



# IS IT TIME TO MAKE A CHANGE?

by ERIC J. MORIN, MBA

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As we look at the dental market, one thing we can say for certain is that the environment is changing. We know that dental business owners are becoming more sophisticated, teams are being better trained, and systems are becoming more and more crucial.

It is critical to look at your business and decide whether it's time to make changes so that you can reach the next level.

The chart to the right shows the lifecycle of a dental practice and what revenues look like during each phase of business.

The first thing you need to determine is where your practice is in its overall lifecycle.

### Lifecycle of a Dental Practice



**What have your practice revenues looked like over the last few years?**

**Have they increased?**

**Have they declined?**

**Are they staying the same?**

As you're reading this, stop for a moment and consider these questions. Then determine where your business falls on this chart. Look at the last three years, and then plot that information on the chart.

Many doctors are selling their practices because they have waited until their business is in decline to make a change, even though decline is the hardest phase in which to make a change. Ideally, businesses should make changes in the growth phase, to prevent the business from leveling off. A business needs to constantly improve its overall look and feel, equipment, systems, talent, and mix of procedures/services.

Each distinct phase has its own set of unique challenges, which, if managed properly, can all be overcome.



## **STARTUP PHASE:**

The startup phase of a dental practice is an exciting time. Usually, most if not all of the equipment is new, the office has updated décor, the staff is excited, and if the practice is marketed well, there tends to be an initial surge of patients. This is also a time of experimentation, finding which systems work well and which ones do not. Typically, a dentist in the startup phase is excited to launch his

or her business and cannot wait to see what the future holds. It is also a time of uncertainty, because there might be a fluctuation with revenues as the business builds its loyal patient base.



## **GROWTH PHASE:**

The growth phase is when you will see the most increase in activity, new patients, and overall excitement about your office. This is the ideal time to make large reinvestments and changes, though it may seem like there is no good reason. If things are good, why risk changes?

One example is Netflix. The company revolutionized the at-home movie watching experience by sending DVDs straight to your home, removing the inconvenience of having to go to the store. The concept stole most of the market share away from Blockbuster, yet during this tremendous time of success, Netflix changed their platform to streaming content. It would have been easy to relax, get complacent, and feel like, "We've got it made." This change, during a growth period, yielded an unprecedented level of success that transformed the industry.

**"You should make reinvestments and changes in the growth phase."**

During tremendous growth, it is easy to become comfortable. However, this is when you must make the biggest reinvestment and changes in your office, whether in the areas of equipment, team

training, systems, or marketing.



## **MATURITY PHASE:**

The maturity phase is when revenues are steady, new patients have leveled off, and the business seems to be in control. At this point, ask yourself: Can I continue to expand in the current space? What will it take to continue to grow and make sure my long-term plan is in place?

During the maturity phase, it is easy to become complacent. Often, doctors in the maturity phase feel happy with their business and therefore do not have a desire to grow. Employees may have been on staff for some time, and they are accustomed to a "certain way of doing things." This mindset makes changes uncomfortable. You may have a tremendous amount of pushback from staff, and forced changes can lead to turnover. Due to this difficulty,

many doctors decide not to make changes in their business during the maturity phase. However, this is when change is needed the most.

The maturity period is a great time to bring new enthusiasm into the office environment. You can utilize the brand that you have built with your patients to increase referrals and community involvement. You will find that even with





pushback from certain staff members, others will be ready to jump in and assist.

There is a saying in business: "If you're not growing, you're dying." In the maturity phase, you will see more patient attrition over time, and you must reinvest in your practice to prevent your business from entering the decline phase.



## DECLINE PHASE:

During this phase, the business sees fewer new patients, and more patients are leaving. Oftentimes, the office has aged, and it shows. There tends to be a feeling of uncertainty about how to fix things, or that repairs and upgrades are not worth the headache. This is the most difficult time to make changes, and change could require quite an investment. A dentist may feel that owning the business is no longer fun or fulfilling. Doctors tend to sell their practices, as a result.

No matter what phase a dental practice is in, there needs to be forward motion. Many times, when things are going well, we tend to get complacent. By the time the business owner recognizes a problem, the amount of energy required to change the situation can be daunting.

Here is the good news, even

dental offices in decline can often be turned around, as long as the owner understands what it will take and has the desire to rejuvenate the practice. When you practice hits the maturity phase, change can be turbulent, but will be needed to continue to bring in new patients. If your practice is in the growth phase, I encourage you to not get complacent, but to use growth to fuel significant reinvestment and changes that will accomplish your goals even faster.

### My advice is to:

- 1. Determine the phase of the business cycle you are in. Once you do this, spend some time discovering what you want the business to look like. Create a strong vision, and then share your vision with your team to get their buy-in.**
- 2. Work with advisors who can assist you to start building a strategic plan and prioritizing where reinvestment should be focused. At Tower Leadership, we help dentists strategize, prioritize, and foster growth. We would be more than happy to assist you.**
- 3. Implement your strategic plan.**
- 4. Measure the results. I always tell clients, "YOU GET WHAT YOU MEASURE." You should have a practice scorecard so that your team is clear on where the practice is heading. Seeing the results of**

***their hard work can create inspiration and energy to continue.***

***5. Give back. Use your continued growth to positively impact your family, patients, team-members, and community.***



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