Tell me if this sounds familiar. A dentist walks into a party, and when he introduces himself to someone, one of three things happens: One, the person winces. Two, the person makes that hilarious joke where they peel back their lip and say, “Hey, could you take a look at this tooth?” Or three, they go so far as to actually ask, “How can you do that every day?”

If you yourself are a dentist, how many times has this happened to you—a hundred? It even happens to me sometimes because people think I’m a dentist. I get annoyed, and it’s not even my profession.

Two things are at work here. First, dentistry has an image problem. For centuries, “the dentist” has served as the all-purpose analogy for pain, fear and even sadism. Second, dentists have a self-image problem (and it’s not hard to figure out where it comes from, considering the first item). But here’s the reality: Dentistry isn’t a good
profession, it’s a great profession. And dentistry isn’t some incidental or elective service, it’s essential.

Now I’m a marketing guy, and I can tell you that this problem of image is a marketing problem. This book is about the steps you can take to permanently change that perception—because it’s high time the world knew and appreciated what dentistry is and what dentists do for the quality of people’s lives.

Here’s where I’m coming from: Dentistry is a great thing to be doing every day. It’s a great thing to do with your life. And 10 years from now, if I have my way, dentistry will be widely regarded as a terrific, enviable profession. With advances in technology and ever-increasing awareness about the connection between oral health and overall health, the potential now exists to make people realize that their dentist is someone who can significantly improve their lives. Sure, it’s going to take a lot of dentists to transform how people perceive the profession, but it starts with you. If you change you now, you’ll just be ahead of the curve.

Throughout the book I’m going to use business and marketing terminology, in the hope that you start to see more clearly the essential business aspects of your practice, and how you can employ some very simple techniques to dramatic effect. I’ve broken the book into three sections. The first will examine the mindset you need to succeed at marketing. The second breaks down in detail how to infuse marketing into every aspect of your practice. And in the third section, I’ll go into the fundamentals of advertising, and my recommendations.
At the end of most chapters I'll list action items to help jumpstart you into making changes. But here is a critical point. You are going to find many things that you want to change or implement in your practice. Start with one thing at a time. Just one. Make it a habit, part of the fabric of your practice, and then do the next thing. Don’t turn your practice upside down the day after you finish this book. Every one of these things will make a difference, and if you start gradually, you won’t blow your employees’ circuits with too much change all at once.

The last thing you would want to happen is for all these great changes to be introduced to your practice only to have them completely disappear in three months (like most of the other changes you’ve initiated!). They need to be integrated, and that takes time. Don’t worry; you’re already making money. Relax, go step by step, and the transition will go a lot more smoothly, and the changes will become permanent.

Lastly, you will notice that a lot of what I say in this book has been said before, and hopefully you have heard many of these recommendations from various practice management experts. My goal is to get you to see these actions from a new perspective—a marketing perspective, rather than simply as good business practices.

PS: A quick note on my grammatical construction. You may notice that I
occasionally jump from singular to plural with my subject. I do this deliberately so as to not be saying “he or she” all the time. For example, I might say, a patient won’t be loyal unless they get special attention. Grammar is evolving, as is political correctness, and these tortured locutions are my response. I’m an ad guy. What did you expect?

Let’s get started.
CHAPTER 1

WHY LISTEN TO ME?

Why the heck should you listen to me? I’m not a dentist. I don’t own a dental practice, nor have I ever run one.

The answer is simply this: Your skill set is dentistry. You were offered maybe one business course in all your years of dental school, and you skipped it because you were focused (quite reasonably) on passing your clinicals. Even if you did attend, they barely talked about marketing or advertising. And today you need 30-40 hours of CE every year just to keep up with changes in cosmetics, implants, bonding agents, radiography and the constant wave of new technologies.

My skill set is not dentistry. It’s advertising and marketing, specifically focused on getting people to go to the dentist. That’s what I spend all my time doing, what I study and what I’m constantly refining. It’s my career. At the risk of sounding immodest, I don’t believe there is anyone in dentistry with my level of experience in marketing. (It’s a pretty narrow field of players to stay ahead of.)

To begin with, I’ve worked in advertising since 1980, starting at a major advertising agency, writing television and radio commercials as well as print ads, and generally learning how advertising works: how it is created, how it is placed, as well as how it
is used by businesses. I saw what succeeded, what failed and what simply never moved the needle.

