

Marketing the dental practice

Eight steps toward success

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Today's dentist has to be more than a skilled clinician. Running a practice requires entrepreneurial talent, marketing acumen, financial management savvy and human resources finesse. In addition, dentists must be skilled insurance negotiators and claims processing gurus. Most dentists are inadequately prepared in dental school to market their practices. The several hours of practice management education acquired in school is poor preparation for the modern dentist, and the demands of the profession prohibit many from obtaining a graduate management degree once they enter practice.

In this article, we focus on marketing dental practices within a style that will help dentists build an enviable word-of-mouth marketing campaign.

A focused word-of-mouth campaign takes time, money and effort to build and sustain. It is neither easy nor guaranteed, but the potential rewards are enormous. The program outlined in this article explicitly recognizes the differences between marketing a professional practice and marketing other types of services. We outline a strategy for tapping into the lucrative chain of referrals that should be the foundation of the practice.

Marketable equity should be a concern to

ABSTRACT

Background. The authors provide a suggested framework for completing a comprehensive evaluation of practice processes and routines. Their approach focuses on improving the professional image of dentists and the methods they use to market themselves.

Conclusions. A practice can benefit by implementing a program to understand the strengths and weaknesses of the practice and how these strengths and weaknesses affect patients' experiences. A word-of-mouth marketing campaign relies on the cultivation of opinion leaders, but opinion leaders cannot be cultivated until they have been identified. Dental practice marketing campaigns cannot be based on assumptions; they must be based on facts.

Practice Implications. Improving relationships with patients will lead to increased patient retention, reduced marketing costs and greater personal satisfaction. By focusing on strengths, clinicians will improve patients' experiences in the dental office.

Key Words. Practice management; marketing; customer service.

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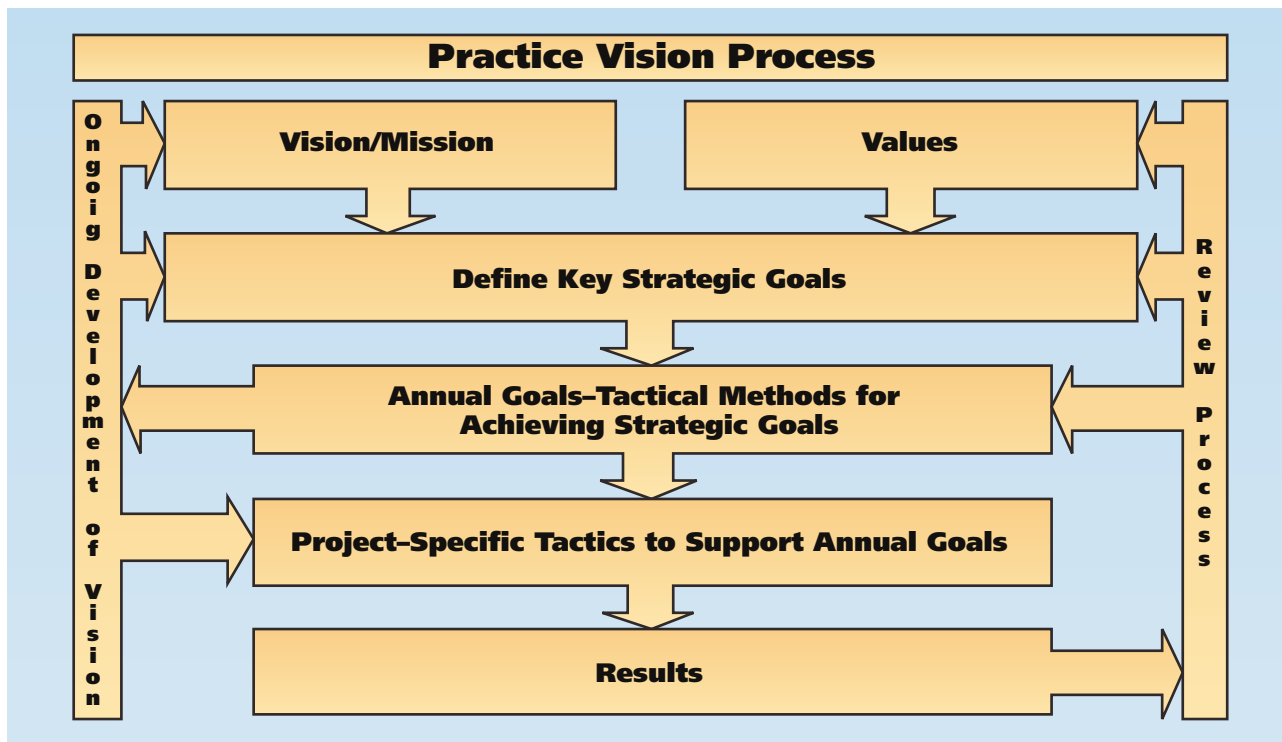


