevitably fail during a time of recession. If you want to be among the twenty percent that fail, you may want to stop reading now. Statistics also reveal that sixty percent of businesses during a recession will neither grow nor fade, they will simply remain flat. For a practice with a leader committed to growing, that is unacceptable also. Finally, these same statistics show that twenty percent of businesses will turn lemons into lemonade and grow during a widespread recession. If you would like to join the twenty percent of dental practices that will grow over the next few years, you may find this article helpful.

At Paragon Management, we have resolved that we will refuse to participate in regular business cycles of boom or bust and growth or recession. Regardless of the economic environment, we will grow and thrive as we help dentists and dental practices do the same. In fact, we are so committed to this approach that we have a beautifully framed announcement in our office declaring, "Paragon does not participate in recessions."

Through our commitment to help our clients withstand the challenges of a rough economic environment, we have discovered eight critical and proven keys to recession-proofing a dental practice. Implement all eight and you may join the twenty percent who will grow and thrive during these tough times. Ignore and discard these key principles and you may find your dental practice in need of a bailout.

---

---

## 1. Be Optimistic

In the book Learned Optimism, author and researcher Dr. Martin Seligman, shares research revealing that optimism is the most important indicator of success and failure. During the Summer Olympics of 2008, I caught an interview with Dr. Seligman on *SportsCenter* as he was discussing the incredible success of Olympic phenomenon Michael Phelps. In referring to Phelps' closest race in which he trailed going into the final stretch, Dr. Seligman shared a conversation he had with his wife. As Phelps fell behind in the race, Dr. Seligman's wife asked him if he thought Phelps would win. Dr. Seligman expressed confidence that Phelps would certainly win. Phelps won at the last micro-second and Dr. Seligman went on to share his secret knowledge of this incredible athlete. During an optimism study of high school athletes a few years before the Olympics, Phelps recorded one of the highest Optimism Quotient scores of any high school athlete. Dr. Seligman knew Phelps' incredible optimism would carry him to a victory regardless of the challenge.

In dentistry, an optimistic attitude creates focus and belief that can propel an entire dental team even when the outlook is bleak. We have seen Dr. Seligman's research proven over and over by the dental practices we have had the privilege of serving.

It is important to note that the doctor, as the practice leader, is the mood ring for the entire practice. His or her attitude permeates the entire staff and patients, inevitably impacting the bottom line. Dentists with a high Optimism Quotient breed dental practices which will be much more successful than those who choose to share in the pessimism of a world drowning in doubt.

It pays to be optimistic.

## 2. Be Logical rather than Emotional

Don't be ruled by what I call the "Las Vegas experience." With an understanding that I am not endorsing gambling, consider the following illustration. You and two few friends fly to Las Vegas for the weekend with a few dollars burning holes in your pockets. You agree to limit your risk to two thousand dollars each, win or lose. By the second day, you are

---

---

on a roll and now have ten thousand dollars. Friend number one miraculously discovers a once-latent Midas touch and now has twenty thousand dollars, while friend number two has had modest gains and is now up to three thousand dollars. You are all doing well, but you and friend number one seem to have discovered the secret to beating Vegas and are considering leaving your dental practices to gamble full time.

By the end of your trip, reality has settled in. You and friend number one each end your time in Vegas with four thousand dollars. With a few more lucky hands, friend number two was also able to get to four thousand dollars.

Even though you doubled the two thousand dollars you brought to Vegas, you still feel disappointed thinking to yourself that you really lost six thousand. Friend number one is on the verge of depression and is making calls back home complaining that he lost over sixteen thousand dollars during his weekend. Friend number two is at the bar buying rounds of drinks and celebrating how he doubled his money. Even though the end financial gain is same for each, emotion has trumped logic.

What does this have to do with dentistry? You may have had a terrible November, but overall you had a fantastic year. Don't let one month tax your emotions when overall you've made a gain in the present economic environment. You may have had a bad financial day, but over the last few months your practice has grown. Stay grounded in the logic of the overall numbers and results. Do not be ruled by the emotions of the moment.

### **3. Invest in the practice**

A noticeable difference arises between managers and leaders during tough economic times. When revenues fade, managers begin immediately cutting expenses. The question they ask is, "How can we cut expenses to meet revenue?"

Leaders ask a different question. "How can we grow revenues to exceed expenses?" Leaders begin looking for places to invest in the practice with the goal of growing during down times.