Then I got into the dental field. In 1986, my partner Gary Saint Denis and I started Futuredontics, Inc., the parent company of 1-800-DENTIST, in Los Angeles, which expanded over the years to become the largest dental referral service in the country. To date, we have spent more than half a billion dollars promoting the brand. I have personally written over 200 television and radio ads to prompt consumers to call our phone number and visit our website. Along the way, we have tried every medium and approach: cable and network television, radio, print, billboards, bus cards, newspapers, magazines, airplane banners, direct mail, and on the Internet we have multiple websites and buy more than 1,000,000 keywords in any given month. We track in minute detail which messages work with consumers and which don’t.

As a result, we get thousands of people calling us every single day across the country, and tens of thousands coming to our websites. Over the years, we have referred literally millions of people to dentists who are members of our service. But even more importantly, we operate a live call center in Los Angeles, 24/7, 365 days a year. I learn more about the dental consumer in one day listening in on phone calls than I could get out of a dozen books on consumer behavior.

We also survey all of the people who have called us or found a dentist through us online, and ask them about their experience at the dentist's office. You would be
amazed at the time some people will spend crafting a response. Some of them are two pages long. And we have accumulated thousands of them over the years.

Because of all these interactions, we have a clear sense of what people want from you. They tell us their needs, their wants and their fears—and we listen. We have learned the reasons people avoid the dentist, what they are looking for in a dentist, what finally gets them to see a dentist and what turns them off (or on) about dental practices.

Something else also happens. Because we directly connect referrals to the dental office, we communicate with each of our members’ appointment coordinators almost every day, and those interactions are equally instructive.

Finally, it’s important to know that because of this business, I’ve also been involved with some of the most successful dental practices in the country—from solo practitioners who produce $2 million annually in middle class neighborhoods, to practices thriving in remote parts of the country, to dentists in highly competitive areas who enjoy extraordinary success while their peers struggle. I’ve also seen practices that do things wrong and never get out of the painful cycle of fluctuating income and profit. I’ve taken all of these experiences and distilled them down into some powerful techniques for bringing your office to a whole different level.

Interested? Then read on.
Most people, including many businesspeople, think marketing and advertising are the same thing. They’re not. I’ll explain the difference, but first let me introduce this very important fact to you: If your marketing doesn’t work, your advertising doesn’t stand a chance.

Let’s start with some basic definitions. Advertising is using a specific medium—the newspaper, radio, TV or Internet—to communicate who you are and what your practice does. Marketing is *everything* you do to communicate who you are and what you do. This includes obvious things like on-hold messages and much less obvious things like the color of your reception area. It’s an important distinction.

Here is an abbreviated list of aspects of your practice that constitute your practice marketing:

- The smell of your office
• How you answer the phone
• Your patient intake forms
• Your technology
• How you collect money

Some of these items may not make sense yet. They will, and I’ll go into each one eventually. But implicit in this list is the big secret: Everything is marketing. Okay, it’s not a big secret since it happens to be the title of the book, but my main point is that every physical aspect and everything that happens in your practice has some element of marketing to it. And many things that you are not focused on are having a subtle effect, and sometimes a huge effect, on your patients—both their perception of you and their receptivity to treatment.

This is a book about marketing much more so than about advertising. That’s because the advertising part is easy. “Easy?! Not for me it isn’t,” you say. But, in my experience with hundreds of dental practices all over the country, it is not the advertising of the practice that is failing, it is the marketing. Spending on advertising while neglecting your marketing is like putting a bridge between two unstable teeth. It may work for a while, but it’s not really doing what it’s supposed to, and in the end the effort is likely to fail.

To illustrate where dentistry is, let me tell you the story of a certain unique individual. In early 1950, a young father was sitting on a bench at a county fair with
his daughter, thinking to himself, “This place is dirty; the rides don’t seem safe; and the people working here seem like criminals. There has to be something better for my family.”

That man happened to be Walt Disney. He decided to make the cleanest, safest amusement park possible, with happy employees, good food and great service. And in the process, he changed everyone’s perception of family entertainment. I submit to you that for at least half the population, the perception of dentistry is in need of the same radical change. Too many people are afraid of a dental visit. More precisely, they associate dentistry with pain, medieval equipment and an uncaring professional who provides a necessary evil—one that is to be avoided until the last possible moment.

