

DE | MAGAZINE

DENTIST ENTREPRENEUR | YOUR ORGANIZATION

It's "Accrual" World

How one industry leader is on a mission to help dental finance leaders better face their toughest challenges. ▶ p28

The Changing Role
of a CFO ▶ p24

Growth Through
Debt Financing ▶ p56

Building
Core Values ▶ p60

Ken Kaufman,
President & CFO,
Nuvia Dental
Implant Centers



Turn Your Data Into Dollars

Your practice management software is full of critical data that could help you make better decisions and be more productive and profitable — if you knew how to find and use it. Jarvis Analytics unleashes dark data deep inside your group practice or DSO so you can track and view everything in real-time, find hidden production opportunities and drive better decisions.

With Jarvis Analytics, your data becomes the engine for your growth.

Schedule a Demo at: JarvisAnalytics.com



Contents > November/December : 2022

DEO | MAGAZINE
DENTIST ENTREPRENEUR ORGANIZATION

MANAGING EDITOR

Graham Garrison
ggarrison@sharemovingmedia.com

SENIOR EDITOR

Daniel Beaird
dbeaird@sharemovingmedia.com

ASSOCIATE EDITOR

Pete Mercer
pmercer@sharemovingmedia.com

CIRCULATION

Laura Gantert
lgantert@sharemovingmedia.com

ART DIRECTOR

Brent Cashman
bcashman@sharemovingmedia.com

EDITORIAL BOARD

Dr. Eric Roman, DEO
Rachel Shipley, DEO
Hilda Gonzalez, DEO



PUBLISHER

Jake Puhl
jacobpuhl@deodentalgroup.com



VP OF MEDIA SALES

Amy Cochran
acochran@sharemovingmedia.com
770.263.5279

DEO Magazine is published six times a year by DEO Dental Media LLC, 501 Congress Avenue, Suite 150, Austin, TX, 78701. Copyright 2022 by DEO Dental Media LLC All rights reserved.

POSTMASTER: Send address changes to info@dentalgrouppractice.com.

If you would like to subscribe or notify us of address changes, please contact us at the above numbers or address.

The opinions expressed in this publication are those of the authors. They do not purport to reflect the opinions or views of the Dentist Entrepreneur Organization, LLC, DEO Dental Media, LLC, or DEO Magazine. Also, the information in this publication is meant to give readers general information that they may find of interest. It is not intended to substitute for compliance, audit, advisory, tax, legal, or other professional advice. Readers should consult with appropriate professionals before making a decision to use any of the material presented in this publication.

Please note: The acceptance of advertising or products mentioned by contributing authors does not constitute endorsement by the publishers. Publishers cannot accept responsibility for the correctness of an opinion expressed by contributing authors.

It's "Accrual" World

How one industry leader is
on a mission to make
dental finance topics more digestible.

> pg 28



Closing Out the Year Strong2	How to Manage Revenue Cycle Management Tips and tricks for DSOs looking to increase efficiency..... 40
Tackling the Dentistry Staffing Shortage4	Making Every Dollar Count The keys to optimizing revenue cycle management for your dental group 42
Loveland Dental Group Spreads Love in the Tar Heel State Family group practice grows through fun culture, cutting-edge technology6	How to Scale Choosing a growth strategy that works for your unique organization..... 46
Think Like a Shark Want to maintain profitability and momentum amid a disruptive market? You need to have a Shark-like mentality..... 10	The Right Partner Why finding the right banking partner is critical to securing the kind of debt financing that your practice needs to grow 50
From Cash to Accrual Accounting Getting a more accurate depiction of your business's financial position..... 14	The Future of Top-Line Revenue Growth Three trends to watch, and how revenue growth is a team goal 52
Financial Tips for Growing Your Dental Group How to spark your next big idea..... 16	DSO Growth Through Debt Financing Banks should be a partner to dental groups as they grow 56
Shared Success How labor management oversight leads to a healthier bottom line 20	The Value in Building Core Values Evolving the strategy and messaging are key to building strong core values through growth 60
The Changing Role of a CFO in a Growing DSO Finding the right CFO for your organization starts with understanding the skill sets and experience of prospective candidates..... 24	Healthy Net Production to Collection Ratio64
De Novos vs. Acquisitions Choosing the right strategy for growing your dental group..... 36	

Closing Out the Year Strong

BY JAKE PUHL



Our DEO Partners and Leadership Team just concluded our Annual Reset

where we followed the same process our Implementer's take members through on their DEO MAP Journey. This created the opportunity for discussion, collaboration, and problem solving as we reflected on this past year. We came away with increased clarity on our company vision and plan along with confidence and alignment within our team.

When like-minded people gather with the goal of improving outcomes for all, good things are bound to happen. Case in point – this month's cover story on the Dental Finance Forum. Ken Kaufman, President & CFO of Nuvia Dental Implant Centers, started the Dental Finance Forum a couple of years ago because he wanted to discuss ideas and work through common challenges with other finance leaders in the dental space.

“We're all trying to solve things that are hard to solve because dentistry is a consolidating industry,” Kaufman said. The first Dental Finance Forum meeting consisted of six people. Today, the Forum has over 100 members, with no signs of slowing down.

Along with Kaufman, this issue features several of the top CFOs in the industry who share their best practices and insights:

- > In “The Changing Role of a CFO in a Growing DSO,” Corus Orthodontists CFO Nick Korhonen writes that finding the right CFO for your organization starts with understanding the skill sets and experience of prospective candidates.
- > Ed Dallwein, CFO of Riccobene Associates Family Dentistry, has a few tips on how to spark your next big idea related to the financial success of your organization.
- > Hollie Williams, CFO at Rodeo Dental in Dallas-Forth Worth, Texas, and Mike Yates, CFO at Lumio Dental in Tulsa, Oklahoma, discuss how you can get a more accurate depiction of your business' financial position via accrual accounting.
- > Finally, Operation Dental CFO Nathan Chitty recaps lessons learned from the recent DEO Shark Tank event in Chicago.

We hope you'll find these stories helpful as you close out your 2022 and prepare for an even more successful 2023!

Cheers!

Jake Puhl

Real-Time Business Intelligence



Open Data Warehouse

- ✓ BigQuery Real-time or Scheduled Data Feeds
- ✓ Connectors – Tableau, Microsoft BI, Data Studio, Looker
- ✓ Machine Learning Ready

tab32 API

- ✓ Scheduling
- ✓ Customizable - Built on REST
- ✓ Healthcare API (FHIR)



SCAN ME

Tackling the Dentistry Staffing Shortage

BY ANDREW SMITH, EXECUTIVE DIRECTOR, ADSO



In the wake of the COVID-19 pandemic and amid what many have been calling “The Great Resignation,” dental practices have not escaped the staffing woes facing so many businesses today. A recent report from the Health Policy Institute noted that more than one third of surveyed practices were recruiting for dental hygienists or assistants. The same report found that of dentists who reported not having a full appointment schedule, one in three pointed to a lack of adequate staff as a significant factor.

DSOs are not immune to staffing issues and are facing the growing difficulty of finding and retaining skilled talent to keep their practices operating at full capacity and serve their patients’ needs.

The dental workforce shortage is a complex problem. Current dental hygienists and assistants are leaving the profession. Faculty shortages in dental auxiliary training programs mean smaller class sizes and waiting periods for individuals who want to pursue auxiliary training. The

inconsistency in scope of practice for assistants and hygienists from state to state and lack of license portability can lead to frustration.

The ADSO recognizes the workforce shortage as a critical issue for members and is committed to finding solutions. We are pursuing policy changes to address inconsistencies in training and certification regulations, seeking license portability for dental professionals, exploring public-private partnerships to help expand training

programs and increase DA and DH program faculty, and looking for ways to elevate the entire dental team – emphasizing the importance of their roles in improving overall health through oral health. We are establishing a broad-based taskforce to identify real solutions to this complex issue.

Strategies for dental leaders

DSOs are taking deliberate steps to attract, win, and retain top talent. “Unsurprisingly, one of the best ways to recruit and retain quality staff is by offering competitive compensation and benefits packages” said Emmet Scott, ADSO president. “DSO leaders are continuously reassessing their workplace environment, ensuring that it offers the support, community, flexibility and professional development team members expect and need.”

No one-size-fits-all solution

It is important to acknowledge there is no one-size-fits-all solution to the current skills shortage. Each DSO needs to assess its specific needs and determine the best course forward for their organization. Staffing shortages will remain a significant challenge, but the ADSO and its members are well-positioned to find real solutions. ■

Enroll Today or Schedule a Demo



“

DentalHQ has been such an amazing service for our patients and our business.

It allows patients with no insurance an option to stay on a preventative schedule for an affordable monthly fee and allows our business to have predictable passive income.

We love DentalHQ. It's easy for patients and for us at an affordable price.



Mary Pham, DDS, DEO Member

”

Loveland Dental Group Spreads Love in the Tar Heel State

Family group practice grows through fun culture, cutting-edge technology. BY DANIEL BEAIRD

Dr. Jennifer Loveland co-founded Loveland Dental Group six years ago in North Carolina with her father, Dr. Robert Walker. He practiced dentistry in eastern Idaho for 35 years and she served as a dental hygienist for five years before going to dental school in Salt Lake City.

Soon after, they traveled south and opened Loveland Dental Group in the Tar Heel State, acquiring a practice in Cornelius, N.C., in September 2016. Today, there are seven practices in Concord, Cornelius, High Point, Mooresville

and Winston-Salem, N.C., including six through acquisition and one de novo.

“With so many people moving to North Carolina, we’ve been able to expand some practices to multi-doctor,” said B.J. Stucki, managing partner of

Loveland Dental Group. “Right now, we’re focusing on growing regionally within one hour of our current practices, but we’re hoping as our leadership team grows, we’ll serve a broader region and area.”

Loveland Dental Group leads a warm, welcoming staff dedicated to patient satisfaction and each practice uses the latest cutting-edge dental equipment and technology while upholding rigorous practice standards. It specializes in general dentistry and orthodontic treatment, and it also offers cosmetic dentistry options.

They approached the patient experience with the utmost care amid the pandemic and a compassion for serving their communities in need.

Fun culture, cutting-edge technology

“Our culture is unique,” Dr. Loveland said. “I like to be happy and laugh, and we’re family friendly. We treat all of our people as family. They work with us, not for us. I’m non-confrontational, but I’ve grown as a leader making the tough decisions leaders have to make.”

Stucki says it’s that culture that drives Loveland Dental Group’s growth. The organization is focused on their team members and patients through their version of love, which they describe as caring for, valuing and respecting everyone, and creating a synergy.

“Most of our doctors are two to five years out of school, and as



Jennifer Loveland



B.J. Stucki



Loveland Dental Group: B.J. Stucki, Jennifer Loveland and Robert Walker.

a dentist, you'll never know everything," Dr. Loveland said. "But we help them through those things. They are equals and we offer mentoring in a non-judgmental environment. That helps our doctor retention."

It's a fun environment to work in and Dr. Loveland leads 100% by example. "If you're going to be a jerk, then your staff is going to think that's OK," she said. "Our practice is a fun and happy place, and it's a great experience for patients."

And a large part of that experience for patients is being treated to high quality dentistry. Loveland Dental Group is proud of the quality of work it provides to patients and the cutting-edge technology that helps provide it.

For example, there are CBCTs in every office, along with CEREC

systems for crowns. "The technology is fabulous for the patients, doctors and clinical staff," Dr. Loveland said.

Dentistry is arts and crafts to Dr. Loveland. "It's making people feel beautiful and feel good, and getting to work with my hands," she said. It's transforming lives by transforming smiles and making people more confident in themselves.

Growing through the pandemic

"People's priorities changed after the pandemic," she added. "We are more empathetic towards each other, and more people wanted more family time." So, Loveland Dental Group reinforced and emphasized the patient experience and became more thoughtful about the patient journey from communication and

scheduling all the way through to the clinical side.

Dr. Loveland says it was their biggest win during that extraordinary time. They approached the patient experience with the utmost care amid the pandemic and a compassion for serving their communities in need.

"I feel like we've made ourselves more available through the pandemic with expansions to serve a larger group of the population," Stucki said. "We see expansions happening in each of our practices with additional operatories and clinicians. We're also aiming to grow regionally outside of our current practices through acquisition and de novo."

Loveland Dental Group has 12 doctors and 81 employees. ■



Go With Your Gut – Unless You Want to Grow Your Dental Business

BY SMC NATIONAL

Here's some life advice: learn to trust yourself and go with your gut.

Wise words, right?

Yes. But the thing is, if you want to grow your dental group, you should ignore that advice. More specifically, you should ignore that advice when it comes to your **MARKETING**.

Dental marketing may cover a lot of ground – ads, web design, branding, and more – but it should all come together in pursuit of one goal: bringing new patients through your doors.



You start marketing your group (or hire a marketing company to do it for you) because you want to fill your waiting rooms.

Seems simple enough. But this is where many practice owners run into trouble. Why? Because they lose sight of that goal.

Say, for example, that you decide that you want to commission a beautiful new website for your group. Something

that excites you or makes you feel like you've reached the big time — maybe inspired by Apple's website.

Hey, who's bigger or better at design than Apple? Good inspiration, right? And surely boosting your image this way will help you boost your business, too.

Wrong. You may spend thousands of dollars (if not tens of thousands), only to see little to no return.

Winning this game is not about aesthetics or developing the most beautiful brand.

Your mistake here is that you're making marketing decisions based on your own instincts — on what sounds good to you.

But your marketing doesn't need to appeal to you, because it isn't for you. Your marketing exists to convince potential patients to schedule an appointment and show up. Period.

That means that good dental marketing often looks quite different than Apple's website — or any other campaign you might personally find appealing. Because again, you're not the target — your potential new patients are.

So here's the secret to success in dental marketing. You need to start prioritizing DATA over feelings.

