

Show Me the Profit

Budget and Overhead Control In Your **Dental** Practice

For The Reader

The information in this document is subject to update, without notice.

Wintersteen & Associates, LLC and Spiel Consulting remind the user to evaluate & investigate the appropriateness of each suggestion - in regards to your specific practice and geographical area. What works for one practice may not work for another. Work closely with your accountant.

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Introduction

In his landmark book **Only the Paranoid Survive** Andy Grove, founder of Intel, described a phenomena called a Strategic Inflection Point (SIP). An SIP is a moment of complete and total change for an industry – a point in time when the rules change and the old way of doing things is no longer good enough. The “take to heart” message of the book was those who continue to do things the same old way once an SIP has occurred will be those who do not succeed in the new environment. Business leaders, however, who recognize an SIP and then make adjustments for it are those who will survive and thrive. *This booklet is to help proactive dental leaders learn fundamental skills to survive and thrive in the current SIP that has taken place during the past 12 months*

For many years the Dental Professional has been accused of not being a good Business person. Much of this criticism didn't land too far off the mark. We hear Doctors, young and old say: “ If I could just be a Dentist and not have to worry about the Business or Personnel aspects of the Dental Practice then.....” This attitude has been reflected in the 80% of practices that do not have practice budgets, or the 95% of practices that do not use metrics to track and reward productivity.

If it wasn't realized before, now is the time to become fully involved in managing the Business aspects of your Practice. Your participation in this booklet, and following through on the recommendations contained herein will determine your profitability and therefore your future. Furthermore, too often dental professionals

focus on production, forgetting it's not what you produce that counts, it is what you take home. In order to increase your profits, you must always remember you can only manage what you can measure – and the time to start it now.

This Booklet is designed to be a wake up call that looking at your “Practice numbers” is smart Business – and in today’s environment it is absolutely critical. It can also dramatically lessen crisis management or management by fire. Be in control of your practice and reap the rewards of Smart Budgeting and Controlled Overhead.

Sincerely,



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Introduction

Decide now that you are going to understand and monitor your Practice numbers. With the help of this booklet and a little bit of sweat equity you can master their meaning. They are as critical to the overall success of your practice as patient charts and x-rays are to proper treatment recommendations and outcomes. You wouldn't begin to work on a patient without all the possible facts at hand. An accurate budget that is consistently tracked creates a similar framework for the health of your overall practice.

This Booklet is designed with functionality and simplicity in mind. Our goal has been to provide you with a quick and simple reference to understanding and mastering the financial aspects of your Practice. ***The real benefit from this material, however, comes as you work through your own practice numbers. Therefore, it is intended that you use this as a workbook, not something to read and apply later.***

The Booklet is divided into Sections for each respective topic. In addition, a number of Exhibits are included. It is prepared and ready for you to print and put into a 3-hole binder and keep as a ready reference. The exhibits are purposely not created in Excel to help thoroughly familiarize you with the numbers and the formulas presented. The process of doing this by hand is very important the first time around.

Carefully read the enclosed information. In areas you are unsure of consult with your Accountant, Financial Planner and Practice Development Consultant. Extract and personalize the information that is appropriate for your specific practice. Realize that once you

have developed a system . . . then it is important that you work and monitor the system.

Learn how to interpret your Practice Numbers. Then, understand the options of improving or maintaining your **PRACTICE SUCCESS!** As you do so you will find this information enlightening, empowering and fundamental to your future.

Section 1 Your Practice Budget

Budgets: a term heard often in business, government, but not often in Dental Practices. The reason for this varies but the fundamental fact is *good times mask poor practices*. When times get more difficult those poor practices come to the forefront and can no longer be ignored. Though the word budgeting may be familiar to us all, the concept may be unfamiliar. The application and consistent use of a budget may be even more foreign.

In this section we will summarize the basic concepts upon which budgets are based and then walk you through the process of setting up your own budget with the help of **Exhibit A**.

A Budget is simply a planning document used to (1) anticipate future business operations and transactions, (2) compare actual history to track progress and (3) extract lessons for future decisions. Thus, a budget is both forward looking and a tool to look backward as well. *It creates the framework for the future and the yardstick for the past.*

Once completed a budget provides you with very powerful and insightful tools to determine strengths and weaknesses of your practice through comparison and analysis to your own history as well as industry benchmarks. Budget numbers give you a visual picture of the goals you reached and those yet to be achieved. However, the value of a budget lies in its application. Budgeting figures do nothing unless you are committed to learning from the lessons of the past, make needed changes and then maintain the discipline to stay within the bounds set forth by the budget. A budget is only as good as the discipline of the professional who is being guided by it.