We all know that’s not accurate. And I know you’re saying, “My patients don’t think that.” True. The people I’m talking about generally aren’t anybody’s patients. But you can’t pretend that there isn’t a large segment of the population that would rather be audited by the IRS than see a dentist. It’s ignorance. And the only way to cure ignorance is with knowledge.

Consider Walt Disney’s approach. He thought about every sight, sound, smell and taste, and asked how he could transform them into something positive and memorable. That’s marketing. More importantly, it’s an example of what dentistry can become, and it’s what this book is all about.
Just like Disneyland®, where you don’t even notice most of the marketing magic that is built into the place, there are essential aspects of your practice, both good and bad, that are aggregating to a very powerful set of impressions. Before we’re done, I hope to have you rethinking your entire practice. Some things you may already be doing right (you’re not broke, right? Something’s working!). But small changes can have profound, long-lasting results. And the more you get all these marketing aspects aligned with the message you want to send, the more your practice will spiral upwards, both in terms of production and enjoyment.

Let’s just take one marketing aspect from the previous list that probably jumped out at you. How can the way you collect money be marketing? Simple. It communicates how you value yourself and your work. This is huge. In marketing, perceived value is almost more important than real value. A Lexus® is probably every bit the car, both in technology and amenities, as the equivalent size Mercedes-Benz®. But try getting a Benz for the same price. If you bill patients and let them pay when they feel like it, if you discount your fees, if you spend hours each week just trying to collect your money, then you are communicating something very specific to the public and to your patients—and it’s probably not the message you want transmitted.

Think about other industries where this is done. Hotels have been insisting on a credit card to make a reservation for years, and now the best ones debit your card when you check in for the amount you might spend on incidentals. They want to
make sure you can pay for those expensive cashews ahead of time. High-end restaurants are starting to ask for a credit card number with your reservation, and they will charge you if you don’t show up. Many of them also get a phone number, and if you don’t show up for your reservation, then you go on a “Don’t Reserve” list. Why? Because their tables are valuable, and seating is, as we call it in marketing, a wasting commodity. In other words, if they don’t use it that night, they never get that seating back. Kind of like your office. Except you’ll let patients cancel at the last minute and put a hole in your appointment schedule without charging them. In this behavior, you’ve effectively taught them that your time is less valuable than theirs. Remember, everything you do, intentional or unintentional, communicates something to the patient.

Here’s the most painful comparison. Call a plumber to your house and try not paying him when he’s done—ask to be billed. How do you think that will go? “But wait,” you say, “My treatments are a lot more expensive than a plumber’s, so my patients can’t pay right away.” Really? My last plumbing bill was $8,000 to put a new main water line to the house from the street. Half was paid up front, and half the second they finished. So here is the real message you’re communicating: Plumbing is more valuable than my dentistry. Thus you have receivables, and you probably end up writing off 10 percent of them.

Conversely, I was recently in a dental practice that was focused on doing implants, and the dentist collects 100 percent of the fee before he starts the case. Not half. All
of it. If the patients don’t have the money, he waits until they do to start treatment.
If they have the funds but don’t want to pay upfront, this tells him that they don’t understand everything about the procedure, or they don’t value his time. He explains that he can only start cases when patients are fully committed to completing the treatment, and that he has considerable upfront expenses in the process. Then he treats the people who are ready to pay. And his practice is booming.

Of course, how you collect money is just one tiny element of your overall practice marketing, but I hope you can see the real effect this one little aspect has. And the reason I am driving this point home so strongly is because I constantly hear dentists saying that they need more patients, or better advertising, when the truth is that most of the advertising they do is wasted because their marketing and internal processes are severely impacting the results of that promotion. I’ll go much more into how a comprehensive approach to marketing fixes this. But remember: 90 percent of dental advertising fails not because of the ad, but because of what happens after the ad runs.

Most dentists hope that their advertising brings in new patients who just fly into the chair with their mouths and their wallets wide open. There is no ad that good, no direct mail piece that effective, no TV commercial that persuasive, no Yellow Pages™ ad that can have that powerful an effect. All advertising can do is bring somebody to your phone or your door, and the rest of it is really up to you. And “the rest” is the
really important part.

Think of this process like a funnel. The wider it is at the bottom, the more patients can get through. Advertising tells a bunch of people what you do. A small percentage respond. Some appoint. Some of them show up. And most of those, hopefully, accept treatment. The more you decrease the flow—the more you narrow the funnel at each level with ineffective marketing—the fewer people who will actually make it into your practice and accept treatment. (See Figure 1.)