What this means is that you throw out all your old ideas about marketing and branding. Stop guessing at what will and won't help or making decisions based on your sense of what does or doesn't look good.

Instead, you need to build a basic marketing infrastructure based on best practices for your specific niche — and

then start tracking and measuring every step of your marketing operation. This includes everything from your ad performance to your website to your call conversion rate to your overall cost to bring a new patient through your doors.

Then, you need to optimize each step of that process (which is also known as your marketing funnel). You need to make sure that your ads are

correctly targeted, your copy converts, your website drives potential patients to contact your practice as efficiently as possible, and your call team can convert inquiries into appointments at a ratio of upwards of 70 to 80 percent.

Winning this game is not about aesthetics or developing the most beautiful brand. Unless you're a concierge dentist in Beverly Hills with a roster of A-list celebrity clients, you don't need to be the coolest looking brand on the block.

You just need to be savvy and willing to trust the numbers.

Now, if you want to do this the easy way, we'd like to introduce you to the experts at SMC.

SMC National can take marketing off your plate entirely — and give you stellar new patient growth. Perhaps the leading data-driven dental marketing firm in the country, SMC works exclusively with group dental practices to fill your waiting rooms and help every marketing dollar go further. Book a free welcome chat today! ■

Think Like a Shark

Want to maintain profitability and momentum amid a disruptive market? You need to have a Shark-like mentality.

BY NATHAN CHITTY, CFO, OPERATION DENTAL

Forward-thinking business leaders are always looking for an edge.

Well, what's edgier than the teeth of a Shark?

Shark Tank is an immensely popular American business reality television series where small business leaders with creative solutions pitch some of the leading entrepreneurial minds (aka the Sharks) on their vision. Through those conversations, businesses are born, and trailblazing concepts launched into the marketplace.

With our current inflationary economic currents, clear thinking and decisive action are critical for today's dental entrepreneurs. The DEO's Shark Tank event in Chicago this fall provided attendees the opportunity to come to conclusions and make decisions using the real-world best practices and experiences of our industry's leading "Sharks" in this space who aren't just swimming, they're at the top of their market's food chain.

The "Sharks" of this event provided insight into the state of the market now and the coming recession, and gave practical, actionable advice DSO leaders can use to stay not just afloat, but ahead. Of everything I learned at this event, three insights stood out:

1. No margin, no mission
2. Processes are self-governing
3. Innovation is imperative

1 No margin, No mission

The eyes of a shark are perpetually open. As a DSO leader, yours should be too. Knowing your EBITDA number (Earnings Before Interest, Taxes, Depreciation, and Amortization) is critical to your success, and your company's flexibility in financing will be severely hampered if your EBITDA margin is insufficient.

For a general dentistry DSO, you should have an absolute minimum EBITDA of 10%, and should really be



Meet the Sharks



AJ Acerno

CEO of DecisionOne Dental & COO of SmileBrands



Brian Colao

Director of Dykema's Dental Service Organizations Group



Kevin Cumbus

Founder & President of TUSK Partners



Ken Kaufman

President & CFO of Nuvia Dental Implant Centers



Margaret McGuckin

Co-Founder & Principal of i3 Ignite



Emmet Scott

CEO of Community Dental Partners

aiming for 20-26% at the practice level and 15-18% at the company level.

So what can you do if your EBITDA isn't there?

There are ways to segment your company's operations by stage of growth to improve reported EBITDA – these are called addbacks. For example, you could separate out de novos and create normalized earnings for reporting to your bank, or separate out non-recurring or abnormal growth-related expenditures, such as building out your management team. Sound accrual basis financials are a requirement when your senior bank, non-real estate lending exceeds \$5 million.

Economic factors are at the forefront of our industry challenges. Wage inflation and the higher interest rates are beyond our control in an overall sense, but how we respond to these challenges is within our control.

2 Processes are self-governing

Sharks are always on the move. One analogy shared at the event that really resonated with me related to this, that I think most people have experienced. Imagine you pull up to a Chick-fil-A® restaurant with an incredibly long line. At the same time, another car

pulls up to the Popeye's across the street, where the line is short. Yet, the Chick-fil-A® line moves steadily and when you get your meal, you realize that the same car is still waiting across the street.

Simplifying your processes to improve the speed of service is key, and you can apply that knowledge to your own DSO to improve your EBITDA margin.

Fast service is process-driven, and you can implement simplicity and reduce handoffs in every aspect of your practice. Some examples include doctors explaining treatment plans to avoid any confusion, patients have the ability to check out in the



FIVE LAKES
DENTAL PRACTICE SOLUTIONS

Let's Grow Your Practice



PPO Insurance Analysis

Our report to develop an optimal PPO participation strategy to achieve higher reimbursements from PPO plans.



PPO Negotiations

Negotiate with PPO insurance companies for higher reimbursement plans.



PPO Credentialing

Review qualifications and credentials to ensure proper participation with insurance carriers.



PPO Optimizations

Optimize participation to produce the same amount of patients at the highest rate of reimbursement.



FIVE LAKES
DENTAL PRACTICE SOLUTIONS

30195 Chagrin Blvd., Ste 114N
Pepper Pike, OH 44124
(877) 955-2537
fivelakespro.com



chair, and a call center with offshore staff handles the phone lines while your front office staff is free to work with in-clinic interactions.

Another way to create simplicity and align your team is using the DEO's own DEO MAP, which we got to see in action during a live implementation session at the event. But whatever the process you use, processes are key to project management, and a low-cost way to keep your business running smoothly.

3 Innovation is imperative

There's no other way to put it: innovation is imperative. We heard so many stories of forward-thinking, creative ideas that are giving DSOs an edge among other marketplace

swimmers – here are just a few to get your fins wet.

One presenter had a simple model in some locations that combines easy access hygiene with Ortho services. The branding is Beam ST Partners. They focus on patients in their twenties to early thirties, with appointments every 3 to 4 months, and have an extensive social media presence on TikTok and Instagram to market to reach those demographics.

Another presenter discussed their niche children's practice, which combines same-day delivery of glasses with a dental visit. This model is quite additive to EBITDA with 50% margins. There is no marketing expense, as the patient base of the practice refers the vision patients.

Yet another presenter is innovating cart systems, which improve workflow and create a delivery system for supplies, making a custom cabinetry replacement, which is more efficient at less than 20% of cabinets.

And lastly, countless presenters discussed various creative ways they are using technology, and especially artificial intelligence. If you're not thinking of how to incorporate tech and AI into your practice, you may be falling behind.

Margins, processes and innovation. What ties all these together? Movement. These DSO "sharks" demonstrated that in these market conditions especially, you can't sit still. ■

Keeping Chairs Filled by Removing Financial Barriers

Care Now, Pay LaterSM Patient Financing.

With the cost of just about everything on the rise, consumers are stretching or saving their dollars. Healthcare is also getting more expensive, and patients are now responsible for out-of-pocket costs that were previously covered by insurance. Even greater numbers are lacking coverage altogether. Treatments that may have been ‘no brainers’ must be budgeted for, and many patients have to make tough decisions on what they can and can’t afford.

The result? A staggering number of U.S. adults report delaying or going without certain medical care during the past year due to cost. According to a recent survey, nearly 1 in 3 Americans haven’t been to the dentist since COVID-19.¹ Among adults who reported an unmet dental care need, 80% reported they could not afford the care.²

Most concerning is that the avoidance of care can ultimately lead to higher healthcare costs — people forego treating milder conditions that become more serious and ultimately more costly to treat over time.

Alleviating the financial barrier to dental care

For healthcare providers, knowing a patient is choosing to forgo treatments due to cost can be troubling. Dental practitioners want their patients to be able to receive care — whether it’s a complex dental or endodontic procedure or an elective cosmetic treatment. To help increase patient access to care, Rectangle Health offers dental providers Care Now,



Pay LaterSM (CNPL) patient financing, and payment plans.

“Providing these options helps to ensure patients seek and follow through with the care they need. It helps providers keep their schedules full and ensures they will be paid for services rendered,” explains James Swan, Director of Enterprise Solutions at Rectangle Health. With Care Now, Pay Later patient financing, there’s a soft credit pull that does not impact a credit score, and nearly every applicant is approved. “Financial conversations become much easier at the practice, and a ‘We haven’t seen you in a while’ postcard announcing new payment options can go a long way in getting

patients back into the chair. For DSOs, this can mean hundreds or even thousands of patients return to the office.”

From a process standpoint, CNPL applications are simple and provide patients with immediate, clear, and concise options for financing their care. Nonrecourse financing allows the dental practice to have the satisfaction of beginning care with the patient while having the confidence of receiving payment without having to chase it.

With Care Now, Pay Later patient financing, providers are paid upfront, and patients can pay over the course of six months, up to 24 months, and in some cases, even longer. Swan continues, “Addressing the barrier to care results in a better patient experience, eases stressful financial conversations for staff, and improves the practice’s bottom line.”

Rectangle Health equips healthcare practices with the technology and tools to attract and retain patients from registration to post-care billing. For more information and CNPL terms, visit: rectanglehealth.com/solutions/care-now-pay-later. ■



¹ www.byte.com/community/resources/article/reasons-people-skip-the-dentist/

² www.cdc.gov/oralhealth/publications/Unmet-oral-health-care-needs-of-adults-aged-20-64-years.pdf

From Cash to Accrual Accounting

Getting a more accurate depiction of your business's financial position. BY PETE MERCER

Accrual accounting is an accounting method where revenue and expenses are recorded when a transaction occurs, as opposed to when the payment is made or received. This approach can provide a more accurate depiction of your business' financial position, especially when compared to a cash-based approach.

DEO Magazine recently sat down with Hollie Williams, CFO at Rodeo Dental in Dallas-Forth Worth, Texas, and Mike Yates, CFO at Lumio Dental in Tulsa, Oklahoma, to discuss the value and challenges of accrual accounting for large group practices and DSOs. Both Williams and Yates recently led the change from cash-based business to accrual accounting in their organizations with great success.



Hollie Williams

***DEO Magazine:* Why is accrual accounting a better method for running a business?**

Yates: I think we've all had that conversation or meeting where you talk about how much money is left in the bank. And depending on that number, it could have been a good month or it's "we're out of money in the bank, what happened?" I think we all look at accrual accounting as a way to make sure that the numbers are real. One area of focus for us over the last year is making the financials an operational document. They're not a historical document, they're an operational tool.

Williams: One of the basic things that happens when we go to school is we get taught about the matching



Mike Yates

principle, where you match your revenues with your expenses. When you hear people talking about accrual accounting or GAAP financials, you'll hear a lot about matching. For example, let's say that you're operating a dental clinic and your dentist is seeing patients that day. If you want to assume you've only operated

for one day – you open for one day and you close. When you do a cash basis financial statement for that day, there's nothing that happened. Patients were served and you earned money, and employees worked and you owe them money, but nothing happened in your bank account that day. Your cash basis financial statement would just be a big zero, and that's not correct because you are owed money and you owe money. When you match it and you accrue for the revenue for that day, and you obligate yourself and accrue for the payroll, or you're obligated to pay, then you can really see what happened.

These are the conversations I have to have with doctors for them to understand that activities happened, and you are obligated to pay your employees and your patients are obligated to pay you.

***DEO Magazine:* When should practices make the transition to accrual accounting?**

Yates: My opinion is the sooner you can take that step, the better. It's a lot of work to get from A to B and you don't necessarily set a timeline of "OK, we want to be in the market in 90 days, let's get an audit." The quicker you can get this change made, the quicker you can start to roll it into your three- or five-year plan. You've got all the bugs worked out; you've got your systems generally in place. You're going to be able to stand up to that audit per testing.

Williams: I would agree to the sooner, the better. Let's say that you've got one dental practice and you're planning on opening a second. And you know that in two to three years, you're going to look for a larger financial partner. If you can get your financials organized while your data is still a little bit manageable, you can get your financials onto an accrual basis and then run on an accrual basis. Up until that point, you're going to have history to be able to share with that future financial partner, because a lot of them are going to look at year over year performance. And if you're constantly having to say, "Well, this year is on an accrual basis, last year's on cash basis. They're not comparable." It's going to make your due diligence and the quality of earnings work a lot harder and a lot more painful.

DEO Magazine: How does accrual accounting impact the profit and loss statement?

Williams: The profit and loss statement, your net revenue or the revenue you recognize, should be what you expect to collect for the services that you performed inside the month that you're recording. We have fee schedules – some of our claims will have to go to Blue Cross, some go to Medicare or Medicaid, some for self-pay patients. If we bill \$100 and we expect to collect \$80, then we need to be recognizing on the income statement, revenue of \$80. To understand the reason for the difference, you must understand your contracts with your payers. You must understand any discounts that you expect to give to your patients. And then you

also need to understand that some patients don't pay the full balance of what they owe. And so that is the difference. You have your adjustments, which would be your contract with your payer that says, "You may bill me \$100, but I'm going to pay you 80." And then your history will tell you what your patients typically pay you based on what you build in.

DEO Magazine: How did you have the conversation with your team about transferring to accrual accounting?

Yates: Doctors live and die by their production report and their collection report. We've made a big focus to also get them living by their profit and loss statement. Obviously, two different methods of accounting. What I've had to do is explain why the timing matters – how we can use today's activity to project tomorrow's collections? One of the things that I've recently started doing is actually walking them through a statement of cash flows. Because I know they'll ask the question, "these are my collections, and my income statement's not showing it." So I will literally walk them through each component: "Inventory changed, that's money sitting on your shelves. Work AR went way up. Yeah, you had all this production, but we haven't been paid for it yet."

It seems to really strike home. It's a logical enough method for them that they can just say, "Oh, well, that kind of explains it." It's really been trial and error with each doctor to get them to understand the differences between the two and why a huge collection month doesn't necessarily mean a huge net income.

DEO Magazine: How did your team feel about the change? Do they like the new method, or do they still wish they were cash based?

