

PRACTICE MANAGEMENT

Digital Dental Benchmarking: What do the numbers say?

Improving Line of Sight to patients and profitability

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Two major influencers for our survival in today's environment are how we manage to attract and retain patients and how we refine our processes to maximize our profitability. Sikka Software Corporation has over 7,000 installations in dental practices, and we have been studying how to achieve proficiency in both of these influencers.

This article speaks about those influencers and also where **there is opportunity and growth**.

I have spoken at several meetings in both USA and Canada based on our experience with the aforementioned more than 7,000 installations. This paper will attempt to share with you what you can do to remove obstacles and clear line of sight to patients and profitability. We refer to these as "*SEE FAR Principles*"

- **Streamline your connections with your patients**
- **Enhance your patient loyalty**
- **Empower your team with information tools to improve service**
- **Focus on profitability with your patients**
- **Accelerate return on investment in people, products and processes**
- **Reduce cost of doing business through better benchmarking**



Streamline your connections with your patients.

From the time a patient calls your office or even earlier when they see your ad or look you up on a search page, you have started communicating with them. You should manage and improve this connection. I call it "Meaningful Interaction".

Meaningful interaction is not just about scheduling an appointment, but goes into reviewing treatment plans, statements, insurance claim payments, paying balances and viewing their health history or x-rays online. Let's face it, how many of your customers want to do this using Facebook®? Would you be willing to put your confidential information on a social network? The answer, if you haven't guessed it, is a forceful NO!

So when it comes to maybe scheduling an appointment, they may send a request using a social

network or a company like DemandForce® and maybe they will click on your advertisement but when it comes to meaningfully be connected to you, the best solution is a patient portal like the one provided by www.PatientHomePage.com. This service seamlessly integrates with your practice management system and uses 128bit encryption to securely connect your patients with you. What do you have to do to stay connected with them? Nothing really!! Since the connection is automatic with your practice management system, you just control with one click what information should be visible to them and the rest is automatically done for you. Research studies by Athena Health and others have indicated that on an average an office may end up saving over \$2,800 per month by using a patient portal capability.

Enhance your patient loyalty

Why does a patient leave your practice? There are 3 major reasons a patient leaves your practice and doesn't come back.

A. They have passed away. B. They have moved C. They were not happy with the last visit they had in your office. Maybe it was an interaction with your team member or the environment or something related to billing. The fourth reason in the U.S.A is that the insurance company changed and you are not a registered provider of that insurance company. However, this is a smaller reason. You could also use tools that reward your patients to continue to visit your practice for their periodic exam or hygiene appointments regularly. Enhancing patient loyalty is a very detailed topic and we are happy to provide you with tools and more information if you are interested.

Empower your team with information tools to improve service

Through the use of technology, and effective tools including your practice management system or Practice Optimizer® by SikkaSoft, start managing by numbers and give control to your team members so they can help you improve your customer service and profitability. Effective control mechanisms are morning meetings, profit and loss tracking, along with utilizing clinical and business dashboards and benchmarks. You also should know how other dentists in your peer group are handling their business and their clinical standard of care. What if you had all this information available to you in real time? Visit www.sikkasoft.com to get free real time benchmarking results.

Focus on profitability with your patients

Get a zip code level comparison metric for other dentists in your area. Remember, it is your profitability that has to be maximized — not your fees. So it is not about putting your fees to 95%ile or adding fixed dollars to your fees. It is about understanding how your fees are contributing to your profitability. If you just take a raw graph of how much production you have for each procedure, you are looking at only a partial picture.

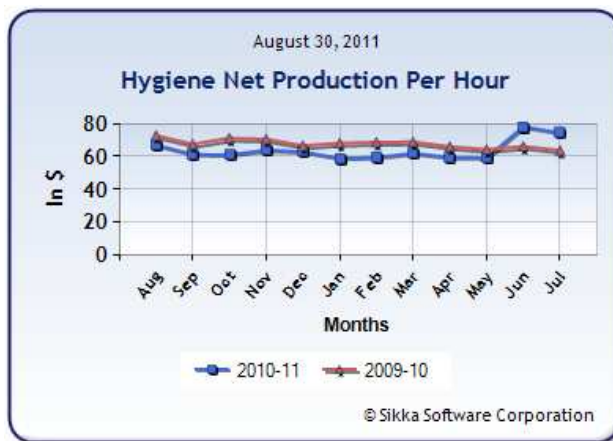
Accelerate return on investment in people, products and processes

Return on investment (ROI) is one of the most exploited words in dental industry today. Let me first share the definition of ROI. This is from my 2005 book “Maximizing ROI on Software Development”, available on Amazon, Barnes and Noble and other retailers and as a Kindle or nook

ebook. ROI is the $(\text{production} - \text{cost}) / \text{cost} \times 100$. ROI is measured in percentage and should be applied to procedures, marketing, and forecasting calculations. Let's take an example. If you have purchased a Google Ad Words campaign and whenever a patient comes in after using that to your practice, you should make sure that your team members enter that information into the practice management system as referred by. Also make sure that you record the cost of the campaign into your financial system such as Quickbooks or Simply Accounting or Peachtree etc. Next you can use a tool such as Practice Optimizer® to give you an actual ROI based on dynamic time periods and any range vis-à-vis production and costs. This powerful analysis can uncover good marketing vehicles for your practice and also help your team improve their tracking.

Reduce cost of doing business through better benchmarking

Clinical benchmarking and business benchmarking are essential tools for dentists and teams who usually work in isolation and do not have comparisons available to help them improve performance. Reducing costs using better benchmarking is possible by identifying areas of improvement and opportunity. Let's take an example, if your hygienist is paid based on a ratio of production or collection that is great, but if the hygienist is paid fixed salary based on an 8 hour day, you could benchmark with peer group and see where the hygienist is tracking on production. If the hygienist is at 25% of the peer group on production then you should discuss this with the hygienist as an improvement and cost reduction area. Let's see some current clinical and business benchmarking trends. Hygiene production per hour is now trending higher than 2010 levels as the below chart shows. However, both direct and indirect restorations (as a function of comprehensive exams) are trending lower in the third quarter of 2011 compared to 2010. That is not so good news in this turbulent economy.



Sikka Software has a series of articles available on a variety of practice management issues including fee optimization, patient demographics analysis, and patient reactivations. For readers who would like to receive these other articles, please email us at benchmarking@sikkasoft.com and we would be pleased to send them to you.



Build profitability, patients, control and peace of mind in your practice while benchmarking yourself against your peers locally and nationally. Sikka Software's Practice Monitor helps you identify and track each key element of your practice and achieve these objectives. It installs automatically and reads data automatically from all major dental practice

management systems in USA, Canada, UK and Australia. Go to our website at www.sikkasoft.com to sign up for a FREE Practice Monitor. The full version of this powerful and affordable software tool is available for purchase through Sikka Software.

Sikka Software provides money intelligence platform for small and medium sized business healthcare Apps. The company's products help healthcare providers optimize their business via a series of easy to use cloud based applications. With over 25 apps built on Sikka Practice Utility with over 7,000 installations, Sikka Software is the leader in the US dental market. The company is now supporting a real time optimization and information network with providers, patients, consultants, manufacturers and financial service providers.

Seven year old Sikka Software has offices in United States and India. Visit the company at www.sikkasoft.com or send email to info@sikkasoft.com for more information.