Let me tell you a story that one of our members, Dr. Tim Driscoll in Chicago, told me. It was Friday, late in the day. When the staff was leaving the office around 5 o’clock, they said, ”Dr. Driscoll, there’s a woman in the parking lot who keeps getting in and out of her car.”

So he went out to look. Sure enough, he saw a very agitated woman getting out of her car and, after a moment, getting right back in again. He walked over to her and said, “Hi, I’m Dr. Driscoll. Can I help you in any way?”

She answered, “You know, I desperately need to see a dentist and I’m absolutely terrified. But I’m in so much pain I don’t know what to do.” Tim told her, “I’ve had a lot of patients just like you who have been really afraid. Come on in. I can help you.”
When she finally came into his office and sat down in the operatory, he found out she hadn’t seen a dentist in 30 years and she hadn’t left her house in eight! Her dental neglect had made her a complete shut-in. Her mouth was a masterpiece of decay, horror and pain. Dr. Driscoll got one of his assistants to stay late with him, and he worked until 10 o’clock that night on the patient. He had to extract some of her teeth, and had to remove a lot of decay in others. He did as much restorative work as possible that night. He has a CEREC® unit in his office, which allowed him to restore some teeth, and he used a laser on much of the soft tissue and infection problems.

By the end of the night she was hardly finished, but he sent her home out of pain and with a noticeably more normal-looking smile. He made an appointment for her to return that Monday so that he could continue.

That next Monday morning, she showed up in the office looking completely different. Her hair was colored and coiffed. She had new, stylish clothes. She was wearing makeup. And she was just beaming. When he saw her, Dr. Driscoll immediately noticed the radical change. “Wow, you look great!” he said. “What happened?”

She answered, “You know, I hadn’t been out of the house in over eight years. This Saturday my daughter and I went out. We went to the hair salon, we went to the
nail salon, we went to the makeup counter at Nordstrom®, and we bought three new outfits for me. It’s just been incredible. I just feel so much better.”

Then she said, “I have a thank you card for you because you saved my life. I was at a point where I was either going to finally see a dentist or commit suicide, and I honestly didn’t know which one I was going to choose. I was so scared, but I was in so much pain, and I was trapped in my house. So thank you for that, because you’ve made it possible for me to live.”

Needless to say, Dr. Driscoll never forgot this remarkable and gratifying moment.

Along with the powerful emotional impact, there are several marketing aspects to this story—that is, things that happened after the patient saw an ad and found Dr. Driscoll’s address. First, his staff noticed a patient outside the practice—team awareness and caring are absolutely elements of marketing. Then he talked to her empathetically by saying, “I’ve helped people just like you.” The words you use are key factors in your practice marketing. He very effectively used words that allayed her fears and told her she wasn’t alone. Then he stayed the entire evening to get her out of pain—a professional choice, but it reflects a marketing decision that includes being available, dealing with emergencies with compassion and doing something totally unexpected for a patient. His technology—a laser and a CEREC unit—are dental tools, but they are marketing tools as well. And it all adds up to a level of marketing effectiveness that will get him literally hundreds of new patients in the
end. I have no doubt about that. By the end of this book, you shouldn’t have any either.

I think the most important message in Dr. Driscoll’s story is this: This is your profession. This is what you can do in your practice. You can reach into someone’s life at this low, low point and transform her in a matter of days. What an exciting job to have. What an exciting place to show up to every day. Be excited about it. Tell people what you do. Tell people the difference you can make in their lives. That’s all marketing is, effectively telling people what you can do for them. The key word is \textit{effectively}.

And if you don’t believe that this is what your profession is all about, then that is precisely where you need to start. You need to fix your own mindset. If you don’t believe that for a patient in need of major restorative care, $20,000 is better spent in their mouth than on anything else they can think of, then that’s your first problem, because that’s the fact. You need to realize it, believe it, make it part of your being, be proud of it and surround yourself with a team that believes exactly the same thing.

So let’s address this mindset, because it’s the only way to get the marketing started off right. And the first stage of this is to actually understand what type of business you are in.
A dental practice is a weird business. The manager/owner has to be working with his hands in order to be making money. In most other businesses, like mine, managers manage. That’s what we do all day, and if I stop managing for a day or two, my business, and I, keep making money. Not true for dentists. When your hands stop, the revenue stops. And to top it off, where do you get the training to run your business on the financial side, or to do effective advertising, or to hire, train and manage employees? Not in dental school, that’s for sure. Also, consider the fact that the public sees you one way, as a maintenance service provider, but you see yourself as an engineer and entrepreneur. Contradictory? To say the least. Now let’s go even deeper into the basic nature of your business.