Williams: We don't still wish we were cash basis. I will say that we've successfully made the transition. I had the most difficult conversations with the CEO at Rodeo Dental about the adjustment of gross production to net revenue in that collection rate and what's sitting in that collection rate. I think everyone here is very pleased and very happy. It's the forecasting part that has made life easier for all of us. It's just to being able to truly have a forecast of what is coming. We have targets for what we expect weekly cash collections to look like. We still have reports on collections, and we can articulate what we expect to collect every week.

Yates: I think the executive team has really bought into it. We've got multiple MBAs on our executive team, so they understood the three statements, which helps if you trickle that down a little bit to the field. It's funny, one of the things that's really been difficult, which seems kind of straightforward is, inventory. Just even getting that concept down of why you want to count it, why it's important and why your units are important. I agree with Holly that forecasting is key. We're even looking at projections at an individual biller level now. The measured performance and compliance with those targets just give you a level of visibility and planning you don't have managing off your bank statement. ■

Financial Tips for Growing Your Dental Group

How to spark your next big idea. BY ED DALLWEIN, CPA, MBA, CHIEF FINANCIAL OFFICER, RICCOBENE ASSOCIATES FAMILY DENTISTRY



We've all encountered a time when we have either tried or considered everything on our list of ideas to improve the financial performance of our dental organization, and we are at a loss about what to do next. This article proposes a few things to help spark your next big idea.

Top line improvement

We sell chair time. We want to maximize chair utilization (butts in seats) and revenue per minute (collections). Turns matter. If a day is 8 hours long and appointments are 60 full minutes (including cleaning the room), a practice can only see

8 patients per chair per day. Reducing appointments to 50 minutes could increase that number to 9 and provide a 30-minute buffer for the day. Such a change could increase revenue for that chair by 12.5%.

DSOs often get a bad rap about pushing for production. Opponents

have us scheming about quotas. Those on the inside know the real message is to identify and inform the patient about everything that they need and let them decide what to have done. Few patients would rationally choose for their dental disease to go untreated. Providers who do not inform a patient about their dental disease are doing the patient a disservice. Best practice is for providers to identify industry benchmarks for disease rates and track their percentage of appointments where such diseases would be diagnosed.

Studies show that patients often pass on treatment for financial reasons. Offering financing options helps to remove that barrier. The best solutions take seconds for patients to apply and get approved after a soft credit check (no impact to their credit score). Some lenders even guarantee approvals for a sizable percentage of borrowers with poor credit.

Expense reductions

People costs are by far the largest expense category for any dental group (compensation, taxes, benefits, perks, and outsourcing). A good exercise is to create and measure ratios.

For example, how many dental assistants (DAs) or patient coordinators (PCs) should an office have? Ask

It takes **two steps** to help patients get care



- #1:** You proactively recommend the CareCredit credit card to patients.
- #2:** Have patients scan your custom link QR code where they can privately see if they prequalify, apply and pay with CareCredit.

It's financing simplified.

To learn more scan this QR code.

If you've yet to add the CareCredit credit card as a financing solution call 800-300-3046 (option 5).



a practice, and the answer is usually at least one more than they currently have. Instead, calculate and compare ratios. If you have multiple offices, compare lower performing offices with top performers. Consider talking with other providers in your area about their ratios. If your best office has 2 DAs per provider and your worst has 2.5, ask questions to understand why. If there is not a valid reason, consider reducing the ratio in the lower-performing office. For PCs, the ratio may be a function of patient visits.

Hourly employees must legally be paid for all time worked, but reviewing payroll and time clock reports may show that they are getting paid more than their scheduled hours. A medium-sized DSO found that over 25% of its hourly employees routinely clocked in at least 15 minutes before their shift began. They reduced payroll costs by implementing (and enforcing) a policy that employees were to clock in and begin working at the start of their shift. (To remain compliant with employment laws, the policy also prohibited them from working before clocking in.)

An annual budget process is a great time to review all expenses, especially those that are repetitive in nature. While the output may be a budget for the following year, the true value of a comprehensive process lies in aligning the organization around common goals. It provides a forum for asking “do we really need that? How does it help us reach our goals?” When done well from the bottom up (justifying every dollar spent), companies can identify expenses that are no longer relevant and should be eliminated. A common example is software licensing or support for products that no one uses.

Team alignment

Superior financial results come from holding people accountable for financial performance. Every action in the business is

An annual budget process is a great time to review all expenses, especially those that are repetitive in nature. While the output may be a budget for the following year, the true value of a comprehensive process lies in aligning the organization around common goals.

reflected in the financial statements, but it is often difficult for team members to understand how they have an impact, especially since the various roles influence different elements. It helps to start with one metric that all office team members can easily understand and affect. Keeping the schedule full and percentage of actual production compared to goal are two examples. After the first metric takes on, it becomes easier to add more, eventually settling on three to five that work best for your culture.

Rewarding the team for achieving a metric aligns incentives and reinforces the desired behavior. The keys are to reward for outcomes, not effort, and make the reward meaningful. Incentives can range from bringing in lunch for every week above a target to extra money on pay day. The more impactful the achievement, the bigger the reward. Regardless of size, it helps to make the reward visible by broadcasting to the entire organization who hit goal and the type of reward (no need to publish an amount).

Summary

Any good financial advisor will say that the keys to long-term financial success are to begin early and to be consistent. Keeping an eye on your top line while managing expenses and enlisting your team to do the same help with that consistency. My hope is that one or more of the options presented here provided a spark to fuel your next big idea. ■



Ed Dallwein is the Chief Financial Officer of Riccobene Associates Family Dentistry (Cary, NC). He earned his MBA from Michigan State University and his BA from Walsh College. He has been in the healthcare industry for over 20 years in addition to a few others (software, services, public accounting, banking, manufacturing, and retail). His varied background helps him see challenges from multiple perspectives and provide innovative solutions.



INTRODUCING

Kleer Intelligence™

Increase team productivity and practice performance.

Unlock the potential across your group and free your team from manual tasks with Kleer's proprietary PMS integration solution.



Eliminate the time-consuming task of managing a membership plan



Track the impact Kleer is having on patient behavior and practice performance



Effortlessly grow your membership with automated marketing campaigns



Measure and optimize the performance of your PPOs



Alyssa C. Canale
Lakeview Dental Care

Chief Operating Officer

Our six practice managers are thrilled that Kleer removes a lot of the manual work from their plate. For me, I can easily see how many subscriptions we have per practice, per week, making it extremely clear how profitable we are.

kleer®

Implementation is fast, easy, and FREE.
Don't wait — get started today!



Shared Success

How labor management oversight leads to a healthier bottom line. BY CHRIS FOY, CONTROLLER, DEO



When running a business, whether it be a dental practice or a company in pretty much any other industry, our main goal is always to increase profit. On paper it's a fairly simple equation – to improve your bottom line, you either need to increase your revenue, decrease your expenses or some combination of the two. Of these two paths to increased profitability, I always advise my clients to get a handle on their expenses first, as running a company that properly accounts for each dollar spent creates a foundation for your business that ensures as you scale you maximize your margins. And the most effective way to do that is with labor management.

Unfortunately, the labor market today is a tough one to navigate. Unemployment is at all-time lows. The pandemic has changed the way employees think about work. Inflation has current and prospective team members wanting

higher compensation. And we are likely staring down a recession. That's a lot to combat – the trick is not to overreact to these things, but to ensure your labor plan fits your practice. When you do that, you shield yourself from volatile forces in the labor market. For your labor plan, I recommend three areas of focus – 1) labor as a percent of overall expenses, 2) position pay bands, and 3) profit bonus.

Labor as a percent of overall expenses

An industry consultant pre pandemic may have advised that you keep your non doctor compensation around 25%. I think that's a great benchmark, but I reject the notion that your practice must fall under rigid industry percentages. Rather, I think it's far more beneficial that you look at all of your expenses and establish the model for your practice that suits you best. That's not a recommendation to ignore industry standards – if you are significantly off, you should reflect on why you are so different than the dental space on the whole. But determine what that percent is for your business, and as you bring in more revenue and costs go up, make sure you add new labor costs you are maintaining in the same labor percent of overall expenses.

Position pay bands

You love your employees – I get it. Your team members are the key to your success. But you have to draw lines in compensation so you are able to take emotion out of the equation when talking about increasing an employee's compensation. Establishing pay bands (that are reviewed annually and inflation adjusted) ensures that you are maximizing your labor efficiency. Remember, you are paying for a job, not a specific person. Frequently practices find themselves with bloated payrolls that lead to hard decisions during tough economies. Remaining rigid in a pay band is ultimately a good thing for your employees, because you are ensuring that you are running your office in a way that maximizes their job security. I've seen too many cases of dentists that have to start letting go quality people because when revenues stalled out they had no choice but to look at their inflated labor costs. It's important to remember staying firm on a pay band does not restrict your employee from having the opportunity to earn a really good compensation package. A

pay band should guarantee they are receiving a fair, market value base salary. But when your firm does well, they can share in the success with a profit bonus.

Profit bonus

I firmly believe that any business that has employees should have some sort of bonus plan linked to company profit. When done right it addresses so many key parts of your business – it rewards the people who contributed to the success of the practice and it doesn't pull you into the trap many businesses fall into which is the expected bonus. When employees understand that their bonus is tied to company profit, they work better as a team to meet the shared goal. Further, they don't get pulled into the unrealistic expectation that they will receive a bonus each year even if the practice is in no position to pay them.

Just remember, though, every dollar of profit should not be paid out in bonuses. You should identify a reasonable percent of that profit to be put into a pool and disbursed to your employees. Every profit dollar should have a place based on what you feel is appropriate for your office (owner disbursements, tax accounts, investments, capital improvements, bonuses, etc.). It's up to you to determine the best allocation of profit dollars, but making sure your employees are enjoying the success of your practice on some level is an investment you won't regret.

Summary

Having a plan when it comes to compensation is critically important to your practice. It allows you to have comfortable control over your expenses in good times as well as bad. But the reality is, a plan is also a really good thing for your employees. It ensures that they are working for a practice that is shrewd in its business management and that prudence leads to job security while still offering great compensation paths. ■



Chris Foy is the Controller for the Dentist Entrepreneur Organization. He is also the owner of Dental Backoffice Solutions, a company dedicated to serving the accounting needs of dentists. He can be reached at chris@dentalbackofficesolutions.com

Three Steps for Easy Goal Setting in Annual Planning



Setting next year's goals for your DSO can be daunting. Determining whether you need new team members to meet your production goals or how much you want to collect can make your head spin. You're in luck – these three steps can help you set realistic goals for your DSO faster and more easily than you might expect.

Step One: Evaluate Your Calendar

The first step in easy goal setting is figuring out what each location's calendar will look like next year and how many days they'll be open. Mark the holidays, vacation time and any other days each location might not be open. Be sure to think of holidays or celebrations that only some of your locations might celebrate or take off, such as state holidays.

Step Two: Analyze Your Data

The next step in easy goal setting is analyzing the data from the past year. Once you have your baseline daily and monthly production for all your locations, you know what to expect from each location next year.

For example, start by evaluating each location's calendar for next year. After evaluating their calendar for next year, look at last year – particularly the production per visit and how many visits they averaged per day. From there, they can predict their monthly average production per day. If that location averaged 10 visits per day last January at \$450 per visit, they should plan for \$4,500 a day for next January at their location.

Step Three: Set Your Goals

Once you have evaluated your calendar and analyzed your data, you're ready to set your goals. Start by determining how you want to grow your DSO's production. Based on the factors you

pulled from your data (e.g., provider days per location, patient visits or production per visit), you can choose which factor you'd like to grow.

If you want to increase the amount of production each location makes per visit, consider adding new high-value laser services or a small fee increase on common treatments. Since you've already evaluated your calendar and analyzed your data per location, you can easily plug in these small changes and see what a big difference they could make – and set your goals accordingly. You can even see if it would be more effective in one location versus another.

Choosing the Right Partner

When evaluating your calendar, analyzing your data and trying to set goals, the wrong technology can slow your DSO down significantly. Jarvis Analytics works in the background all year to give your organization the data you need so you don't have to enter data manually or spend time importing, exporting and organizing. Jarvis can tell you how many days a month a doctor worked last year, how many patients a location saw in one day and even how many dollars they made per visit – all in seconds to make setting (and meeting) goals a breeze. To learn more about how Jarvis Analytics can help your DSO reach your annual goals, visit our website, www.jarvisanalytics.com. ■

DEO **GROWTH** SUMMIT 2023

TEACHING DENTAL LEADERS TO GROW SUCCESSFULLY

San Diego

California



SAVE THE DATE

JUNE 8-10, 2023

Manchester Grand Hyatt

The most powerful event in group dentistry!



The Changing Role of a CFO in a Growing DSO

Finding the right CFO for your organization starts with understanding the skill sets and experience of prospective candidates.

BY NICK KORHONEN, CFO, CORUS ORTHODONTISTS

Ask 10 business leaders to describe the role of a CFO, and you'll get

10 different answers. Herein lies the challenge for many entrepreneurs looking to build their executive team and set up their DSOs for success. The role of the CFO has evolved rapidly over recent years, with CFOs often wearing many different hats ranging from traditional financial reporting and analysis to strategy development, M&A, change management, and much more.

Finding the right CFO for your organization starts with understanding the skill sets and experience of prospective candidates. To help navigate the complexities of the roles

that CFOs can play, we've identified four different profiles that can help you assess what kind of CFO you're looking for and what role they can play in your growing DSO.

The Numbers Guru

The Numbers Guru comes to mind for most people when they think of a CFO. This individual brings years of experience in traditional finance roles and is an expert with all things numbers. They know accounting standards like the back of their hands, are financial modeling wizards, and excel at taking numbers on a page, and turning them into a story understood across the organization.

The Numbers Guru has a narrower focus than some other profiles, and they thrive when they can focus on what they do best. They are masters of optimization and leaders in continuous process improvement. The Numbers Guru adds significant value through detailed performance management, identifying opportunities for efficiency through the stories their numbers tell.

