

BEFORE YOU WRITE THAT CHECK

What every dentist must know about major technology purchases.

by AMY MORGAN, CEO OF THE PRIDE INSTITUTE



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It never fails to amaze me how many dentists have purchased "stuff" for their practice, only to have an important piece of "must-have" technology gathering dust several weeks (or months) later for lack of use. Even in this challenging economy technology purchases are still being made, although many dentists and teams appear much more cynical when it comes to silver bullet promises or fairy tale hopes for results.

The truth is, for a practice to stay cutting edge there needs to be a plan for continuous growth and improvement. Technology, clinical innovations and enhanced business processes are a must for a practice to remain viable in any situation. "No" cannot be the knee-jerk response when considering new purchases. Your yes, no or maybe should be based on clear-headed consideration:

- ⊙ Why am I purchasing _?
- ⊙ When should I make this purchase of _?
- ⊙ How will I realize a return on the investment in _?

If the doctor and team plan well for a new purchase or upgrade there is huge potential for real ROI—and that is both the burden and the solution. You have to have a plan. Impulse buys are the quickest way to acquire the latest and greatest dust gather-

ing devices; most often, they do very little to move the practice forward.

If you want to make a purchase count, go over these strategic questions before you write that check or pull out that credit card.

1. What are the vision, goals and strategies for our practice? And how will this new technology support all three?

2. What patient profile would appreciate and value this new innovation? Do they already exist in my patient base? Can this be a "unique selling proposition" to attract new patients?

The wrong reason to purchase new technology is when it's based on the dentist and team's personal gratification

3. What is the initial cost of the new technology? How long before we expect to see not only the ROI, but a profit (by increased money, efficiency or quality of experience) from our purchase?

When referring to cost, all direct and indirect expenses must be included when calculating a return. Does the

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Too often technology purchases are made in the spirit of competitive sports. If the answer to, "Why am I buying this?" is because your roommate from dental school bought one and you think you're better than him or her, then this new purchase will automatically become the dust collector. If you have a strategy to be cutting edge and your budget and goals reflect an increase based on specific technology upgrades, then and only then do you have the green light to go shopping.

versus addressing the needs and desires of existing and potential new patients.

This reminds me of a quote from Fred Lee's *If Disney Ran Your Hospital*. In the book Lee states, "Selling is trying to get people to want what you have. Marketing is trying to have what people want, no selling is necessary because they are already inspired to say yes. If you have purchased technology and it feels like you have to force your patients to accept its use, you may have made the wrong purchase.

purchase require additional lab fees, supplies, different staffing, leasehold improvements, investment in marketing pieces, etc.?

Many dentists don't want to take the time up front to examine the costs and then are surprised to be spending a great deal more than expected on the back end. Once you know the full financial commitment, you can plan for the appropriate ROI. Remember, ROI can be multifaceted and includes the possibilities of increased profit, productivity and efficiency while improving time

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management, decreasing stress, enhancing workplace and customer satisfaction, and much more. If the dentist and team do not demand ROI, they are not likely to realize it. An easy formula for analyzing ROI from the viewpoint of an increase in productivity and profitability is to expect a range of 3 to 10 times the initial cost of implementation. This will help you decide if the purchase will be a successful addition to the practice.

4. What statistics or benchmarks will we monitor to track and praise progress?

When it comes to tracking success, the team can manage by judgment or manage by statistics. In No. 3 above, we see that ROI comes in many different forms, so choosing the right benchmarks for success is pivotal to test, track and adjust implementation. Are you looking for an increase in production per day/hour? Collections? New patient flow? Case acceptance? Referrals? Do you expect to see a decrease in expenses? You can only manage something that is measured and the right measurements help set priorities and success points.

5. What is the timeline to fully integrate this new innovation? What is the training plan? What resources are needed to master the new skill?

This is a pivotal part of the strategy for implementation. Knowing what systems and staff will be affected by the new technology, having an understanding of the training and practice required and identifying how long changes will take removes stress and pressure. Most practices are like cars racing down the highway at 75+mph. There is no way a team member can open the hood and crawl out the window of the racing car to work on the engine. That might seem obvious, but a fatal flaw in implementing new technology is expecting the practice to stop everything and integrate the new purchase immediately. This can lead to burn out and feelings of being overwhelmed for everyone involved.

6. How will we market this new addition to increase interest and inquiry?

I once had a senior dental student show me a rather flawed business plan. His written marketing strategy for his potential practice startup was that he was going to: Deliver cutting-edge, modern dentistry.

When asked who he would do this dentistry with, he had no real answer. The moral of the story is that your marketing strategy can't be, "build it and they will come." There needs to be a communication strategy in place from day one. Will you be promoting this on your website, creating buzz through social media, sending "e-vites" to existing patients, etc?

The bottom line is that NO PLAN = NO PATIENTS.

The great news is that any new technology purchase can have tremendous potential, if you follow these six steps. Dare to dream, write the check, continuously improve and watch your practice grow! ●