Setting up your Budget

The first step in budgeting is to see what your practice income and expense patterns have been over the past two years. This begins with **Exhibit A – Dental Practice Budget**. With this exhibit we are ready to lay the groundwork for formulating your own Practice Budget.

Using your Profit and Loss Statement, financial records, and/or accountant, fill in the respective yearly fixed and variable costs for the past two complete fiscal years in the first and second columns. Your categories may vary from those listed in the **Exhibit A**. Use only those applicable to your practice.

The “% Change” column represents the change in expenditures from each year. This figure is found by computing the difference in the most recent year’s costs from the past year. Then divide the difference between the two years into the amount of the first year to find your percent change.

Example:

| Category | 2007 | 2008 | Calculations | % Change |
|--------------------|-------|-------|----------------------------------------|----------|
| Accounting & Legal | 1,100 | 900 | 900 - 1100 = -200 -200/1100 = -.182 | -18% |
| Business Taxes | 2,300 | 2,500 | 2500 - 2300 = 200 200 / 2300 = .087 | 8.7% |

The last column is your anticipated expenses (or your budget) for the coming year. Using your very best judgment while taking into account your past year’s expenses, future trends, and goals, estimate your costs for the coming year.

Now fill out the summary portion by totaling the above columns. Line 21 and 22 represent your past and future year’s Production and Collection figures. **Your collection ratio is an extremely valuable figure in assessing the efficiency of your collection process and the health of your practice.** You can’t use what you don’t collect.

Net income is a also a critically important figure, for this shows what you take home as personal draw. To increase this figure you may increase your production or decrease your expenses. Both of

these points will become apparent as you work your way through this booklet.

Notes:

Section 2

Let's Look at Overhead

After you have recorded your practice financial picture for the last two years, the next step is to analyze your office financial picture. There's a worksheet attached to help you follow along entitled **Exhibit B: A Three Month Financial Analysis**. This form plays a key role in calculating and understanding your Overhead percentages. These numbers will indicate some vital strengths and/or weaknesses of your practice.

All Overhead calculations are in relation to **Total Collections NOT Production**. The basis for this is simple: You can't pay bills with money you don't have!

THE FIRST BIG NUMBER TO TRACK: PRACTICE PRODUCTION / COLLECTION RATIO

The production/collections ratio is the first key financial metric to know about your practice. It tells how much of what is produced is actually collected. You can't use what you don't collect, so it is the first number to know and track religiously.

To find your Production/Collection Ratio you need to total the combined production of all Doctors and Hygienists for a 3 month period. Then determine the total dollars collected during this same time period and divide collections by total production.

You should come out with a percentage figure between 95 and 98 percent - of the Collections. This is a time tested industry average across all size of practices and all parts of the country.

CRITICAL INSIGHT #1: If your collections ratio is lower than 95 percent there are a number of possible reasons that require further investigation:

Notes:

1. Poor financial arrangements & administration.
2. Inconsistent collection procedures & administration.
3. Lack of follow up.
4. Large numbers of delayed insurance or Medicaid payments.

5. Young practice.
6. Recently added another Doctor or hygienist.
7. New Financial Arrangements haven't kicked in yet.
8. Too many discounts and write-offs.
9. Embezzlement
10. Inaccurate Accounting.

If, on the other hand, your figure is more than 100 percent. . . then check these possibilities:

1. Low production for this quarter (absence or down time).
2. Strong response to an effective collection campaign.
3. Recently changed to a "Lean & Mean" cash practice.
4. More extensive use of Charge Cards.
5. More qualified person(s) now handling collections.
6. Reduced New Patient flow.
7. Former collections person was ineffective.
8. Former collections person may have embezzled.

Each of these points deserve time and attention to think through and investigate the possible answers. The true utility of a budget are the questions the numbers provoke. Just as black letters on a white paper carry no meaning to the uneducated or uninterested, so the numbers a budget creates will reveal their true value only as you pursue answers to the questions posed by the numbers falling outside of industry norms or practice history. *You must be curious to know the questions to ask and then go get the answers.* This booklet will help direct you in regards to the questions to ask. Researching and acting on the answers will naturally follow.

THE NEXT NUMBER TO TRACK:
OCCUPANCY EXPENSE

Occupancy expense tells you how much it costs to have an office that allows you to be in business. In financial terms it is called a “fixed cost” because it is pretty well fixed for the next few years.