Figure 1. Practice vision process.

every dentist. As clinicians build their practice, they should develop a strategy that takes into consideration what it will look like when they sell it. If they do this, chances are that the business will be of greater value when the time comes. Most assets provide a depreciating return on investment (equipment is a good example). The list of patients, on the other hand, can offer an escalating return on investment. How the dentist manages that list—and consequently the relationships that the list embodies—will determine the value of the dental practice in the long run.

At one time, a dentist's reputation was assumed to be the major prerequisite for success in dentistry. From the patient's perspective, reputation was represented by a prestigious address, suitable office furnishings and a practice built on word of mouth. Success now is defined in a variety of ways, and it is critical for practitioners to look beyond the traditional concept of reputation and view their practice as a business. The reality is this: if the practice fails as a business, the practitioner fails as a medical professional.¹

DEVELOPING A MARKETING PLAN

Professional success in a competitive market may be contingent on establishing a plan to achieve that success. Developing a professional services

marketing plan with a focus on word-of-mouth referrals consists of the following eight steps:

- determining practice objectives by working through a practice vision process (Figure 1);
- conducting a practice management audit and using a value analysis wheel to determine processes critical to value;
- analyzing the value creation circle;
- completing a practice evaluation and review;
- creating an advantage proposition based on value creation and an appraisal;
- conducting a relationship audit to determine centers of influence and opinion leaders;
- determining specific steps required to retain, expand and promote centers of influence and opinion leaders;
- developing a list of specific actions and placing dates on it for them to be accomplished.

Clinicians cannot identify off the tops of their heads the factors that make a practice successful or unsuccessful. Flying by the seat of one's pants is dangerous and expensive. More important, dentists probably will miss the factors that actually contribute to or distract from practice success.

PRACTICE VISION PROCESS

For objectives to be meaningful, they must satisfy several important criteria. The objectives have to

be measurable (for example, adding 50 new patients to the practice). There must be at least one indicator that measures progress against the attainment of the objective. The objectives must be specific and convey a clear and concrete message regarding what needs to be accomplished.² Many practitioners set objectives that are ancillary to their primary purpose, but the objectives must be appropriate and consistent with the practice vision process (Figure 1).

Objectives span a range of purposes, but they must be realistic. Setting unrealistic objectives sets the practice up for disappointment at best, and failure at worst. The target (or objective) must be achievable, given the practice's capabilities and opportunities. The target should be challenging but doable. The clinician must establish a time frame for accomplishing the objectives. If no dates are assigned, then the objectives are merely a wish list.

One benefit of setting objectives is that they help channel all employees toward a common goal. This concentrates efforts and conserves valuable resources so, collectively, all members of the practice can enjoy more success and fulfillment. Second, challenging objectives motivate and inspire employees to higher levels of commitment and effort. Research consistently and overwhelmingly supports the fact that people work harder when they are striving toward specific goals.^{3(p109)} Third, setting and communicating goals prevents interested parties (such as staff members and vendors) from working at cross-purposes. Finally, objectives provide the measure by which rewards and incentives should be allocated.