The Strategist

The Strategist assumes a broader organizational role and participates in decision-making across all functions of the company. Together with the executive team, they identify where the company is headed and how best to get there. Internally, The Strategist has a deep understanding of all aspects of the business, extending beyond traditional finance, into Operations, HR, IT, and Governance. Externally, they have their finger on the pulse of the market. They have a deep understanding of macroeconomic trends and a talent for predicting industry trends and developments to proactively position the company for success.

Instead of burying their heads in numbers, The Strategist understands the bigger picture and motivates teams towards a common goal. They require a strong core finance team to manage the day-to-day, so they can keep their eyes on the horizon and focused on the future of the organization.

The Rainmaker

The success of most DSOs is heavily reliant on two factors:

1. The successful execution of an M&A strategy
2. Securing financing to support growth ambitions

Enter The Rainmaker. This individual excels in the art of negotiation, understands capital markets and valuations, and can articulate the unique value proposition of your company to both potential vendors and financial partners. The Rainmaker typically comes from a less traditional finance background, often investment banking, private equity, or M&A advisory.

The Rainmaker provides the most value in organizations with a heavy focus on inorganic growth. Their skill set is often not suited towards a focus on cost efficiency, or marginal process improvements, but on driving rapid expansion.

The Jack of All Trades

The Jack of All Trades has an unparalleled ability to step into any of the CFO profiles as needed, and more. With the ability to simultaneously see the big picture and steer the organization towards a future state, they will also roll up their sleeves diving into the weeds to solve current problems. While they may not have the depth of expertise in specific areas, they don't shy away from picking up new skills as they go to keep the organization moving forward.

The Jack of All Trades thrives in chaos and are well suited for early-stage DSOs that are running with lean teams. They can provide the leadership team with the strength to drive your DSO forward so you can focus on building your team.

What profile fits your organization?

Knowing what profile is right for your DSO will require self-reflection to understand the current state of your organization. What skill sets does your team currently have, and where do you have gaps? Are your needs now the same as they will be in one or two years? It's important to understand that the ideal CFO profile for your organization will change over time, as you mature and identify new needs. A young DSO may benefit from The Rainmaker to drive rapid growth, or the Jack of All Trades to put out all the fires. As the DSO matures, it will likely benefit more from the Numbers Guru, who can drive efficiency and process improvement, or the Strategist who can help bring the DSO to the next level.

Personally, I began as a self-professed Jack of All Trades, but later turned Strategist. Joining Corus Orthodontists, a doctor-owned Orthodontic Support Organization, as its first CFO in 2019, my role has evolved as the organization grew from no practices and a home office team of four people, to supporting 55 practices across North America with a thriving team with over 1,000 employees.

Every CFO will have a different career journey with plenty of hills and valleys. It's on the organizational leaders to find the right match for their company, and it's up to CFOs to know where their skill sets lie, remaining open to evolving alongside their DSO as they reach new heights. ■

The Perfect Fit for DSOs

How DryShield provides a superior patient experience, allows dentists to work faster and increases the quality of care.

In today's marketplace, comfort is paramount for any consumer-facing situation - especially in a dental office.

Yet traditional dentistry doesn't typically get high marks for patient comfort. First, there are the four hands – two from the dentist, two from an assistant – to consider. Then the products – gauze sticking out of the mouth, cotton rolls stuffed in, a saliva ejector hanging off the side of the mouth, and bite blocks. It all adds up to a stuffy, time consuming, inefficient mess, one that consumers would rather avoid.

That's why one pediatric dentist set out to create a positive experience for patients and improve procedural acceptance with the creation of DryShield, an autoclavable, all-in-one solution. With DryShield, there's no need for cotton rolls, gauze, a rubber dam, or saliva ejector. It fits intra orally, is comfortable, and does several jobs at once. DryShield provides a comfortable experience, from the initial application of the product, throughout the procedure. And at the end, there's no soreness or lasting feeling of the product leaving a mark.

DryShield benefits dental group practices beyond just patient comfort:

Boost productivity

By using DryShield, clinicians can greatly work with more autonomy and reduce chair time in the process. DryShield allows the clinician to do all the retraction, isolation, and suction, freeing up assistants for other tasks. Using DryShield, dentists report anywhere from 25% to 40% of reduced chair time on nearly every procedure. DryShield allows doctors, and by extension DSOs, to see more patients every day. There's not a lot of products that will make you work faster and increase the quality of your result. DryShield is unique in that it will do both.

Cost effective

DryShield is the only isolation product on the market that has both autoclavable and single use mouthpiece options. It's the most cost effective – and most durable – on the market. A dentist doesn't want to have to spend \$5,000 on an isolation



product and be on the hook for disposable mouthpieces that can cost upwards of \$1,000 a month. DryShield would be an 80% reduction in costs if they're utilizing the autoclavable.

Protect patients and staff

DryShield's design prevents aspiration. It protects the throat and soft tissue, retracts the cheek, and by way of reducing chair time, makes appointments shorter, so that there's less of an opportunity for anything negative to happen. In a survey of dentists, 87% noted that DryShield played an important role in helping manage aerosols, which is essential in reducing airborne pathogens.

Comfort, efficiency, cost savings, and safety – DryShield leads to higher quality dentistry in more ways than one. You can produce a more predictable result, and maximize production with less appointments to finish procedures. Now clinicians can focus on what they're good at, and that's restoring tooth functionality.

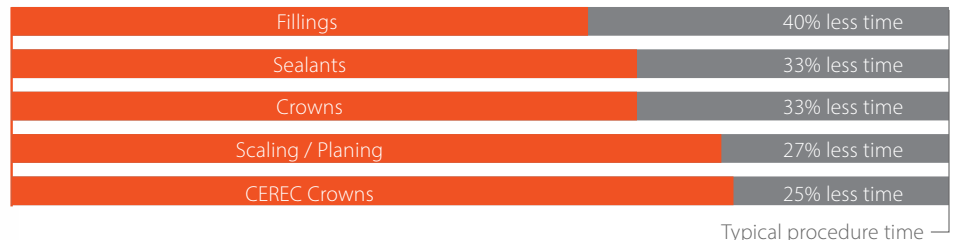
And as part of the Solmetex continuum of products, your facility's water safety is covered from start to finish. The minute water comes into the office, until it goes out, Solmetex has the Sterisil, DryShield, and Solmetex brands to meet all a DSO's waterline needs. ■

Save up to 40% in Procedure Time

Reduce Chair Time **AND** Achieve Higher Quality Results



Work more efficiently and save time on every restorative procedure with the DryShield® modern isolation system. Achieve higher quality results with a dry field and increased visibility into the oral cavity.



 DryShield®

1-877-207-1551 | DryShield.com

 Solmetex™



The Dental Finance Forum

How one industry leader is on a mission to make dental finance topics more digestible.

Ken Kaufman knows the pressures other financial leaders in the dental space face. “We’re all trying to solve things that are hard to solve because dentistry is a consolidating industry,” said Kaufman, President & CFO of Nuvia Dental Implant Centers. “It’s consolidating, not consolidated. When it’s in consolidation mode, there’s not great off-the-shelf software to help solve and keep solved certain problems that finance leaders are trying to solve. There are a lot of challenges that take heavy thinking and a lot of work.”

Which gave him an idea. What if he could collaborate with other dental finance leaders that are trying to solve the same problems? A couple of years ago, he made the idea reality by creating the Dental Finance Forum. That first Dental Finance Forum meeting had six people. Today, the Forum has over 100 members, with no signs of slowing down.

In a recent interview with *DEO Magazine*, Kaufman discussed some of the main topics covered in the Dental Finance Forum, best practices that have been created because of those conversations, and what's on the horizon for Forum members.

The DEO: Tell us about the Dental Finance Forum.

How did you get the idea and then when did it start?

Ken Kaufman: The thought process started a few years ago. Dental is such a great industry, and even if there is some competitiveness between different dental groups, there is always an over-arching willingness to help each other and collaborate when it makes sense to work together.

I was looking around and seeing that all these other great companies have finance leaders. And we're all trying to solve things that are hard to solve because dentistry is a consolidating industry. It's not consolidated. When it's in consolidation mode, there's not great off-the-shelf software to solve and keep solved certain enterprise-level problems that finance leaders are trying to solve. There are a lot of challenges that take heavy thinking and a lot of work.

So I thought to myself, it'd be great if I could collaborate with other finance leaders that are trying to solve the same problems that I'm trying to solve. As I started to think about it further, I realized a lot of people in finance aren't great at networking and aren't great at building up relationships and other resources around them. While CEOs are often great at networking within the dental industry, CFOs generally

Without the Dental Finance Forum, finance leaders are left to fumble their way through things, learning from making some mistakes and iterating and pivoting through what can be a painful process.

aren't. We tend to be heads-down, working on our internal business, often failing to build up a network of peers. I decided I wanted to break that mold, or that stereotype. And it turns out finance leaders love to network and help each other – essentially mastermind together.

A couple years ago I convinced myself there was a real need that no one was solving. So I decided to try to, in some small way, fill that need. I created a slide deck with a mantra and basic vision, and I approached a group of dental CFOs I was already connecting with on a monthly basis. They all loved the idea, so I decided to go for it, and the Dental Finance Forum was born.

The whole impetus behind it was to get finance leaders to hang out once a month and help each

other. If there were any follow-up or one-off conversations that needed to occur following the meeting, then they could happen. And dozens and dozens of those have occurred and great relationships have formed as a result. We have also connected as Dental Finance Forum members at various conferences, commandeering whatever meeting space we could find and having face-to-face conversations and masterminds.

Since our very first meeting, we've held monthly mastermind meetings. Consistency is key! And we've started to explore some other opportunities and ways that we can help each other.

The DEO: What are some of the common topics or challenges discussed?

Kaufman: Revenue cycle management is one we talk about a lot; how to build the team, what technology and what software to use and implementation, what outsource partners are available to help, etc. And honestly, it's liquid gold, because everybody's trying to figure this out. Patient financing is another common topic. We frequently compare notes on vendors, attorneys, and outsource partners of all types, sharing their

strengths and weaknesses and helping each other make good decisions in all of those areas, and more. We share software solutions we have successfully and not successfully implemented. We share best practices regarding associate compensation models, practice management software, equity models, lending solutions, and so much more. The world of dental finance is tremendously complex, and dental finance leaders have a lot to accomplish and a lot of responsibility to help their organizations grow, mitigate risk, and serve all the stakeholders in

their organizations. It is a fun and exhilarating responsibility but can be overwhelming. Whatever shortcuts we can help each other find brings tremendous value. Without the Dental Finance Forum, finance leaders are left to fumble their way through things, learning from making some mistakes and iterating and pivoting through what can be a painful process. My hope is that the members of the Dental Finance Forum shortcut, or even completely circumvent, as much of that as possible by their interactions with one another.

Another big topic is how to form and then implement the DSO structure and documents. This is common for those that want to grow up from just supporting a small group of dental practices to putting a more formal infrastructure in place that will allow nonclinical partners to be a part of the organization and possibly even invest. With this topic comes the best way to structure fees and create alignment with everyone in the company. The list of topics and discussion points goes on and on, but hopefully this gives the readers a basic sense of what we focus on.



DEO: Do you have an example of where a finance leader implemented a solution discussed during the Dental Finance Forum?

Kaufman: There are dozens. Many have been able to overcome years of frustration with implementing the DSO structure in just one meeting with the Dental Finance Forum.

In one example, a CFO was struggling with how to build-out a centralized revenue cycle management team. This CFO was brilliant to ask the group for insights on this. With all the great minds on the call, this finance leader walked away with implementable processes and procedures that they could run with the next day, including how to build the team, how to set up the core accountabilities, and how to drive a very favorable outcome. I would guess we saved that CFO at least an entire year of piecing it together, and probably hundreds of thousands of dollars “learning” the best practices.

DENTAL MARKETING MANAGER BOOTCAMP

20 23

DATE & LOCATION TO FOLLOW
SIGN UP FOR UPDATES



Sign up and receive
preferred pricing to our
Dental Marketing
Manager Bootcamp 2023

DEO: Do you have any long-term or short-term goals for the Dental Forum you can share?

Kaufman: In the short-term we are implementing a more in-depth and value-added Dental Finance Forum for members of the DEO. For the larger groups in DEO with experienced finance leaders, we offer an exclusive monthly mastermind. This is a huge value for the dentist entrepreneurs who join the DEO – each of them get to send their finance leader to this monthly meeting and other opportunities to connect. For the smaller groups with less seasoned finance leaders, we have a monthly coaching session where I work with them to address their questions and help them apply the basic dental finance concepts to help their groups professionalize the finance function to lay a foundation for growth. Again, this brings tremendous value to dentist entrepreneurs who don't have the background or experience to train and coach their finance leaders. This is just one of the reasons why I recommend the DEO to so many dentists trying to build a group of practices.

Along with those DEO groups, we've implemented something similar at the ADSO, wherein Taylor Hawes, the CFO at Pacific Dental, and I run a study group that meets once every other month. Again, very much like the mastermind structure of the Dental Finance Forum, but exclusively available for the finance leaders of companies that are members of the ADSO.



About Ken Kaufman, President & CFO of Nuvia Dental Implant Centers

Ken Kaufman earned a B.S. in business from Brigham Young University and an MBA in finance and entrepreneurship from the University of Georgia, where his peers selected him as the most outstanding student. Between his excellent academic record and his subsequent years of experience in executive roles for high-growth companies, Ken is a sought-after leader in all things dental finance.

Prior to Nuvia Dental Implant Centers, Ken was CFO of Community Dental Partners. He first joined CDP in 2016, at a time when the organization needed to upgrade its financial leadership having expanded from 7 supported practices to 20. He was an integral part in helping the organization grow to 80 locations.