What do you consider the true economic nature of a dental practice? In other words, essentially what type of business are you in? Is it a medical facility? Is it some sort of insurance provider? Is it a repair shop for teeth? The answer is very different from what you might guess based on the way most dental practices
behave.

The answer to this question came to me when I was on vacation, taking a trip down the Amazon River. We were traveling into some of the more remote regions, where very primitive tribes still live their entire lives alongside the river, almost completely detached from the rest of civilization. As we putted along in our riverboat, we encountered another boat that was going from village to village with a dentist and his assistant on board, along with various other medical professional volunteers.

The villagers were eagerly awaiting this dentist’s arrival. And what did they want? Did they want a prophy? A little deep scaling? PFM’s on those cracked and decayed teeth? Of course not. They wanted extractions, because pulling the tooth would solve the immediate problem. It’s hardly the standard of care we aspire to in the United States. But the fact of the matter is, in three quarters of the world that’s how tooth problems are solved. And it’s pretty close to what most insurance plans believe if you look at their schedule of benefits. That’s when it dawned on me: *Everything beyond extraction is elective.*

I’m sure you’re saying to yourself, “Yep. Extraction, that’s not our standard of care.” But keep in mind that 25 percent of the US population over 65 is edentulous.¹ 25 percent! They’re not all just falling out. Somebody’s pulling lots of teeth right here in the good old USA.
So if everything beyond extraction is elective, then what does that mean? It means you are in a service profession with a significant retail element, because people have options. If all the things you do beyond pulling the tooth are, to some degree, a higher standard of care, you are in a retail service profession. Now many dentists will cringe at this notion. They’ll say, “I’m a professional. I’m not running a store. People come to me for what they need and I give them the highest standard of care.” That would be true if people actually came to you for what they need. But most of the time they come to you for as little as possible, which you and I know is not what they need. Nor is it what they should want. They have a range of options, from basic to ideal care—and those choices are constantly increasing with new techniques and technologies. And those choices are mostly elective. In fact, statistics show that less than half of dentists’ revenue is paid by insurance companies each year. The rest, the patients pay themselves.²

Dentists are definitely not like most other health care businesses. You’re in a unique category that’s very different from, say, a physician. Let me illustrate my point: If you break your arm anywhere in North America, they will put your arm in a cast. No one is going to cut your arm off. No one is going to whip out a laser and heal the bone. But if you walk into a dental practice with a sore tooth, any one of a half a dozen procedures could be performed, from a simple extraction to placing an implant. Your business model is much more like that of a dermatologist or a plastic surgeon, where there are a variety of treatment options, most of them elective.
I hope you will appreciate that what I’m saying is true, and that you will also come to realize that a retail business model is not a bad thing, but a wonderful opportunity.

In fact, the options for different levels of care in dentistry are actually a professional advantage. You can either take good care of people, or take really good care of them. And let’s face it, you really don’t want to be a health care provider if it means you’re just an insurance provider. You don’t want people coming to you expecting everything to be paid for by insurance, which is what 95 percent of MDs currently experience. It’s an important distinction. It’s also one of the reasons why being a dentist is actually better, in my mind, than being an MD. Your life is not controlled by insurance. Also, you’re not getting paged 24 hours a day. Finally, and not insignificantly, as of 2005 the average income of an MD is lower than the average income of a dentist. This trend will continue, especially with universal health care on the horizon.

So what does being in a retail service profession mean to your practice? It means that to maximize your success, everyone in your practice has to be selling dentistry. I know, I used a bad word here. I said “selling.” Dentists hate the idea of selling. I hear it all the time. “I don’t want to have to sell. I didn’t get into this profession to sell.” It’s really more that you don’t like the negative connotation of a salesperson. You didn’t go to dental school to become some kind of carnival barker. I understand that. But I also said, “to maximize your success.” I know many dentists who bumble along doing 80 percent of things wrong from a business standpoint who still make a
living. But it's not a great living—not what it could be—and their practice will be worth a lot less when they eventually try to sell it.