PRACTICE MANAGEMENT AUDIT

An important step in setting the overall objectives of the practice is to assess the current status of the practice. Procedures typically are implemented to solve immediate problems, and, as a result, the operations of the practice may be hindered by unintended inefficiency. It is important to measure the current processes used by the practice against a known standard (such as a process that has proven to be effective across many practices) to assess their operational efficiency. A practice audit provides an opportunity for practitioners to identify critical deficiencies, such as gaps in service and communication lapses.

The ideal practice manages the patient experience for maximum satisfaction, aligns the objectives of the owner with those of staff members, cap-

italizes on each marketing opportunity and provides above-average returns to the owner. Often, it is the simple things (such as saying "thank you") that are overlooked during the day-to-day activities, but they frequently enable the practice to derive the greatest benefit from relationships. It is important for dental practices to choreograph carefully each step of the patient's experience, from first contact through follow-up after discharge. All staff members who come into contact with patients should be familiar with the steps in the process, and practitioners must expect consistency as a minimum standard.

Establishing trustworthiness. Trust between the patient and the dental practice is critical. Trustworthiness is predicated on the following simple set of criteria that is easy to overlook⁴:

- competence;
- promptness;
- reliability;
- ability to customize solutions;
- politeness;
- empathy.

When the factors that build trust are ignored, the practice suffers. Practitioners should assess this dimension of the practice as part of the management audit.

The success of the practice depends not only on a high-quality experience for the patient while he or she is being treated, but also on each interaction the patient has with staff members. If a patient is in the waiting room and observes negative behavior or overhears negative comments, this has an unfavorable effect on his or her assessment of the experience. Staff members do not need to be in direct contact with the patient to create an impression. They need to understand the consequences of their actions. Practice management should not be left to chance; rather, the goals and objectives must be understood clearly by all of the organizational stakeholders.

The practice management audit requires an independent assessment of the practice on an annual basis. A combination of direct observation, interviews (with staff members, patients and all other interested parties) and surveys are used to assess the flow of work in the practice. The audit should pay close attention to each contact point with patients and document how staff members communicate with them. The audit begins with the first telephone call to the office and continues through the final follow-up call. In addition, the audit examines the processes that are in place to

bring the patient back to the practice on a regular basis. This includes all current advertising and marketing methods, as well as supervisory procedures.

Value analysis wheel. To assess the strengths and weaknesses of the practice, the dentist uses a value analysis wheel as part of the audit (Figure 2). The patient's experience, which is the center of the wheel, can be represented by a series of steps that have financial, physical, individual and practice resources associated with them. The dentist and staff members treat the experience as the primary activity of the value chain (that is, a sequence of steps leading to an outcome from which the practice derives value), and all other activities exist only to support the primary activity. Thus, human resource management, accounting, purchasing, inventory control and practice automation are all support activities.

The value analysis wheel helps the dentist and staff members focus attention on critical tasks, and it ensures that primary tasks are handled with excellence.⁵ The dentist should not allow support activities to distract from the primary activity, because the outcome could be a negative experience for the patient.

Finally, the practice audit sets the stage for the 360-degree review and relationship audit (that is, an evaluation by staff members, patients, vendors and peers conducted to obtain balanced feedback) discussed below.⁶ It does not make sense to try to expand the practice until its processes are optimal.

Optimal processes. Optimal processes focus on the patient at each contact point. Consistency of service is critically important from the patient's standpoint. When the dentist and dental team create an atmosphere that welcomes patients and demonstrates that they value their business, patients will reward the practice with referrals. People love to talk about the experiences that have brightened their day or are out of the ordinary.

