



# Numbers Every Dentist Should Know

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# 10 Numbers Every Dentist Should Know

by Ken Runkle – America's Profitability Expert™

Below is a brief overview of ten critical numbers every dentist should know, monitor and graph every year. The goal is to see them grow over the course of your career as you measure your overall progress and profitability as a practice.

1. **Current Market Value of Your Practice.** As a general rule of thumb we recommend using 65% of last year's collections to set the value.
2. **Annual Gross Revenues.**
3. **Annual Reinvestment in Practice.** How much did you reinvest in your practice last year? This number should always be considered part of your overall practice value.
4. **Annual Debt Reduction.** All debt reduction payments should always be considered a form of profitability. For example, if you had \$1 million in debt and paid off \$100,000 last year and earned a net profit of \$200,000, you actually earned \$300,000. Debt reduction always increases your net worth.
5. **Annual Net Revenues.**
6. **Current Debt and Liabilities.**
7. **Annual Charitable Contributions.** As your practice grows through the years, it is important to track what you are giving back.
8. **Annual Tax Liability.** You will want to continually measure your tax liability to see if it is increasing or decreasing.
9. **Current Cash on Hand.** This number is included in your practice's value.
10. **Current Total Net Worth.** You should analyze this number annually.

– **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-five years.

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