So I implore you, please don't buy into the negative connotation of selling. Selling is merely *communication with a purpose*. And the simple fact is that as human beings we're selling all the time. We're selling when we're convincing our spouse that she really wants to go to Scotland and not Gettysburg for vacation (because we want to try golfing where it was invented). A baby's crying is definitely communication with a purpose. And is there anyone who sells harder than a teenage boy trying to get the car keys? He's going to wash the car, put gas in it, run an errand for you. Sell, sell, sell. And is it not a sell job to convince that same teenager that he needs to go to college instead of taking that construction job? He wants to jump into the workforce, but you know darn well that he needs a college degree if he's going to realize his dreams. So you sell. And is that a bad thing? Not at all. Selling bad things is bad. Selling phony oil and gas leases to little old ladies is bad. Selling illegal drugs is bad. Selling something good is...well, good. And I think we can all agree that dentistry is a good thing.

Remember, selling is merely communication with a purpose. In your case, that purpose is convincing a person to do what you know they should to take proper care of their teeth. Is proper dental care not a wise long-term investment? As I said in the last chapter, if you don't believe that money spent in their mouth is a better investment than almost anything else they can spend it on, *that's* your problem. Because you don't believe in what you're selling. And that makes it very, very
I’ve had sales jobs all my life, in one form or another. In my early years, one of my jobs was selling frozen meat door to door. Part of the whole package included selling the customer a big freezer, and I helped them finance the whole thing—the freezer and a three-month supply of frozen meat and vegetables. The problem was, in order for the food to last, they had to eat very controlled portions. And it was the highest quality beef available. Prime. The customers loved it, and so they ate it fast, and in big portions. And then they had to order more while still making payments on the first shipment. Do you see where this was going? I was selling something that was too expensive for the people I was selling to, and I was trained to wrap the whole deal in a deceptive package so that they would buy. As soon as I figured that out, I couldn’t sell anymore. I had started out believing it was great food at a reasonable price, but once I didn’t believe in it anymore, I was dead. So I quit.

In a dental practice, you don’t have that problem. You have something truly great to sell. But if you don’t want to call it selling, call it something else. Call it facilitating treatment acceptance. It’s a nice way of saying the same thing (we love euphemisms in advertising!). And when you think about it, that’s what you’re really doing. You’re helping a patient who has no understanding of the value of dentistry to accept the treatment that you know is the best standard of care for them. Perhaps you just haven’t made this connection in your mind yet.
You haven't thought about the fact that your patients' lives are going to be significantly better with the comprehensive care that you recommend. And you worry that they won't really appreciate the value.

This lack of appreciation of the value of dentistry is why I'm going to suggest to you that facilitating treatment acceptance is not only something you need to do to succeed financially; I'm suggesting that it is actually your professional responsibility. Most people have not been properly educated by anyone as to the value of dental care. Not in school, not at home, not at work. You have the chance to help them understand how to achieve optimum oral health and make the decision to do so. After all, if you don't do it, who will? Do you think perhaps they'll eventually talk themselves into it? Unfortunately, that's just not the case.

In reality, patients usually need to be dragged kicking and screaming from their desire to get as little dentistry as possible (kind of like the Amazon tribesmen) to accepting some level of care beyond that. In sales and marketing we call this process—taking a client (patient) from a basic service or product to a better one—an upsell. “Oh, great,” you say, “I don't even want to be selling, and now I'm upselling?!” Yes. You are the one with the extensive clinical training and the knowledge base that dictates what is best to preserve their dentition. So it is you who must move them from where they are in their minds (wanting the least possible treatment at the cheapest possible price) to accepting your standard of care or your ideal treatment plan. And it may take years.
At least half the time the patient will need to figure out how to pay for this level of care, because either they don’t have insurance or insurance doesn’t cover what is optimal. That is also very different from almost every medical practice except dermatology and plastic surgery. And the way those two specialties operate offers some good insights into what dentistry can become, and the way to get there. If you have a chance to observe one of these professions, look at all of the options they offer. Look at how they collect money. Look at how they explain the value of the treatment. And you have something to offer that they don’t: Your treatment is going to keep people eating, smiling and kissing freely into old age.

Dentistry involves selling. Plain, simple and unavoidable. And the better you and your team are at facilitating the acceptance of treatment, the more profitable your practice will be, and the happier and healthier your patients will be. There’s nothing wrong or evil or deceptive about that. With the realization that you are in a retail service profession, you can emulate what many successful retail services do. That involves comprehensive, effective marketing. But it always starts with the right mindset.