To calculate occupancy expense total all expenses for occupancy such as rent payments, utilities and janitorial service for the quarter. Divide these total occupancy expenses by total collections. You should show a figure between 5 and 10 percent.

CRITICAL INSIGHT #2: If the figure is less than 5 percent it may indicate:

1. Low rent (However, a lease may prove to be cost effective)
2. Small space rented (you may be cramped even though you can afford to move to larger quarters).
3. Not all expenses were accounted for, or you are in arrears with payments.
4. Productive use of rented space.
5. You are the owner (consider the mortgage payment if it represents fair market rental).

More than 10 percent for occupancy expenses may indicate:

1. High rent district - (don't move; become more productive).
2. Low production for the quarter (absence or down time).
3. Too large - unused space.
4. Not producing to potential due to limited expanded duties, conservative diagnosis & TX planning, poor acceptance, low clinical skills, too many no charges, fees are low or you're giving away more than the practice can afford.

5. New practice.

THE NEXT NUMBER TO TRACK:
ACCOUNTS RECEIVABLE PERCENTAGE OF TOTAL
PRODUCTION

Accounts receivable are the dollars you have produced but not yet collected or adjusted off. It is not only necessary to know your total accounts receivable and how it compares to your monthly production, but also to know how it is broken out by the number of days outstanding. The longer it takes to collect dollars, the lesser the chance of being paid. The larger the accounts receivable ratio is to your monthly production the more funds you have tied up and unavailable to pay bills.

To calculate your accounts receivable percentage divide your Total Production for the last three(3) months by the number of months (3) in this quarter. This is your monthly production average. Next divide the total accounts receivable as it stands today in your practice management system by this monthly production average. A ratio will come out of this calculation.

The suggested ratio should be 1 to 1.5 times your average Production. This ratio represents the dollar amount of receivables for each dollar you collect in your office. In other words, if you have a ratio of 1 to 1.5 then for every dollar coming in, you have a one dollar and fifty cents that is not in your bank account – yet. The lower the ratio, the faster cash is coming back in your door.

CRITICAL INSIGHT #3: If accounts receivable are as low as 1 month's average Production, consider these possible causes:

1. You are running an almost an all cash practice (caution: don't compromise ideal treatment to what a patient can afford at any one appointment)
2. You have excellent collection standards and consistency.
3. If taxed on production you may want to hold receivables at a minimum (not always smart - if you limit your production and your potential income).
4. The practice is New.

5. You're paying an associate on a percentage of collections and they are prompting the receptionist to collect from patients.

Please note: You may want to extend credit if it means the difference between acceptance or rejection of treatment & keeping “quality” patients.

If your AR percentage is low, coupled with a collection percentage that's too high, your practice could be slowly dying. In other words your practice is not growing and what you are creating is a Recall Practice. **No more than 35% of your Production should be represented in Recall.**

If you have 2+ month's Accounts Receivable and your collection ratio is low, please look at the following:

1. Insurance and Medicaid are not being worked on a daily basis.
2. You are acting as a lending institution with extended, conservative payments. (This is not good business).
3. Lack of good collection procedures, especially if Receivables are mainly open accounts. (Clean up your accounts and don't carry account balances more than 90 days).
4. Fees & payment protocol were not privately discussed nor understood.
5. Patient not billed until completion of treatment or until insurance has paid it's share.
6. Recently added a Hygienist or an Associate paid on a percentage of production.
7. Doctor is discussing fees and payments with the patients and giving Dentistry away.
8. Poor delegation of duties or the Doctor interferes with the implementation of policy and collections. Too many exceptions to the rule.
9. Financial receptionist is ill-trained or incapable.

10. Credit extended too long and/or initial payments on large cases too low.
11. Patient is not paying his portion after the insurance company pays for what it covered. (Collect patient portion up front)

It is essential that you review your aged accounts at least monthly. May we also suggest that you consider classifying your patients and their ability to pay or not pay.

A type = VIP - special friends of the Dr.

B type = Subject to usual and customary office policy

C type = High risk patients - frankly you don't care if you offend them.

THE FOURTH NUMBER TO TRACK: LAB AND SUPPLY COSTS

Lab and supply costs need to be tracked as separate line items in order to track their usage separately; but more importantly to see the relationship between them. That relationship will be explained in a moment.

