

Increase Profits in 2005... With a Business Plan for you Practice!

One of the most important management tools a dentist can have is an understanding of the business numbers in their practice. When I consult with dental practices, I often find that many doctors do not have an annual business plan for their practice. It is precisely in the lack of planning and goal setting that additional profit dollars are lost to the practice every year. If a doctor has a business plan for their practice *each year*, it is more probable that financial goals will be reached, instead of just leaving it up to chance.

A business plan should define the following numbers:

- Break-even point to meet practice overhead expenses, doctor income and retirement contributions, new equipment and debt service
- Number of work days per month for each producer; doctor and hygienist
- Daily production goal for each producer
- Monthly collection goal
- Budget for overhead expenses
- Number of new patients per month

These numbers must be monitored and analyzed on a daily and monthly basis as appropriate. They will reflect powerful information that can be used to take the practice to a new level to increase profits, reduce stress, and have more control over the practice's financial future.

Staff members desire raises, benefits and retirement contributions every year, and practices must be profitable to continue to provide these requests. When a dental team has goals to focus on, additional dollars are more likely to be produced and collected. Typically I see production increases of 10% to 30% in already busy practices when a team works with goals.

I believe so strongly in this process that I have written the work book, *10 STEPS TO A DENTAL PRACTICE BUSINESS PLAN*. This work book is a complete *practice system* that gives the doctor and team all of the necessary tools to implement the business plan into the practice. Or, a doctor can have me analyze their practice and write the business plan for them. For more information please visit the *Consulting Services and Products* tabs on my web site.