So why would you do this? Why would you summon these skills? Why would you adopt this mindset? Why can’t you just go along with what you’re doing? The fact of the matter is—you can. If you’re happy with your income, if you’re happy with your practice size and if you keep up with technology enough, you’ll probably be fine. You
won’t change your patients’ opinion of the importance of dentistry and you won’t experience the potential for tremendous success in your practice. But why not indulge me for a bit? Wouldn’t you rather have a more enjoyable day? And can you really go back to ignorance and denial? It won’t be easy. I may have taken you a bit too far behind the curtain, and I’m afraid there’s no going back.

A CASE STUDY

Let me tell you about two 1-800-DENTIST members. I’ll protect their anonymity and protect myself from any HIPAA violations by calling them Dr. Minnie and Dr. Max. They live in very similar demographic areas, essentially middle class neighborhoods. They’re both in a little under 1,800 square feet of office space. Also, they both are solo practitioners. The first practice, Dr. Minnie, has six operatories and eight staff members. She works an average of 18 days a month, takes four weeks off a year, and gets 60 hours of continuing education every year. She has a pretty good life and a pretty good practice. Dr. Minnie’s gross and net are a little bit higher than what the ADA says the average full-time dentist does. She’s doing $600,000 annually. Her overhead is about 70 percent, which is also typical at that level of production, so she’s taking home $180,000 per year.

Dr. Max has seven staff members, one less than Dr. Minnie. He works only 15 days a month, not 18, and takes six weeks off a year. He gets twice as much CE, about 120 hours. And he produces $2.5 million annually. But his overhead, and this is one of
the wonderful things about dentistry, is 50 percent. He also grows at about 10 percent per year. So he takes home $1.25 million per year, more than twice Dr. Minnie’s gross production. And he does it in three days less a month and two weeks less a year. (See Figure 2.)

So what’s going on? What is Dr. Max doing that Dr. Minnie isn’t? What’s different about their practices? Some of you may say that Dr. Max must be over-diagnosing. But if that were true, then explain how he could over-diagnose all of his patients year after year and still have them not only accept treatment, but also recommend their friends and family to the practice? Because that is what’s happening in his office. It comes down to this: In Dr. Max’s practice, every single person believes and communicates that dentistry can change people’s lives.

Now, every word in that statement is important. Every single person—not just the dentist, not just the front desk, not just the hygienist, not 90 percent of the staff, but everyone—believes and communicates that dentistry can change people’s lives. They not only believe it, they communicate it. And the message is not that dentistry can keep patients’ mouths healthy, not that it can make their teeth white or get them out of their immediate discomfort. The message is that it can change their lives. That’s the core belief that you and your team have to start with. This is the exact mindset that I see time and again in the most successful practices across the country. What is also
significant is that these practices have a great time. They enjoy their day. And the dentists can afford not only the best and latest technology but also tons of CE. So they get faster and more skilled all the time. They also have the income and the lifestyle that they want—and far exceed that of most dentists and physicians.

There is another aspect of your business that is valuable to note here. There is a marketing distinction that describes in part how you are perceived by the consuming public. You are either a *parity* service, or you are *singular*. In other words, there are competitors that essentially offer exactly what you do, or there are none (because of a patent or something else that makes the service unique). Toilet paper is a parity product. Airlines are a parity service. Obviously, within those categories each brand has some differences, but they are minor relative to the fundamental product or service. Viagra®, when it first came out, was singular. It had no competitor, and it rapidly became one of the largest selling pharmaceuticals in the world. Now it has competitors, and has started to become a parity product.

Why am I babbling on about this? Simply because, in the public’s mind, dentistry is a parity service. They can get the same services at any one of a hundred dental offices around them. *Or so they believe.* Now, there are only two ways to compete in a parity service business: price or features. And either one of these has to be communicated
over and over again to the consumer. That's what advertising is all about, and why it's everywhere. Most products and services are parity in nature, and realizing this will help you to understand that you have to effectively communicate the differences between your practice and the other offices around you. And you'd better have differences.

The advantage you have is that when you do something unique, or you give a patient a memorable experience in your practice, then you are no longer providing a parity service in their mind. The opportunity is there to completely change their perception. And of course, marketing is the key.