Ken has received many accolades throughout his career, such as being awarded Utah Business Magazine's CFO of the year and making their top 40 under 40. He will shortly be publishing a book on dental finance, and he regularly hosts podcasts on DSO Secrets. Despite his many achievements, he still gets an enormous kick out of his role in supporting clinicians as they build a new practice, welcome their first patients, and start making a real difference to their communities.

Ken has been happily married for almost 25 years and has 8 children. He loves spending time with family, serving in his church, and fitting in cycling, mountain biking, and an occasional triathlon to keep himself humble.

JAZZ IMAGING

The perfect replacement sensor



- Lifetime warranty & support included
- Made in the USA - buy direct
- New premium CMOS sensor design
- Purchase or subscribe
- Integrates w/o TWAIN in all major software



"I replaced Schick with Jazz SOLO a few years ago and never looked back. We love the SOLO sensor, it's more comfortable and works just like Schick all the imaging software we have in our different locations. The low upfront cost allowed me to add all the sensors I needed to help my staff. Plus, we have lifetime warranty and support, so I don't have surprise costs. I highly recommend the SOLO sensor for DSOs who are looking to add quality sensors with seamless integration that are cash flow friendly."

Sean Tomalty D.M.D. Owner Ekos Dental Group

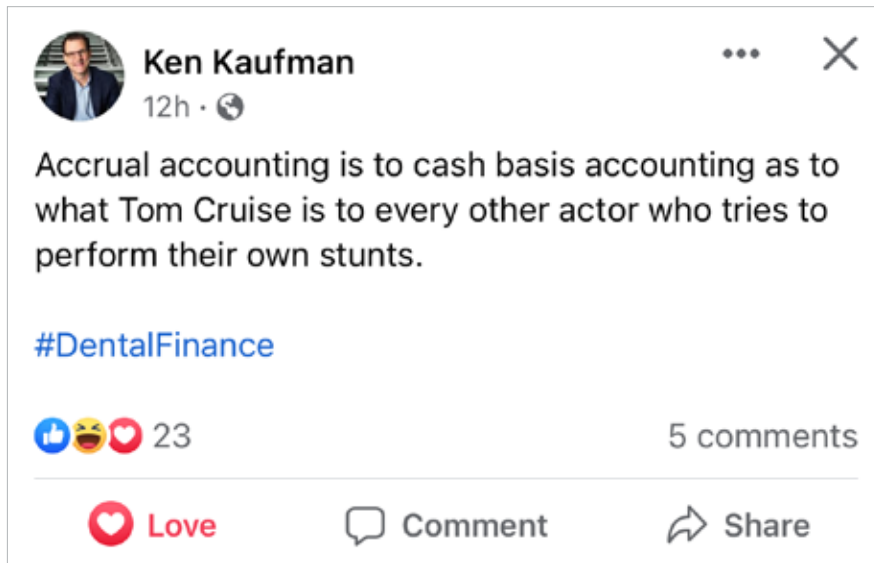
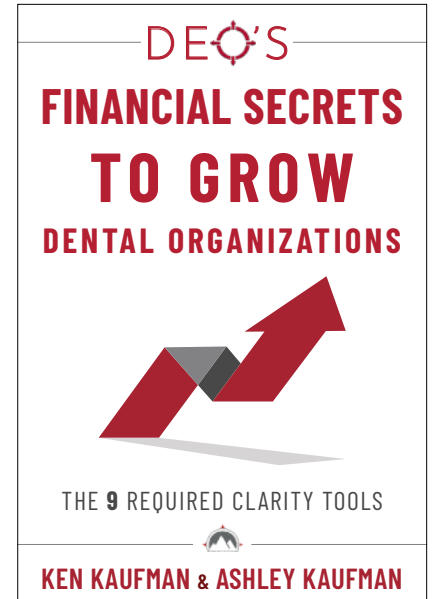


Exclusively available at www.jazzimaging.com
(567) 234-JAZZ

DEO: You've got a DSO finance book coming out in the end of November. Can you tell us a little bit about that?

Kaufman: Sure, this has been a great project I've been thinking about and working on for a while. I wanted to create something that would make dental finance concepts accessible to all, even to those who say they aren't good at math or that claim to struggle with understanding numbers. To accomplish this, I asked

my daughter, who is majoring in English and Journalism in college, to help me write the book. We created a fictitious character named Julia, a budding dentist entrepreneur with five dental practices. The story follows Julia and her experiences as a dentist entrepreneur, including the roadblocks and problems that dentist entrepreneurs hit when they don't have the finance part of their business where it needs to be. In the story, Julia reluctantly finds a



finance leader who helps her overcome a myriad of problems by implementing the 9 financial clarity tools outlined in the book. So my daughter created this character named Julia, and I supplied all the technical content on how to implement the clarity tools that Julia so desperately needs. My daughter, Ashley and I, sincerely hope this work will help as many dentist entrepreneurs and their finance leaders as possible. I've been a finance leader for almost 20 years, and in dental almost as long. I think this book will resonate with the target audience and provide digestible and actionable insights in a meaningful and impactful way. ■



**Want to learn more,
or sign up for the
Dental Finance Forum?**
Visit: www.dentalfinanceforum.com.



“Live chat added
\$46,000 in revenue
in two months.
It’s a no-brainer.”

GT Thiagarajah
New England Dental Group

The tech you need for today’s patient

Simplifeye makes it easier than ever for patients to schedule appointments and pay for treatment. Plus, easy-to-use dashboards provide fast access to key performance metrics.

- 24/7 Live Chat
- Automated Payments
- Text-to-Pay Invoices
- Online Scheduling
- Invite Targeted Recare
- Revenue Matchback



**SEE HOW
IT WORKS**



☎ 646-846-7467

🌐 simplifeye.com

De Novos vs. Acquisitions

Choosing the right strategy for growing your dental group. BY PETE MERCER

Finding the right strategy to grow your dental group is quite likely a fruitless endeavor. In fact, there is no right way to grow a dental group. Each new location could require an entirely different approach from the one before. When it comes down to the argument over de novos or acquisitions, Dr. Maryam Beyramian of Westwind Integrated Health, Dr. Dwight Peccora of DDS Partners Management, and Philip Toh of The Smilist Management recently discussed the value of using different strategies to grow your dental group.



DEO Magazine: What made you choose your strategy for growth?

Dr. Beyramian: We've always been an acquisition model. From our first location back in 2008 until now, we've acquired our entire group through acquisitions. We target specific offices, usually very high flow offices. They have a healthy patient flow, but may not be well managed. So that works for us because we get to go in there and help them develop a culture, systems, processes and efficiencies. That's what works for our group. We bring them onto our platform and our systems, we add our call center, and we add revenue cycle management. We distribute the work evenly among team members. And suddenly you see everybody shine and everybody become a better version of their position.

Toh: I wouldn't say that we had the foresight to know one model was better than the other. Our first one was an acquisition, but we've also experimented with de novos. I think in the course of our life, we've done five de novos and 55 acquisitions. One of the things we did early on is buy underperforming practices, but it was a distraction to the organization. We were driven to grow very quickly. We really needed strong team players that fit in with our culture. When we're pushing and finding all these different practices, the people are what is important. It's easy to say on a piece of paper what a multiple should be and what the valuation should be. Ultimately, we find success in just identifying the right people, the right culture, and the right teams, so that we can continue to grow. We want to keep moving forward, not looking back.

Dr. Peccora: We started with acquisitions because we had to have some cash flow. We had to buy a business that

we knew we could make better. The main idea was that as we started to develop our model, we needed to identify where we can integrate and transition as best as possible. You get better at finding the right groups. Then, you get to the point where you build an integration team. I think that's what has made the biggest difference is the culture integration team being able to go in and help that process happen so that the handoff was better. We started doing de novos only because it got easier. If you have a very solid integration team to make that happen, you can see profitability come a lot faster.

DEO Magazine: What KPIs determine whether you are going to buy a practice or not?

Dr. Beyramian: We classify our acquisitions into three groups: Class A, B, and C. Class A consists of practices that have well-functioning, high-producing teams. We can bring in some of our services that can enhance whatever baseline they have. We don't do much in those practices.

We look at new patient counts and hygiene counts, both of which are important KPIs for our group.

Depending on where those counts are, plus patient demographics and insurance, we classify practices as a B group or a C group. The B group does 300% and the C group takes about a year and a half to do that.

Toh: I would say early on, we were data nerds and wanted to collect every piece of information from the practice. But the reality is that if you know what the revenue or the top line of a practice is, we also want to know what the rent is and some of the compensation. Everything else is changeable, and it probably has changed and evolved even within the practice.

Dr. Peccora: A lot of KPIs are just getting a better understanding of the report card, whether it's per patient visit or the health of the hygiene program. One of the KPIs we track is utilization rate and that's usually where we

Leading Dental IT Provider for
DSOs & Emerging DSOs

medix
Dental IT

**OVER 20
YEARS**

of experience in the
dental IT industry.

medixdental.com

tend to find good acquisitions early on. The amount of hours per number of chairs, the amount of open hours and dollars being brought in at that time, the production. We use that utilization rate to get an understanding of how much we can optimize from a hub and spoke model, a typical healthcare model. Utilization rate is a huge part of how we triangulate ourselves.

DEO Magazine: How do you mitigate the culture change with an acquisition?

Dr. Beyramian: When we first acquire a practice, we spend a lot of time getting to know the people, talking to them and assessing their skills. I think the biggest tip is don't dismiss the person that you've acquired because they don't fit a model, box, or vision that you have. Give them time to warm up and get acclimated to the new company. Change is stressful, and change management is our job. The better

change manager you are, the more the team will follow you into the new vision you're trying to create.

Toh: It's super scary and anxiety filled. It doesn't matter if it's good change or bad change. They immediately go to the worst possible scenario. We want to be in touch and available. We station our integration team in the office, usually to cover simple things. What we've learned is people don't necessarily have huge technical questions, they just like knowing they have support.

Dr. Peccora: Our integration team focuses on getting to know the clinical practices going on. Every single position swaps out with one of our main locations. So a doctor swaps in, gets to know the patients and gets to interact with the hygiene team. Same with the front desk. There's a whole flow process to that. So, we see what's happening daily. ■

ABOUT OUR PANEL

Dr. Philip Toh



Philip started his career in strategy consulting at PwC where he worked on engagements for numerous Fortune 100 companies including The Walt Disney Company. He then joined as the 8th employee at HealthAllies, a venture-backed

health tech company acquired by UnitedHealth Group, where he was the bridge between the business and engineering teams in product management. After HealthAllies, he worked in venture capital sourcing and evaluating emerging technology startups.

After pursuing an MBA, he joined Henry Schein where he gained deep experience in multi-site dental and medical businesses. He's proud to have helped grow a division over 500% and achieved budget for 36 consecutive quarters. After Henry Schein, he co-founded the Smilist, one of the leading dental support organizations in the New York metro area that has affiliated with over 55 practices.

Philip graduated with a Healthcare MBA from The Wharton School and a BS in Business Administration from the Haas School of Business at University of California, Berkeley. In his spare time, he enjoys running and has run four marathons including the Boston Marathon. When not running, you'll find him on the tennis court with his friends and family.

Dr. Dwight Peccora



Dwight Peccora graduated from UTSchool of Dentistry in 2010 and partnered at the existing Fort Bend Dental in Missouri City, Texas (south west side of Houston, Texas). Dwight had a dream of developing a group practice that prioritized

quality comprehensive care with all general and specialty care under one roof. Over the Last 6 years, Dwight has developed one mega practice in Missouri City of 10,000 square feet (which includes a CE facility), with three other locations throughout the Houston, Texas area to bring about access to this level of care for the Greater Houston area.

His greatest joy of practicing this way is the chance to collaborate among a team of doctors to find new and progressive ways to serve his patients.

He has taken the original Fort Bend Dental from \$1.7 million to just surpassing \$9 million among all locations as they onboard their 4th location this winter in the “hub and spoke model” of practices.

Dr. Maryam Beyramian



Dr. Beyramian graduated from the University of Michigan in 2001, and started Westwind Dental Group in 2002. In 2017 Primary Care Medicine was added to our service offerings and the group

was rebranded to Westwind Integrated Health.

Today Westwind Integrated Health consists of 11 practices and over 20 doctors throughout the Phoenix metro area. “We recruit talented compassionate doctors and mentor them in leadership skills, with the vision to develop providers who possess both strong clinical and communication skills.”

Westwind Integrated Health is a SERVICE oriented group created to provide comprehensive integrative oral and systemic care to patients of all ages. Westwind promotes a collaborative environment where everyone from the multispecialty provider to the team members work hand in hand to ensure continuity of care between the patient’s oral and systemic disease. “We are all a team with one vision, to provide the best overall care for the patients who have entrusted us with all of their health care needs”.

Dr. Beyramian’s goal is to create medical and dental group that can provide integrative care for the Phoenix community. Her vision is to recruit and develop team members that value the corporate culture of collaboration and teamwork between multi-specialties to achieve optimal oral and systemic well-being.

“Leveraging modern technology is not a choice...
It’s a requisite”

Eric Roman, DDS



The #1 **All-in-One**
Dental Software

- Anytime, Anywhere Access
- Centralized Operations
- Modern Customer Experience
- Custom Reporting & Analytics
- World-Class Cybersecurity

Schedule a Demo

at **888.910.HERO** or go to:
go.curvedental.com/deo-demo
or scan this QR Code:



How to Manage Revenue Cycle Management

Tips and tricks for DSOs looking to increase efficiency. BY NORMA ROMERO AND HUMBERTO ROMERO



Revenue cycle management is a relatively straightforward process that brings together the business and clinical sides of healthcare. It includes a range of tasks, including charge capture, claim submission, coding diagnoses and procedures, and collecting payments. However, the seemingly limitless number of variations available in the dental sector in terms of payers and processes means that revenue cycle management at many DSOs and dental practices is sub-optimal.