First, to calculate the percentage of lab fees in relation to Collections the total lab fee expense is divided by the combined collections of all Providers. This should include the salary of a lab technician if you have one and the cost of materials used. Your laboratory fees should be between 8 and 13 percent of your collections.

Next, to find the percentage of Dental Supplies used in your office in relative to your collection, total all dental supplies used in the treatment rooms and divide by the total Collections of all Providers together. This figure should be between 4 to 7 percent.

Finally, the cumulative lab expenses and dental supplies should not exceed 22 percent of production in the typical general practice. The term "typical" is important, if you have a pedodontic, orthodontic, endodontic, periodontic, oral surgery, or reconstructive practice, this 22 percent won't apply.

CRITICAL INSIGHT #4: If your lab expenses and dental supply costs total much less than 22 percent (12 to 17 percent), it may indicate:

1. Your fees are on the higher end.
2. Your technical skills are fast.
3. You're delinquent on lab and dental supply payments (if so, add in the amounts due to total and refigure percentage).
4. This is predominantly a Restorative practice.
5. Poor examination, diagnosis and treatment conference skills
6. Low acceptance of recommended treatment.
7. Controlled treatment scheduling.
8. Good delegation of expanded duties.
9. Hygienist production was not factored out.
10. May have below average laboratory charges.
11. Not the typical general practice.

Lastly, compute the ratio of dental supplies to lab fees. To do this divide the total lab fees by the total dental supplies. This is a very important ratio and is a barometer of how robust your restorative practice is. In the typical general practice, the closer you are to a ratio of 1:2 or more of dental supplies to lab expenses, the healthier your practice. If you have a ratio of 1:1 or **1:1.5** you may find:

1. Incomplete exam, diagnosis and treatment conference procedures.
2. Low acceptance of lab related treatment.
3. High fees for lab related treatment even though you may not necessarily be doing that much, especially if percentage is much under 22 percent - or low lab

related fees and doing a lot of work if the percentage is over 22 percent.

4. Primarily a restorative and recall practice.
5. Unpaid lab fees.
6. Technically slow on lab related treatments.
7. Delinquent dental supply bills have been caught up.
8. Delinquent lab bills have been caught up.
9. Low production for the period, but lots of lab bills paid during the same period, especially if percentage is over 22 percent.
10. Not a typical general practice.

THE FIFTH NUMBER TO TRACK: PERSONNEL SALARIES

Personnel salaries are the largest expense item practices have. The salaries paid to your staff represent the investment made in them to leverage your time and abilities, optimize your practice and ensure you have a staff that creates a sizeable core of loyal patients.

CRITICAL INSIGHT #5: To analyze your personnel salaries, total the **GROSS** salaries **and** fringe benefits paid (**excluding any salaries or benefits paid to owners and associates**) and divide by total collections. The acceptable range is from 20 to 25 percent. If under 20 percent look for these possibilities:

1. Low or unfair salaries.
2. Insufficient staff numbers. (low productivity)
3. You tabulated net salaries rather than gross.
4. Highly efficient team (could increase salary or benefits)
5. Too much staff turnover.

6. Spouse or children working in your office and not getting paid (may not be to your advantage taxwise - find out!).
7. Not a typical General Practice.

If percentage of salaries is over 25 percent - consider the following:

1. Paying more than you can afford.
2. Too many staff people.
3. Poorly delegated duties, ineffective staff disproportionate work load.
4. Low production of the period.
5. Spouse, children or friend working and paid abnormally high wages.
6. High turnover (where outgoing personnel remain to train others there is a double salary during that time).
7. Ineffective use of fees and Dental codes.
8. Providing benefits your practice cannot afford (insurance, retirement funds, bonuses, laundry, uniform allowance etc.) Be realistic. Don't "Buy" your staff's loyalty.
9. Lab technician salary included (should be in lab expense).
10. Doctor removes him/her self physically or mentally from the practice too often. Lost interest & commitment.
11. Not typical general practice.

THE NEXT NUMBER TO TRACK:
GENERAL EXPENSES

There are no ideal percentages here because they can change or be defined so differently - per practice. For the sake of exercise, all remaining Expense categories in your practice will fall under this heading. See **Exhibit B** for possible items.

CRITICAL INSIGHT #6: Total these costs and divide the amount by total Collections of the Practice. You should be in the 7 to 10 percent range. If you find your general expense percentage is less than 7 percent the reasons may be:

1. You're doing a great job keeping down expenses.
2. Not all the day-to-day expenses have been included.
3. All of these expenses have not been paid out.
4. You may not be utilizing everything or everyone you need.
5. You are doing great! Give your staff a great big **THANK YOU** for all their efforts.