TWO IMPORTANT DIFFERENCES

Despite being a parity service and a retail profession, dentistry has two unique and highly advantageous business characteristics. One relates to profitability and the other concerns the target audience—that is, the potential customers.

Compared to other businesses, dentistry has a unique overhead and profitability structure. I've found that many dentists don't fully appreciate this. They don't really understand the economics of their practice because they just let their accountant figure that out. But there is a term in economics called a contribution margin ratio. Let me explain.
Most businesses operate with 10 or 15 percent profit margin. No matter how big they get, they’re still squeezing out that amount of profit. Supermarkets run at a 3 percent profit margin. Imagine how hard that is when there is such a high level of competition everywhere giving out coupons on everything. They have to sell $35 million in groceries to make a million in profit. And the margins don’t get better as they make more money. That’s a tough business.

Dentistry is completely different. You have a unique ratio of fixed expenses versus variable expenses. Once you cover your overhead—your rent, insurance, utilities, leases, loans and basic salaries—your profit margins get significantly better. This usually occurs at around $600,000 in production. It’s also why most dentists don’t appreciate this economic reality, because that’s what the average dental practice is grossing. Think about it, though. The simple fact is that once your overhead is paid, you only have labs and consumables as your expenses against any production. Unless your staff is completely busy, you don’t need to hire more people or pay more salary. And until you need a bigger facility, more chairs, more equipment or more space, your overhead is probably less than 30 percent on everything beyond the first $600,000, even allowing for staff bonuses.

Of course, at some point you’ll need another hygienist, a front office manager or an associate. But until your schedule’s full and your employees are at 100 percent utilization, your profit margin is huge. This is a tremendous advantage, and a unique
Once you push beyond that $600,000, suddenly the results are dramatic. As soon as you get up around $1 million, relative to other businesses your margins are fantastic; with mostly fixed costs, your overhead percentage continues to decrease as you add more patients. And your lifestyle can change drastically. In fact, according to a recent study, dental offices had the highest net profit margin of all industries in the United States in 2007.\textsuperscript{4}

This contribution margin factor also means that once you achieve this level of profit, you can do more advertising—perhaps twice as much—because you have the cash to do it. And that just keeps the practice spiraling upward. The point is, you can get yourself to this point and beyond. And of course, the way you get there is first with mindset, then with marketing.

The other advantage dentists have over most businesses is what we call a target audience, or a pool of all potential patients. To start with, while not everyone needs a new car or a plasma TV, everyone has teeth. And everyone needs a dentist because people’s teeth don’t maintain themselves (except for a few Inuits who only eat seal blubber, but let’s focus on the rest of the world). Unlike dentistry, most businesses are limited in their potential customers to a small portion of the general public. Some, like a private jet service for example, are so specialized that less than 0.1 percent of the population is in their target audience. Not you. The world is your
target oyster.

Even better from a business standpoint (though worse from a public health standpoint), 50 percent of the population doesn’t see a dentist regularly, or even at all. That’s half the population! Plus, of the people who do see a dentist on a regular basis, half have been under-diagnosed and were seldom presented with optimal dental care.

Imagine if half the population didn’t have TVs. Or cars! What an opportunity that would be for those respective industries! Well, that opportunity is yours. There is no other business category that I can think of with this size of an under-tapped, or untapped market. Then consider the many factors that limit the number of service providers in the dental industry, from the significant costs of starting up a dental practice, to the motivation, financial ability and aptitude to get into and complete dental school.

This is a point I really want to drive home. There is no scarcity in dentistry—there is only abundant opportunity. Not in every neighborhood in every city, of course, but substantially more than in any other business. To illustrate, half the population over 35 has some level of gum disease. Smells like bad breath and opportunity to me. Dental practices collected a total of over $80 billion in 2008. I think there is the potential for twice that—and I’ll elaborate more on this in the next chapter.
So let’s review the business of dentistry.

•

First, it’s a retail service profession, with many options for customers. This is a good thing.

•

Second, it’s a parity service. Make yourself unique, and this spells opportunity.

•

Third, you have a fantastic contribution margin, meaning significant profits after overhead is covered.

• Fourth, the target audience is enormous.

All in all, it’s a pretty darn nice business to be in, I’d say. These are major aspects of your business—now let’s get into the finer points.

INTERESTED IN MORE?

The entire book is available at www.GoAskFred.com, in hardcover or audiobook versions. It is also available in a Kindle version on Amazon.