Revenue cycle management is an incredibly important pillar of your organization. When you build out your org chart, it should include everything at the practice level to do with entering the information into the EHR that is going to be part of or

included in the claims submissions. If you break it down, practice management or practice level employees are engaging revenue cycle management activities every day, so you can centralize these processes all the way up.

It is really difficult to do everything in revenue cycle management without assistance or doctor feedback or input. The whole process actually starts with the clinician's notes about what the patient needs for treatment, and then it goes all the way through claims submissions.

Revenue cycle management at Community Dental Partners

Around 2012-2013, Community Dental Partners had eight locations. It was an exciting period for Community Dental Partners – we had a vision

for growth, but not necessarily a direction for how to get there. Additionally, we weren't sure whether the systems we had in place could withstand our vision for growth.

We were centralizing everything, and we started creating reports so that we could begin to utilize data that we weren't getting from Dentrix. Until then, everything had been measured by feelings and assumptions, which obviously doesn't generate the information that you need to develop an effective system. We changed our systems from Dentrix to Open Dental and began to create a collections report that we still use today.

The collections report was developed because we needed a way to track KPIs while we were still growing from eight locations. With so many different performance indicators to keep track of, like collections, appeals, and claims, the collections report is an invaluable tool that gives us better insight into how our revenue cycle management processes work for our organization.

Not only did this report give us better data on the financial comings and goings of our practices, it also gave us the data on the people working at Community Dental Partners. One of the things we noticed was that some of our "amazing" employees were not actually that amazing. It turns out that they were not being as efficient as we thought and were just sending claims without auditing them first.

We use Open Dental to assign tasks to each dental practice and to follow up on anything that they need, whether it's a doctor or an assistant. We make sure they get it right with a quality assurance team. If everything is good and clean, we can hit submit all day. But if there are any issues, this team pushes tasks back to the practices to fix them.

It takes a village

Once we started to develop better systems for our revenue cycle management processes, we began to establish better teams to oversee

each step of the process. This was partially out of necessity, as we realized every month that we were adding a few more practices to the organization, and we knew that the system would not have been able to support that kind of scale.

We started with a full-time, in-house billing trainer to train the front desk staff, new practice managers and billing employees on our system. With as big as we were getting, we realized that one trainer for 70 locations (and we're still growing), would not work either. Now, we have another training department that we outsourced to the Philippines that works with all of our new billing employees, while the Community Dental Partners trainer will train practice managers and front desk staff.

Part of the challenge in running such a large DSO is finding ways to increase efficiency throughout the organization. One of our key findings was that our teams need to be siloed off – while working with each other is still a necessity, it's important that each department was only working with their specific responsibilities. When an employee is constantly switching tasks between auditing claims, appeals, and posting payments in the system, it's really hard to maintain efficiency with that kind of workflow. If our employees are on the claims audit team, that's what they do all day long.

Because Community Dental Partners is responsible for so many practices, we have a huge team that works with revenue cycle management. We run about one and half employees for each location, ensuring that each of our dental partners has the support and attention they need for their revenue cycle management.

Our team is constantly growing, which is always exciting and challenging! While we are always looking for ways to increase efficiencies for our dental partners and trying to improve our processes along the way, we have built a revenue cycle management team that we are very proud of. ■



Norma Romero

started at CDP as a financial assistant in 2010 and held several other positions before becoming Chief Compliance Officer in 2015.



Humberto Romero,

Billing and Credentialing Director for CDP, has over 20 years of management experience.

Making Every Dollar Count

The keys to optimizing revenue cycle management for your dental group.

BY DR. TAREK ALY, BDS, MBA – CO-FOUNDER,
CHIEF OPERATING OFFICER, ORTHODENT

Refining and tweaking processes

is an endless journey for entrepreneurs and business owners. While we are trying to stimulate growth in our organizations, it's going to take some digging and adjusting on the part of the business leader to get to the heart of the issue. This is especially true for anything related to finances, which is why dental practices should be establishing a revenue cycle management process within their systems.

What is revenue cycle management? It's the process where you are converting every single dollar that walks through your door into real cash that can go into your bank account. I like to think of the money that comes through the front doors of your practice as "Monopoly money" – it isn't real until it actually hits the bank. Revenue cycle management is the process that takes the money you are bringing in and puts it in your bank.





RETHINKING YOUR RETIREMENT STRATEGY TO ACHIEVE TOTAL DENTAL FREEDOM

Discover why now is the time to plan for life after dentistry



It's far too common for dentists to reach retirement only to discover they can no longer maintain their lifestyle.

This unfortunate situation happens because most dentists lack the knowledge and the tools to manage money properly and build wealth for the long-term.

But it's not your fault. Dentistry is your field of expertise, not personal finance.

And you believed your mentors in dental school when they said all you have to do to be set for life is stick to the tried-and-true career and retirement path that every dentist before you walked.

But just as the tools and techniques of the craft have changed over the years, the entire landscape of dentistry is evolving before our eyes.

That means in order to get the most out of your dental career, ***it's critical that you experience a mindset shift so that you can think and act like an entrepreneur.***

It means embracing a better path forward so that you can experience freedom.

Freedom to navigate your career on your terms and live the lifestyle you want with the financial security you need to support yourself and your loved ones, for generations.

And that's exactly what we teach you at our LIVE Become the DSO Mastermind.



BTDSO Mastermind

December 2-3rd, 2022 | Dallas, TX

Join us to learn how to think differently so that you can put your most valuable assets - your time and your knowledge - to work and build wealth beyond what you ever thought possible.

REGISTER NOW FOR OUR LIVE BTDSO SEMINARS TO LEARN HOW OUR 275+ STRONG DENTIST-OWNED DSO IS PUTTING DENTISTS BACK IN CONTROL OF DENTISTRY.

My good friend Emmet Scott has a saying that I love – “We’re not really doing billing, we’re not really doing revenue cycle management. What we’re doing is preventing fraud, waste and abuse.” Revenue cycle management can’t be patched haphazardly; this is a critical pillar of your organization that must be done right to be successful.

Measuring the right KPIs

Measuring appropriate key performance indicators is essential to the success of any revenue cycle management program. Whatever needs to be changed first has to be measured with scientific data about your practice.

It is advised to opt in to an Electronic Funds Transfer (EFT) option to receive your money quicker electronically and to have a documentation of the EOB that lives on the cloud forever.

Key performance indicators show us that what we’re seeing is not perception, but reality. You could claim to have the best billing department in the whole world, but the data could tell a different story. Likewise, you could claim that you have the worst billing department in the whole world, and the data could tell you the opposite. The only real and accurate judgement of quality is with numbers.

Track KPIs like collection to productions ratio, adjustments to production ratio, days of sales outstanding, aging to production ratio, etc.

There will be some variations based on where you are, so don’t forget to take geographical factors into account. Your payer mix will make a difference as well: practices high in Medicaid patients will have different results than those who have a high number of PPO patients.

Establishing standard operating procedures

To truly get your organization started on the right foot, whether you are implementing revenue cycle management or not, you need to establish standard operating procedures for your entire team. While it might look different person-to-person and role-to-role, everyone on your team needs

a set of standard operating procedures to understand the parameters they should operate in.

Establishing standard operating procedures will unify the efforts of your entire team, aligning their work towards a common goal: operational success. The revenue cycle management process needs standard operating procedures to ensure that all your finances – incoming and outgoing – are being documented promptly and accurately.

Not only will standard operating procedures align the work of your team to the goals of your company,

but it will also ensure that any new team members coming in will know the expectations and processes required to work with your organization. Speaking from experience, once we standardized how things were done, errors went down significantly. Without the proper protocols in place, it’s very possible that your hard-earned money is going straight out the door.

There are 5 main phases of Revenue Cycle Management:

1 Eligibility Verification. Data gathered from a standardized form called “incoming patient information sheet” is used to start the verification process, usually a couple of days prior to the patient coming in.

2 Claims Submission. When the patient comes to the practice, we will take care of the procedure, whether it’s hygiene or a treatment, and we must make sure that whatever done clinically is correctly documented in the chart and in the ledger. Then the claims are batched and sent to the clearing houses.

These charts and ledgers must be accurate and up to date to make sure that your doctors and your organization is in compliance. A huge part of that is making sure that the doctors are making accurate and clear notes to properly document every step. Without that documentation, you risk not meeting the standards of the industry. Non-compliance is a huge risk to your organization and your entire team, so it’s critical that all of this information is accurate and up to date.

3 Explanation of Benefits (EOBs) processing. Once the insurance company verifies your claim, they issue a check attached to an explanation of benefits sheet. At this phase, your team logs the payments made to reconcile with the patients' accounts and handles denied claims with the insurance companies.

It is advised to opt in to an Electronic Funds Transfer (EFT) option to receive your money quicker electronically and to have a documentation of the EOB that lives on the cloud forever.

4 Aging Analysis & Rectifying. This is the crucial stage where we analyze the reasons the patient accounts have aged. This data is used

to create a preventative process to avoid the issues from happening in the first place. An aging analysis report is advisable to make this data consumable.

5 Auditing. A system without an audit is like a speed sign without enforcement by the traffic police. Your system will have little value without the proper audits and follow up.

Remember that you cannot improve what you cannot measure, and you cannot measure what you cannot define. Work on your KPIs, systems, and processes, and don't forget to audit them. You don't have to be great to start, but you have to start to be great. ■



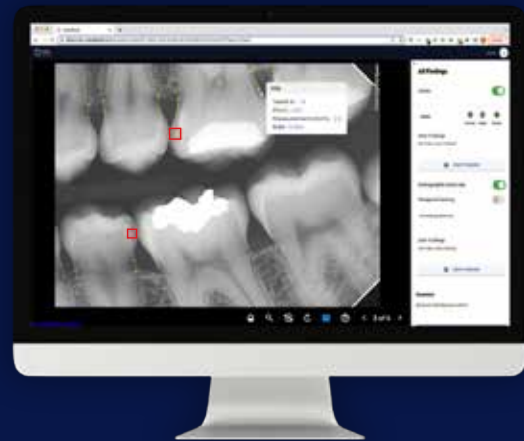
Tarek Aly practiced Dentistry and Periodontal surgery for years while simultaneously working in Management and Marketing. His expertise includes M&As, Business Valuation, Human Resource Management, Business Operations, Dental Organizations Management, and Dental Support Organizations platform development and management. He is currently the Chief Operations Officer/Co-founder of OrthoDent Management LLC.

FASTER DETECTION + IMPROVED CONFIDENCE

"The company has truly addressed the needs of the market. Between the power of the AI and the seamless integration into workflows, VideaHealth was the obvious choice for our practices."

Dr. Margarita Panajoti, DMD
New England Dental Group

Experience the benefits
of AI-powered dentistry.



Transforming Dentistry Through AI

WWW.VIDEA.AI

**Videa Caries Assist FDA 510(k) clearance achieved on 04/21/2022*

How to Scale

Choosing a growth strategy that works for your unique organization. BY JD STACEY, CHIEF GROWTH OFFICER, COMMUNITY DENTAL PARTNERS



Choosing a growth strategy isn't always as big of a challenge as we make it. Sure, it's important to find a strategy that fits your vision, mission, and goals, but there isn't a right or wrong answer. Perhaps even more importantly, what you do for one part of your growth journey could be entirely different from what you do for another part of your growth journey. Just because you start out with acquisitions doesn't mean that you must keep doing acquisitions for the rest of your career.

At Community Dental Partners, we have run the gamut of ways to expand our organization. We have used a combination of acquisitions, de novos, and even partnerships to get where we are at today. We have some incredible things ahead of us, but it's taken an enormous amount of work, and

several different strategies, to get here. As our CEO Emmet Scott says, "We are a 13-year, overnight success."

Before you can make an informed decision about which path you want to take on your growth journey, it's important to understand the value in each approach: de novos, acquisitions, and partnerships.

The value of de novos

People often ask me questions like, "Why do you do de novos? Why do you do acquisitions? What's your strategy?" When I consider what building a de novo actually means, I remember that it's where we started. Our first 10 practices were de novos, and most of the facilities we built were huge – incredible facilities that were anywhere from 5,000 to 7,000 square feet, with play gyms and movies to make the patient experience (especially for kids) better.

We really wanted to take on the psychology of dentistry, removing any barriers that would keep people from getting excited about walking in the front door. Because we had a lot

CANDID

Expand your DSO's clear aligner capabilities

An easier way to drive excellent outcomes

Want to seamlessly integrate clear aligners into any practice?

Meet CandidPro: an orthodontic system exclusively for dental practitioners.



Get started at candidpro.com

CLINICAL CONSISTENCY

Standardize treatment protocols across all locations to drive consistent outcomes.

HARDWARE COMPATIBILITY

Deliver top-tier treatment plans using any intraoral scanner.

STREAMLINED SUPPORT

Offload non-clinical support to our Care Team via CandidApp™, the #1-rated app in clear aligners.

ORTHODONTIC EXPERTISE

Get treatment planning support for every case from our US-licensed orthodontists.



“

CandidPro gives DSOs centralized treatment planning through user-friendly technology. The results are consistent, so there's no miscommunication between doctors.

”

Dr. Roshan Parikh, CEO, dn1 bar

of pediatric patients, our main goal was that kids would be crying because they had to leave – not because they were showing up. De novos were a no-brainer for us because we wanted to be able to build something that falls into a clinical alignment with what the clinicians wanted to do.

De novos are an important competitive advantage, and one of the best returns on your money that you are going to get. One of the downsides of de novos is that it can be difficult to get funding, especially once you get to a certain size. After you grow to a certain size, banks will start to get nervous and could start to turn you down.

The value of acquisitions

With acquisitions, the growing pains of getting new financing, constructing facilities and getting patients aren't nearly as difficult. By acquiring the existing patient base, which means that you are also acquiring an existing flow of cash, the banks have an easier time working with you in these scenarios.