If the percentage is running over 10 percent for general expenses look for:

1. Low production for the period.
2. Delinquent bills have been paid in full.
3. Estimated tax payment may be included but shouldn't be.
4. You don't have a typical general practice.

THE LAST NUMBER TO TRACK:
TOTAL OPERATING EXPENSES

Calculate your total operating expenses by adding the dollar amounts from ALL of the previous areas in the worksheet. Then divide by your total collections to find your Operating overhead percentage.

CRITICAL INSIGHT #7: If your TOTAL expenses are higher than 50 percent of the monies collected - consider the following:

1. Your analysis of this worksheet should have revealed to you where the problems lie in your practice. Do something about those problems so you can bring your total expense percentage down.
2. Unusually low production for the period.
3. Overspending in general expense category - assuming all others are in line. Find out where the problems are and take action. Sharpen your pencil or rally your team.
4. Accept High Overhead - if you want to - but don't complain or punish others for poor business sense.
5. You may need to control personal and business spending until practice problems are corrected. Otherwise, you'll be seeing red. (Your eye wash station won't help the problem)

The following chart on page 17 represents the suggested overhead percentages in your practice. Compare and contrast these suggested figures with your own.

| SUGGESTED OVERHEAD PERCENTAGES OF COLLECTION | |
|-----------------------------------------------------|--------------------------------------------------------------|
| Range | Category |
| 17-21% | Labor (Gross Pay) |
| 2-5% | Payroll Taxes (FICA, FUTA, Unemployment) |
| 1-3% | Staff Retirement Plan (if applicable) and Fringe Benefits |
| 6-12% | Lab Fees |
| 5-10% | Facility Cost (Rent, utilities, base telephone line/repairs) |
| 4-7% | Dental Supplies (no repairs) |
| 1-3% | Office Supplies |
| 2-5% | Equipment/Capital/Repairs |
| 1-2% | Legal and Accounting |
| 1-3% | Professional Development (dues, etc.) |
| 2-3% | Miscellaneous |
| 41%-73% | Average solo general practice Overhead is 56% of Collections |

With an understanding of Practice Budgets and overhead you can now combine these two concepts into one form. **Exhibit C - Dental Practice Overhead** is a worksheet for producing an overhead budget for one year. Using the principles mentioned in section 1, now create an Overhead Budget for your practice.

Section 2

Labor Efficiency - Helps with Overhead

Business Office Efficiency Ideas

1. Low cost computer coupled with total maximization
2. Use Superbill form or walkout statements.
3. Pre-appoint Hygiene 6 months in advance.
4. Hygienist confirm their hygiene patients.
5. Use job share personnel to:
 - a) Pull, purge and audit charts.
 - b) Send thank you notes and welcome packages.
 - c) File insurance papers.
 - d) Post mail receipts.
 - e) Stuff and send statements.
 - f) Help with confirmation calls.
 - g) Use part-time professional "bad-guy" collector.
6. Photocopy separate doctor/hygiene schedules -- don't type.
7. Use lab deliveries as call list.

Clinical Efficiency Ideas:

1. Equally equip your operatories & instrumentation. For less stress.
2. Enhance Dr.'s clinical speed through continuing Education, peer observation, feedback and interaction.
3. Utilize maximum Expanded Functions.
4. Improve Dental dialoging with patients.
5. Increase length of appointments.
6. Cluster procedural types.
7. Part-time DA for sterilization and set-up.
8. Part-time DA for short procedures (busy period).
9. Work long morning appointments with one DA.
10. Work hours that other Dentists aren't willing to work.
11. Always work 5 hours before taking lunch (hard charge).
12. Use highly qualified (Core) DA and entry level DA - to maximize patient load and procedural types.

Hygiene Efficiency Ideas:

1. Increase fees semi-annually (increases profit and attracts quality/business sense hygienist)
2. Encourage full time employment & benefit packages.
3. Track measurement numbers. Hygienists should be producing 3 times what they are paid.
4. Job share with other Hygienist.
5. Utilize expanded/team Hygiene functions.
6. DA takes FMX; hygienist take BWX.
7. Hygienist sees fewer children. (fewer family broken appointments).
8. Sell higher level perio services.
9. Systematically overbook.
10. Book "time units" by difficulty.
11. Utilize medical and dental codes.
12. Involve hygienists in Appointment Book control.
13. Quality control and limited time control is compatible.
14. Alternate difficult and easy patients.
15. Double Book Hygiene - utilizing an Assistant.
16. Schedule Hygiene patients when Dr. is out of the office where legally possible.