Here are four areas to consider for strategic investment:

---

- 
- **Marketing.** As others pull back marketing efforts, it's a great time to grab more local market share and increase your patient base.
  - **Continuing Education.** Making yourself a more complete and better dentist may not create an immediate impact, but long-term you and your patients will be thankful. Do not forget to grow your dental team in this area also.
  - **Equipment and Technology.** Down times present a buyer's market for investing in equipment and technology. You may discover some great deals on equipment as inventories remain stagnant.
  - **Professional Services.** Invest in a dental management or consulting firm to help you grow.

#### **4. Play your "A" game**

During a booming economy, you can afford to be sloppy and let things slide. However, when your patients tighten their purses, you must have flawless execution with your systems, communications, time management and case acceptance.

Consider this example. Most people eat out at a restaurant at least once a month or twelve times a year. Let's assume this year you can only eat out one time. Which restaurant will you choose? Will you choose a restaurant that has ever left you with a bad taste? Will you choose a restaurant that is too slow, sometimes gets your order wrong or is hit and miss with food quality? No. You will choose a restaurant that you absolutely know will get it right by creating a fantastic environment, delivering great food and providing a fulfilling evening for all.

When purses tighten, there is no longer any room for mistakes.

#### **5. Remove anything Negative in your practice**

As patients linger in your waiting room, what are you communicating through the media available to them? Are newspapers, magazines and television news feeds pummeling them with bad news about the economy? Is that a message you want to reinforce with those about to purchase your services?

---

---

Difficult financial times demand that your practice rid itself of anything negative...including people. Your dental team must understand that you are selling dentistry and only happy people sell dentistry. As painful as it may be, it is most critical during times of struggle that you purge your practice of negative people. The ultimatum is simple, "Get happy or get another job."

## **6. Be Creative Financially**

In today's dental environment, many options abound for creativity in helping patients pay for dentistry. CareCredit and other financial service companies can greatly help your practice find an upward growth curve while other practices slide. Now is the time to investigate and promote those options with your patients.

Also, as patients struggle financially, it is a good time for the front office to show some creativity and flexibility with long-term patients. Once you have conducted a Verification of Insurance with patients who have proven faithful over the years, you may want to show flexibility with their co-pays. They will be grateful and you will build raving fans who have the potential to be future referral magnets.

## **7. You Are what You Expect.**

Based on years of research and experience, I have discovered that you get what you expect in life. If you expect to live to be over one hundred-years old, you will probably wake up one day smiling as you celebrate your one-hundredth birthday.

The same holds true for dentistry. If you expect to have a two million-dollar practice, chances are good that you will make it. If you expect to have a one million-dollar practice, your bottom line will eventually match your expectations.

For some of you, this concept may seem like positive-thinking hocus-pocus. I would highly encourage you to reconsider the power of expectations. Twenty-four years of working with great dentists has taught

---

---

me that the ultimate soft-tissue program is the soft tissue between your ears that you personally need to manage.

How do you change your expectations? Here are four proven steps:

1. Write down your expectations.
2. Submit your expectations to loved ones and trusted advisers.
3. Read your expectations on regular basis.
4. Start to say your expectations out loud. It is crucial to always say what you expect.

A final note on expectations: if you are spending time with people who will not allow you to expect your dream, you need to find new friends who will constantly support and encourage you to reach your dream. Find a network of successful dentists who will challenge you to greater levels of success.

## **8. Always be a Giver**

Isaac Newton declared that, “for every action there is an opposite and equal reaction.” The Bible says, “whatever a man sows, that also will he reap.”

In the world of dentistry, you have a unique opportunity and privilege to be a giver. Whether you take a mission trip to help those whose lack of dentistry could be life threatening, or you enjoy regular trips to the inner city to serve the underserved, I would encourage you to find a place to invest your gifts in humanity.

Why should you consider being a giver? You always reap what you sow, making most people’s lives a direct result of their giving. Giving also has the power to contextualize you as a human being. It connects you with the struggles of humanity, thus making you more compassionate, empathetic and understanding with your patients. Being a giver makes you a better dentist.

In the end, twenty percent of you reading this article will refuse to give in to the recession and will instead see it as an opportunity to grow your practice. Don’t let anyone convince you that bad economic times

---

---

necessitate a financial struggle for your practice. Decide today that you will not participate in recessions.

Go for it!

– **Ken Runkle, America's Profitability Expert™**, *is the founder and president of Paragon Management, Inc. and has been helping dental practices reach peak profitability for twenty-four years.*