Some of Community Dental Partners' first acquisitions were 11 practices in Texas. Our team was very confident that what we were bringing to these practices was amazing. An amazing culture, incredible benefits, and a solid organizational structure. When you looked at everything on paper, it seemed destined to work. We had about 50% turnover in those practices, including a bunch of the managers.

We go into every acquisition with the goal of retaining everyone. It doesn't always work out that way, but it's always the goal. The reality is that turnover is likely going to happen with an acquisition, no matter what. Despite the fact that you could be creating a better work environment, it's coupled with a different set of standards and expectations that some people are going to have a hard time adjusting to.

It's that change in processes, management, and culture that can leave people shell shocked and create the most friction in these scenarios.

Through our partnership program, we have the opportunity to train young associates with what is essentially an MBA program. We usually start at the recruiting stage, gauging interest on any potential partnership candidates.

The value of partnerships

Most of the "acquisitions" we do at Community Dental Partners are the partnership route, but there is an important distinction between acquisitions and partnerships. Partnerships are the most challenging growth strategy because they're practically marriages. It's the act of "sticking around," in a business sense.

You will be leading with and working with this person, making difficult business decisions together because, as a partner, they are a huge part of that process. Through our partnership program, we have the opportunity to train young associates with what is essentially an MBA program. We usually start at the recruiting stage, gauging interest on any potential partnership candidates. But we don't make any of those decisions lightly because a partnership relationship is so significant to the success of the business.

We are very careful about this process, because we hired a "false positive" through our early partnership process. He understood the business and had a vision for what he was going for, but he was ill-equipped to handle the roller coaster ride of partnering on a business venture. Partnerships can be an incredible opportunity, but it requires both sides to literally step up to the plate and deliver what's required to keep the business running.

At the end of the day, there's no right or wrong growth strategy for your business. As long as your organization is growing at a healthy pace, your associates and their teams are happy, and you are making a profit, making the choices that make the most sense for you. ■

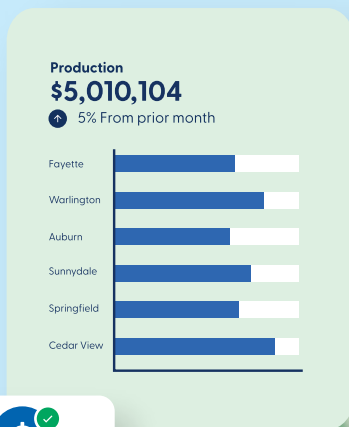


JD Stacey

As one of CDP's co-founders, JD Stacey drew on his many years of experience as a counselor to help create an organizational company culture in which employees and patients could thrive. He is currently the company's Chief Growth Officer.



“About a year ago we were producing about \$26 Million per year. **15 months later we’ve had a \$10 Million growth.**”



Payments received
\$10,241



Patient Chat

- Laura Williams** 9:00 AM
Hi there Laural...
- Zach Hernandez** 8:45 AM
We will see you then!
- Danielle Perkins** Jun 29
Hi Danielle! Just a friendly...

www.dentalintel.com/enterprise

Williams Dental
 Lamar, CO

Reason for visit:
 Patient Emergency - Tooth Pain

Next Opening:
 Today at 8:20am

Insight and tools for every level of the organization

Accurate, Actionable Data

- Individual & Multi-location Reporting
- Provider Pulse
- Call Insight
- Cloud-based Access
- Smart Schedule
- Patient Finder
- Follow Ups

Automation that Scales

- Forms & Consents
- Reminders & Confirmations
- Automated Recalls
- Virtual Check-In
- Payments
- Online Scheduling
- Patient Loyalty Program

Improved Visibility and Communication

- Morning Huddle
- Team Chat
- LiveOps®
- Mobile App
- 2-Way Communication
- Mass Communication
- Voicemail Drops

www.dentalintel.com/enterprise

The Right Partner

Why finding the right banking partner is critical to securing the kind of debt financing that your practice needs to grow. BY PETE MERCER



Securing financing for a business venture is always a complex process that requires due diligence on both sides of the equation. This is especially true of healthcare and dentistry, because of the extra compliance regulations that other industries might not have.

Securing financing through debt

Even though the dental industry has proven in the last 12 to 15 months that it's bounced back from the pandemic, bank appetites don't bounce back as quickly. Most banks

won't have the appetite to lend in that kind of environment where there's a lot of uncertainty in the financial markets.

One approach DSOs can use is private equity debt funds, which differs from private equity investment

funds where they are purely placing debt and not taking an equity stake in the DSO. This approach has pros and cons to it. One of the pros is that since they are not a commercial bank subject to all the regulation that banks are, they allow higher leverage. They also understand risk on a more granular basis than banks, which can help you to get higher facility amounts.

The downside is that it's a higher risk and more expensive. Private equity investment funds have much tighter and more comprehensive reporting requirements as well. With debt funds, they want monthly financials and monthly certifications, requiring a different data set than most banks. Not only the balance sheet and income statements, but they want a statement of cash flows. Your organization may need financial reporting expertise to provide that information. Additionally, where a commercial bank might have about five questions for you with each reporting package, you should expect to get 10 to 20 questions each month that will require granular explanations.

What it takes to raise debt funds

The most important attribute to have is a proven track record, which is tougher for emerging practices. Some groups might be running up to five practices really well, but once you get up to 10 or 15 practices, it's

a completely different animal. The traditional bank debt route is going to be more restrictive on the amount of capital that they will give you. They have a much lower risk tolerance, so it will be a much slower process to get things moving.

These institutions will also be looking to see if your DSO is compliant on a regular basis, regarding things like legal structure, management agreements, and operating agreements. That gets even more complex because regulatory requirements vary by state – so if you’re operating in multiple states, they will be checking differing qualifications for compliance.

Finally, the bank will want to ensure that there are no cash leakage points within the structure of your organization. If there are leakage points, that cash will still need to go back to the DSO to pay that credit facility back.

There aren’t many DSO specific lenders out there, especially when you consider that healthcare is a specialty lending industry. Dentistry is a niche within healthcare, which makes DSOs a niche within a niche. For banks to execute on DSO lending, you need to find DSO specific healthcare experience lenders to be able to run that group for you.

There have been plenty of stories of banks that have gotten into

the DSO world, but they try to use regular GNI lenders – generalists that are being pushed to work within the highly specific healthcare lending space. The next thing you know, those banks have a portfolio of healthcare deals that are either poorly thought out or poorly structured. This leads to losses, and these banks are out of healthcare in a matter of years.

Finding the right banking partner is critical to securing the kind of debt financing that your practice can leverage into a growth opportunity. Doing your due diligence and having patience for the process is all a part of the journey. ■



My DDS LAB
Go digital. Get better results.

Save time and money with our complimentary, comprehensive case management portal, **MyDDSLAB.com**. Use it online or through our mobile app.

Use MyDDSLAB.com to...

- ✓ Submit your prescriptions online
- ✓ Manage and create shipping labels
- ✓ Track cases in the production cycle
- ✓ View account balance and pay invoices online
- ✓ Access and search your case history
- ✓ View and upload case photos

MyDDSLAB mobile app is designed to save you time.

- ✓ Instantly view color-coded status updates, so you know what stage of production your patient’s case is in and when to contact the lab
- ✓ View and upload case photos

How can MyDDS Lab help my practice?

- Reduce Rx errors
- Minimize production delays
- More consistent patient scheduling

Get started with MyDDS LAB
Visit go.ddslab.com/myddslab



MKTDOC012 Rev A 09/22

The Future of Top-Line Revenue Growth

Three trends to watch, and how revenue growth is a team goal. BY MARGARET MCGUCKIN, CO-FOUNDER & PRINCIPAL, I3 IGNITE

There is no issue more important to your dental group than increasing top-line revenue. Top-line revenue is the most important thing for you to focus on because it creates value for your business – the kind of value you need for your organization, which is consistent and accelerated growth in revenue.

I am the co-founder and principal of a consulting firm called i3 Ignite, where my business partner Kathy Lynn-Cullotta and I advise businesses that are in growth and scaling mode in a variety of industries. We work with companies who provide services like dentistry and suppliers who are trying to build customers and revenue.

What I'm hoping to accomplish here is to get you to think differently about your business, and more specifically to think about what you could do differently in your organization to impact revenue growth. I want you to walk into your office and have a better understanding of how you can generate and leverage top-line revenue growth that will yield the results you need for your organization.

Three trends impacting the future of revenue growth

I believe there are three trends that are impacting the future of revenue growth. For group practices and DSOs, those trends are consumerism, competition and technology.

When I was at ClearChoice Dental Implant Centers seven years ago, we



were pioneers in direct consumer dentistry. Consumerism was this tiny trickle that we were trying to tap into, but now consumerism is practically a tsunami. It's here, in a huge way.

Even specialty practices are not immune to consumerism. There are specialty practices who have traditionally relied on referrals for their revenue growth, that are finding that their revenue growth dollars year over year are coming from their direct consumer efforts.

Five years ago, were there nearly as many strong DSOs and large group practices as there are now?

The competition was very different from what it is today. There are very strong brands out there today that are all actively competing against each other, and the competition is growing every day. I guarantee you that there is more in the wings, ready to join the fray. We are not done with new start-up DSOs.

Technology is a tremendous gift for modern DSOs and large group practices. The right technology can increase the quality of care that you provide, while decreasing your overhead costs. Additionally, it can continue to raise the engagement you have with both consumers who are not yet your patients and your current patients. Technology acts as a sort of silent business partner – the best pieces of technology aren't attention grabbing, but they do incredible things to move your business forward.

The revenue equation is something that most of us are probably familiar with. You need to interest people in your practice, get them to contact you, convert them to be your patient, and retain them over time. This creates revenue for your practice. While this might have been easy at one point, those three trends are making it more difficult every day to operationalize increases in revenue. It's only going to get more difficult as we move into the future.

Dykema. The clear choice for DSO legal counsel.

The dental industry is undergoing a great evolution and consolidation, and the industry-leading Dykema DSO team has been there from the very beginning. Whether you have a business opportunity or you face a legal obstacle, you need an experienced team that knows the industry to help guide you toward success.

Clients turn to us for comprehensive counsel and representation on a wide array of sophisticated matters, including:

- Transactions
- Regulatory Compliance
- Litigation
- Real Estate
- Contracts
- Brand Protection
- Intellectual Property
- Tax
- Labor and Employment
- Estate Planning

No matter where you are in the DSO lifecycle, Dykema's national team can help. Visit DykemaDSO.com or reach out to us at DykemaDSO@Dykema.com.

TENTH ANNUAL DEFINITIVE CONFERENCE for DENTAL SERVICE ORGANIZATIONS

July 19–21, 2023 • Gaylord Rockies Resort • Aurora, Colorado • dykemadso.com

Dykema

LEADING LAW FIRM IN DENTAL SERVICESSM

California | Illinois | Michigan | Minnesota | Texas | Washington, D.C. | Wisconsin

© 2022 Dykema Gossett PLLC Attorney Advertising

Higher value procedures

Another strategy to generate and leverage top-line revenue growth is to think through your higher value procedures strategy. Here are three easy steps:

No. 1: Categorize what a high value procedure is in the practice. Develop the criteria for what a high value procedure is. Over \$1,000? Over \$5,000? Over \$20,000?

No. 2: Using data, identify where the strengths and weaknesses are today. What percent of procedures fall into the

high value category? If you're a referrals-based practice, who are your best sources of high value cases? If direct to consumer, what sources/leads are most qualified? What's the conversion rate on these cases vs. all other cases? Who's the best at converting high value cases? Exactly what are they saying and doing? What can others in the practice learn from them?

No. 3: Create your Opportunity Statement.

An example of an Opportunity Statement: "How can we increase our high value procedures by X% in the next Y months?" Develop the Opportunity Statement as a team. Then, create a very simple action plan: who's going to do what, by when, etc. And, hold each other accountable.

How to continue generating revenue

Part of the challenge that business leaders have in generating revenue for their organizations is not understanding your market. Who is your target audience and how can you better serve their needs? This is especially important for dental practices, because your target demographic can change from practice to practice based on where you are located and what specific services you provide.

When you have a really sharp focus on who you are targeting, you'll have a better chance of reaching them through all the noise of the competition. You need to know

what your target market is looking for, and you should have an intimate understanding of what makes your practice unique.

Another thing that emerging practices really need is to focus on keeping the virtuous cycle going. The virtuous cycle starts with a single occurrence, like a happy patient. That occurrence causes something else, and each positive occurrence will start an upward spiral, continuously improving your business.

One of the most important things for emerging practices and DSOs to understand is that sales is not a dirty word. It doesn't mean that you are presenting treatment plans that are either unnecessary

or not right for that patient or condition. What I'm referring to is the consultative selling approach that uses the patient's needs to really drive the conversation.

It's everyone's job to provide revenue for the practice: the front desk, the doctors, dental assistants, treatment coordinator, and patient education consultants. When everyone works together towards a common goal (i.e. generating revenue), everyone is responsible for the success of your practice. If your team isn't using daily huddles to brief one another about sales and revenue opportunities for the day, then you are not using your huddle time effectively. ■

Margaret McGuckin is an expert in growth – whether it's turning around a situation to get back on the growth track or scaling quickly. Her passion is getting results in a way that's sustainable, which she's done successfully as a C-level exec in both Fortune 100 companies and startups.

Quick! Help Your Bottom Line Stay Healthy

Medusind QuickVerify™
technology + our super-knowledgeable staff =

Increased
revenue for
your group

Time savings
for your staff

Accurate insurance
information in your
practice management
system



We deliver 45,000 insurance verifications
every day for our clients.

For 20 years, Medusind has been there to support dental groups all across the U.S.