Notes:

Section 3 Bonuses or Gestures of Appreciation

It is always nice to share the wealth with the team when they have performed beyond the established goals and practice requirements. The format for showing appreciation is up to you. Carefully think through the process and make certain that the system is clear in writing and creates your desired incentives. Consider the following directives.

1. Determine if your Practice can afford a Bonus Program.
Carefully evaluate your short and long term Overhead needs.
2. Be cautious at first. If the Bonus is too large or too long . . . then it has a tendency to become unappreciated and ineffective.
3. Carefully identify Total Staff costs, before entering into a Bonus Program.

Total Staff Costs usually include:

- Gross Salary
- Payroll taxes
- Continuing Education
- All benefits: uniforms, gifts, luncheons etc.
- Employee recruiting

Please note: Your total payroll including bonuses absolutely should not be more than 27% of your total collections. Usually 50% to 60% of your month's collections is designated as Total overhead, and about half of that is non-Dentist payroll.

4. Pay Bonus only on Collected monies. You can't give it if you don't have it.
5. Traditional Types of Bonuses are:
 - a) Cash
 - b) Surprise gifts or awards (check with accountant to determine if this can be a gift or income)
 - c) Retirement Contributions
 - d) Continuing Education travel and expenses
 - e) Cafeteria Plan benefits
* especially if you are involved in Employee Leasing
 - f) Paid time off
6. Awards are usually calculated on a quarterly basis. The Bonus is distributed within two weeks after the end of the quarter.

- Make certain you “ear mark” Bonus funds to avoid the temptation of spending them before the Bonus is distributed.
7. Remind the staff that adding additional staff requires that the pie be sliced into more pieces. Bonus is based on “stretch” performance.
 8. Dr. should be included in the bonus system.
 9. Include your entire staff. Pro-rate the part time employees.
 10. You must be employed on the bonus date . . . to receive the Bonus.
 11. If the team agrees on a “Trip” . . . then all team players must participate in the “Trip” or forfeit the Bonus.
 12. Bonuses should not exceed more than 5% of the Collected Monies - over and above the established Overhead need.

Example: If you need \$35,000 a month to run the practice (Quarterly average) - then the Bonus can not be more than 5% of the amount collected over the \$35,000.

13. You may consider giving the staff only a portion of their earned Bonus each quarter. A portion of the Bonus could be put into an escrow for later distribution in case you don’t get a quarterly bonus. The reserve funds helps to soften the disappointment.
14. Bonus can be calculated on:
 - a) Quarterly Production & Collection
 - b) New Patient referrals from staff
 - c) Practice Profitability
 - d) Focused Treatment - EX: # of crowns or other cosmetics.
15. Avoid having separate Bonus Awards per department. Ex: A different plan for Hygiene, Front Desk and Assistants. (Don’t divide your team or create unhealthy team competition.)

We are personally opposed to a structured Bonus Program. They are fine as long as you are getting a Bonus. But, they serve as a depressant or non-motivator if you miss a Bonus. Often the Bonus is not understood - let alone appreciated.

Over the years we have seen SURPRISE APPRECIATION GESTURES are better appreciated and serve as a longer term motivator. Give your team something that they would not normally give themselves. The award should be for them - not their debtors. Consider the following examples:

- Cash to spend only on them - in a given period of time.
- A shopping spree for only them.
- A cleaning service for their home.
- Special get-a-way for couples of family.
- Etc.

Notes:

Conclusion:

As a special bonus additional forms for personal and practice use are found in:

Exhibit D – Personal Budget Worksheet for home and personal budgeting.

Exhibit E – Annual Employee Compensation form to be used at annual review time to highlight the entire amount of compensation an employee is receiving from your practice.

Exhibit F – Practice pro forma worksheet. By doubling clicking on the worksheet and then inputting data into the blue cells, you can come up with an easy to use and follow financial projection for the year.

The value of your staff, facility, and patients will be lessened until you grasp and maintain control of your Practice Finances. The principles taught within this booklet, a problem-solving mentality, and discipline will allow you to master and control your finances. This then will allow you to focus more of your energies on being a Dentist and less on worrying about the balance of your checking account! **Control your money; don't let your money control you!**

ADDITIONAL IDEAS (from you and your staff)