Eligibility Verification & Claims Statusing



Billing



Payment Posting, Adjustments, and Denial Management



Credentialing

Trusted by industry
leaders including



PACIFIC
DENTAL SERVICES

AspenDental




Dental Care
Alliance

DECA
DENTAL GROUP

Contact Us to Learn More

 800-407-0106

 [Medusind.com](https://www.Medusind.com)



Medusind 

DSO Growth Through Debt Financing

Banks should be a partner to dental groups as they grow. BY DANIEL BEAIRD



A relationship with a bank shouldn't be transactional. A bank should understand a dental practice and business, be a partner to it, and know how it wants to grow. Live Oak Bank, headquartered in Wilmington, N.C., serves small business owners in all 50 states and has worked with emerging DSOs in raising debt financing to help dental groups grow and scale.

"If your relationship with your bank feels transactional and you have to provide the same information every time that you're doing an acquisition and it takes three months to close, that's probably not going to be a relationship you want to stay in as you scale," said Mike Montgomery, Senior Vice President of healthcare and middle market lending for Live Oak Bank.

A dental group should always have a conversation with a bank about their goals. What's the plan? What's the vision? What's the time-frame? Dental group owners should have a list of financing questions ready for banks to answer.

"As a dental group begins to scale, prepaids can become a pretty big issue for them," Montgomery added. "If you're going to outgrow

a bank at some point, you need to have that discussion so that prepayment penalties do not hamper growth when it is time to refinance should that bank not be able to scale with you. You don't want to be stuck with that one lender and they tell you at close they can't lend to you anymore, and you have a three-year prepayment penalty on that loan."

Montgomery said interview your banker and several more. Find out what's the best for you. It might be personality. It might be how far they're willing to grow with you.

"So just as if you were interviewing someone to hire into your practice, you need to do the same with your banking relationship," he said. "We often talk to folks three to four times before we even start looking at financials, and often we meet them in person. So, it's important to the bank too."

Structuring the debt financing

Montgomery said a lot of dental groups come to Live Oak Bank not expecting any personal guarantees. They want to have a loan without recourse, and he said, "we can maybe get to that level, but if you're at \$2 million in EBITDA, we're going to still need to grow because you have a lot to still do with building out the infrastructure and continuing to

straumanngroup



 **straumann**[®]

 **NEODENT**[®]
A Straumann Group Brand

 **MEDENTIKA**[®]
A Straumann Group Brand

clearcorrect

CARESTACK



grow those practices. To us, it's typically \$5 million in EBITDA when we can possibly do a burn off."

That means there's a personal guarantee and once the next threshold is hit in corporate EBITDA, there are quarterly compliance covenants. "Maybe we have a set-in-stone that once you get through six or seven covenant periods which you're in compliance, plus we can reduce or completely remove that personal guarantee," Montgomery said. "We're going to work with you as you grow and scale, and covenants are going to start becoming more important. For us, it's always been about cash flow and leverage."

Senior leverage and a total leverage covenant

Montgomery said typically banks aren't willing to go over about three and a half times on senior leverage. "It's not a black and white credit box but it depends on a number of things regarding your enterprise," he said. "What is the current infrastructure, what's your EBITDA, what are your margins and what's your organic growth? Typically, you're going to see a senior leverage that's a debt-to-EBITDA ratio around three and a total that could be four, even five times. That gives you a little flexibility as you're trying to grow and scale your practices."

He said there are two leverage points Live Oak Bank looks at: senior leverage and a total leverage covenant. "Senior debt to EBITDA ratio, meaning first lien debt with your primary lender, the bank will often require this first position on the management company and those operating companies," he said. "Then

there's a total leverage covenant – including both senior debt plus any additional subordinate debt related to the business – maybe there are some seller notes or equipment financing through a Patterson, Benco or Henry Schein (commercial real estate debt is excluded from this calculation).

Syndication participation, plus private equity groups

With banks' individual lending thresholds in play, some banks have partnered together on opportunities where dental groups are growing. "They may exceed the legal lending limit of one bank as they scale. However, this does not necessarily prevent the bank from continuing the relationship. As the agent bank, we bring in other lenders to share in the credit, often called a syndication or participation where one bank is the lead for servicing and the others

come in behind as silent partners and provide additional debt. So, there's a way to scale without going to private equity before they are ready."

"But we're also working with a lot of private equity groups," Montgomery continued. "We like what they have to offer. A lot of groups prefer using private equity at an earlier stage if their growth plan is faster than most banks can keep up with, with debt alone. We're seeing once you get into \$20 million in EBITDA, it's 12 to 16 times multiples and that can happen in a three – to five-year span."

Montgomery said it's important to network because no one has gone through this by themselves. "There are many people in the DSO industry that have done this before and they are willing to share that secret sauce," he said. "Interview different people. You'll get some best practices and it's going to help you." ■

About Mike Montgomery



Mike is SVP – Healthcare Sponsor Finance for Live Oak Bank. He works in Live Oak's Specialty Finance division, providing solutions to middle market clients and sponsor finance. Mike's background is in healthcare mergers and acquisitions with a concentration in the Dental Service Organization sector. Currently he works with groups

ranging in \$2 million to \$20 million in EBITDA. Previously, he worked with Live Oak's healthcare team as a senior loan officer, where he developed business strategies in lending to the industry and structured loans to doctors and dentists for expansion, construction, commercial real estate and various other business purposes. Mike joined the Live Oak team in early 2013 after seven years with SunTrust Bank. Mike has a business degree in finance from the University of North Carolina Wilmington.



The Nation's Leading Platform for Dental Billing

READY FOR INCREASED CASH FLOW?

We help you collect 100% of what you're rightfully owed.

\$9.34 BILLION

We have collected more than \$9.34 billion from insurance companies.

Delivering
PEACE OF MINDTM




Scan here to learn more!



dentalbilling.com
1-844-eAssist / hello@eassist.me

The Value in Building Core Values

Evolving the strategy and messaging are key to building strong core values through growth. BY DANIEL BEAIRD

As an emerging DSO grows its business, its strategy and messaging must evolve. Patrick Nelson, Chief Financial Officer of Salt Lake City-based Platinum Dental Services, knows that firsthand. Platinum Dental Services was founded in 2012 and he joined in 2015.

“In the early days, our training focused on metrics and pre-appointment hygiene rates as well as new patients, retention and average daily production,” Nelson said. “All of those metrics are very important, and they help drive success if you get them right. But if the focus is solely on metrics, it isn’t very inspiring to other people. So, last year, we got really serious about defining our core values.”



Patrick Nelson

Platinum Dental Services started documenting its core values around service, teamwork, humility, education, family and relationships.

“We gathered a lot of feedback from our partners,” Nelson said. “And we went on a tour across all our locations.” That’s 23 locations in total with 17 in Utah and three in Colorado.

Working toward a common goal

Platinum Dental Services drives better performance working toward a common goal. “For example, if we want to talk about patient retention and case acceptance, let’s not talk about the metrics. Let’s talk about what impacts the metrics and that’s patient experience. Let’s treat the patient great and make sure they feel comfortable,” he said.

A lot of metrics fall into place when core values like these are focused on. Nelson found that they get more emotional buy-in from their team members and doctors these days, and that creates a unifying voice.

“People knew what we stood for and that built up our goodwill,” he said. “We should have focused on our core values sooner than we did, but I think that’s a common mistake among many DSOs. Our core values have aligned our shared vision and goals, resulting in changed team behavior.”

Nelson said you must believe your core values, and you have to talk about them, otherwise they can become just another poster on the wall. “We had team members, at times, call us out about that,” he said.

That’s a good thing, according to Nelson. He added it shows that Platinum Dental Services’ core values resonate with its team members. “It requires effort and time, and you have to talk about your core values to make sure you remind yourself and your team members what we believe,” he said.

Setting the right expectations

One of the biggest mistakes emerging DSOs make is failing to set the right expectations for its team from the beginning. “In the early days for us, for example, our expectations, agreements and contracts with some of our doctor partners were pretty loose,” Nelson said. “They weren’t very explicit as to who does what and how the economics were split and how we made decisions about investing in new equipment and new software. In most cases, we’ve resolved that. In other cases, it’s ended poorly. But as the business evolved, our strategy and partnerships evolved.”

Nelson said setting the right expectations goes beyond the day-to-day business of the practices and into hiring the right people. “When hiring, we used to like highlighting the positives – we’re going to grow this practice, you’re going to love it, you’re going to get along with the team members, and you’re going to add so much value – but sometimes we set the wrong expectations by not

highlighting the hard work. That’s something we’re trying to resolve and correct right now.”

Doctor partnership agreements at Platinum Dental Services have evolved with a more professional tone and there’s more investment in training its team members.

“We’re trying to set the expectations of what this job actually looks like during the training process,” Nelson said. “That makes us better and stronger.”

Doctor partnership agreements at Platinum Dental Services have evolved with a more professional tone and there’s more investment in training its team members.

Challenges change over time

Nelson said any business owner or DSO must think through their business model and as it evolves, really think through communicating transparently with all its stakeholders to make sure that they are all aligned toward the same goals.

“Challenges are different over time,” he said. “When we had 10 locations, we were very different than we are now.”

“The current challenges are shared expenses as we get larger and the allocation of those expenses,” he continued. “We have better, stronger purchasing power now. We have shared expenses, and our regional managers work across multiple locations with specialty supplies, specialty suppliers, shared marketing

budgets and shared marketing campaigns. Those are accounts of scale.”

That requires better reporting, communication and controls on the accounting side to make sure the shared costs are allocated correctly across locations.

“In the early days, we were trying to get our chart of accounts consistent across all locations,” Nelson said. “If you’re a smaller, emerging DSO, I strongly suggest you do that. You want all of your profit and loss

statements across all locations to look the same. If you’re going to report non-doctor compensation, you want to report that consistently.”

Today, Platinum Dental Services targets struggling dental practices to take over and avoids the kind of bankrupt dental practices it took over in the past. The practices must have a patient base with more than eight operatories and a history in the community, but are underperforming. That could be a practice with \$500,000 in annual revenue to \$1.2 million, depending on its number of providers.

“We feel like we do a good job at taking those mediocre practices and turning them into successful multispecialty practices,” Nelson said. “Given the right practice, we can dramatically improve operations and financial performance.” ■

A TASTE OF DEO SUMMIT

11 Resources From The Most Powerful Event In Group Dentistry

The DEO hosts the most powerful event in group dentistry every year: DEO Growth Summit. This resource curates some of the most revolutionary and inspiring training and resources from past Summits given by top leaders in the industry.

Inside, you'll gain these proven tactics to:

- Hire, onboard, and retain top associates and staff
- Implement the right systems and KPIs to increase profitability
- Duplicate yourself and break free from the chair
- Effectively communicate and combat burnout
- Develop leaders so you can let go



**CLAIM YOUR 11 FREE
RESOURCES HERE**

Bon appetit! →



SCAN ME



ON THE MENU

APPETIZERS

DENTAL GROUP GROWTH STRATEGY RESOURCES

- 5** Templates & Checklists To Save Time & Increase Productivity
- 3** Get out of the chair dental entrepreneur case studies

MAIN COURSE

FAN-FAVORITE PRESENTATIONS

- 3** Dynamic "how-to" grow your dental company sessions
- +** Inspirational tips to reframe setbacks & push forward

DESSERT

ENJOYMENT & NETWORKING AT BEAUTIFUL LOCATIONS

- +** A peek into the fun & collaborative Summit atmosphere



Healthy Net Production to Collection Ratio

Editor's note: **The DSO Secrets:** *Dentist Entrepreneurs Growing Dental Organizations Facebook page is a place to find resources, networking opportunities, information about upcoming industry events, and a forum to ask fellow dentist entrepreneurs questions you may have about running your business. The following was a recent discussion among DSO Secrets Facebook page members.*



Vincent Crump asked: What do you consider a healthy net production to collection ratio?

A few of the DSO Secrets Facebook page members responses:

Patrick C Arnold: It depends on if the practice is multiple specialty and accepts DMO. But we typically range between 95% to 98%. This is a good high-level metric, but I would first focus on your RCM team and their process.

> **Crump:** I totally agree Patrick. RCM is 9 times out of 10 the biggest area of opportunity I see when I do an assessment of a client. One of the first things I always coach.

Ashley Imperialy: 98% or above.

Matthew Standridge: 98% + is the goal. Alarm bells go off if under 96%.

Russ Morrow: Heartland sets our thrive number for 98%.

Michael Bonanno: Over 100%. The office should be pre-collecting.

> **Danielle Cuthbertson:** 100% you're not taking enough risk – you are letting dentistry walk out the door.

Tanner Applegate: This is a terrible metric. Don't measure it. It will give you false confidence in your RCM process.



Beyond Outsourcing



LOCK IN 2022 RATES

Revenue Cycle Management

Hygiene Recare

Insurance Verification

Billing Support

Director of First Impressions

Unscheduled Treatment

Reactivation of Patients

Appointment Confirmation

Patient Scheduling

Accounting/ Bookkeeping

Spanish Speaking Call Center Opening March 1 2023

THE **LEADER** IN PRODUCT SOLUTIONS FOR GROUP PRACTICES

VOCO
THE DENTALISTS



TO IMPROVE PATIENT AND CLINICIAN SATISFACTION!



The Preferred Group Practice Partner for Clinical and Supply Overhead SOLUTIONS

- VOCO offers a full range of competitively-priced restorative, preventive, CAD/CAM materials and more
- Reduce supply costs with products that provide crossover indications
- Award-winning products that deliver proven results to maximize patient quality care
- Simplified procedures to drive clinician satisfaction with innovative products
- Deliver added value to your team through VOCO's extensive and customizable continuing education options

OVER 100 YEARS OF EXPERIENCE AND KNOWLEDGE LED BY:



John O'Neill
National Director of Special Markets

46 Years of Experience
John.ONeill@voco.com

Products that offer proven **PERFORMANCE** for Group Practice Needs!



Call 1-888-658-2584

VOCO · 1285 Rosemont Drive · Indian Land, SC 29707 · www.vocoamerica.com · infousa@voco.com

VOCO
THE DENTALISTS