VALUE PROPOSITION

Patients visit the dentist for a variety of reasons, but we can boil them down to four categories: hygiene, alleviation of pain, esthetics or replacement (which may result from necessity, esthetics or both). Dentists can create the most value for patients by alleviating pain, but it is likely that the practice is built on hygiene, cosmetic dentistry or replacement. Dentists need to ask themselves what type of dentist they are, and what type of dentist they would like to be in the future. In other

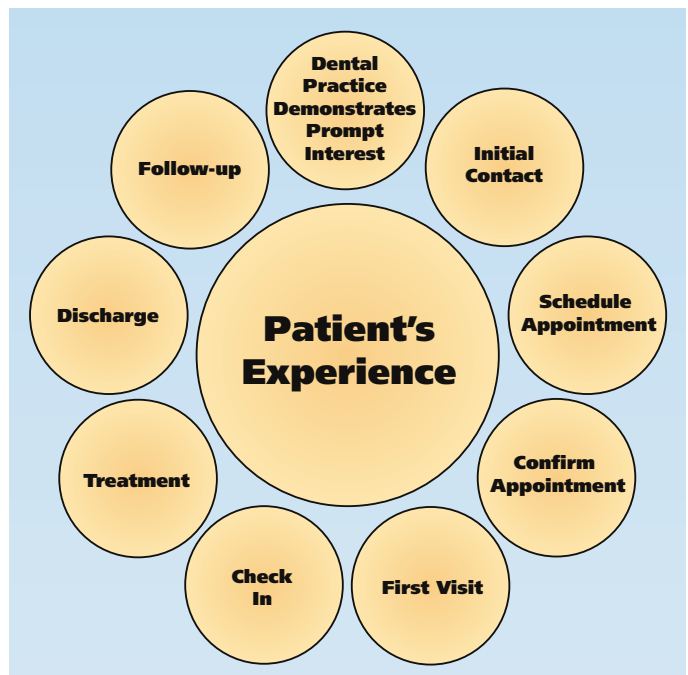


Figure 2. Value analysis wheel.

words, how do dentists create value for patients?

It is important for dentists to know how they create value and to communicate this to patients, because the financial dimension of the relationship frequently is driven by insurance. Dentists cannot allow third-party reimbursement to drive the value proposition of their practice, but they also cannot avoid the reality that insurance creates. Dental insurance reimbursement levels are low, and third-party payers will not cover many of the procedures that dentists would like to perform for their patients' benefit. Understanding how practitioners create value starts with a firm understanding of how patients perceive value.

We believe that people perceive value primarily for one of four reasons, and what drives one person may not be a motivator for another.

Return on investment. The first type of motivation is return on investment. A person who values return on investment justifies purchase decisions on the basis of a logical cost/benefit analysis. He or she wants to know what the return on investment will be for a given procedure. For example, if a patient is considering investing a significant amount of money in a dental implant, he or she wants to be able to justify the purchase in terms of return on investment (such as improved function and esthetics). It is important for the dentist to discuss with the patient the costs of alternative procedures, failure rates of various alternative

procedures and the nonfinancial rewards of an implant. Such patients need a clear understanding of each benefit. If they perceive the benefits to exceed the costs, they probably will proceed with the procedure.

Time. The second type of motivation is time. In today's hectic world, many people are pressed for time and saving time is their primary value driver. When treating this type of patient, clinicians must respect the appointment schedule; if deviations are necessary, it is important to explain why. When talking with such patients about the benefits of a certain procedure, dentists should explain how this treatment will save them time today, as well as in the future (for example, dental implants versus removable dental prostheses). Time is a valuable commodity that often is overlooked. By paying greater attention to what matters most to patients, clinicians will be more effective.

Risk. The third type of motivation is risk. The perception of risk underpins all human decision making. A patient who perceives excessive risk is not likely to undergo a procedure. Loading up patients with brochures, facts and charts may elevate their anxiety, not alleviate it. By waging an information campaign in this way, dentists may be validating patients' misguided perceptions of the risk involved. Rather, dentists should take the time to talk with patients about proposed treatment plans. They should tell patients about the number of similar procedures they have performed successfully and let them know that many patients have had the same concerns. Managing risk perceptions often is counterintuitive.

Brand/image. The final type of motivator is brand/image. For patients who are motivated by brand/image, it is important for dentists to explain their credentials and how significant they are. They need to tell patients about the products they will use and why they selected them from among others. In addition, it is important for clinicians to focus on how the procedure will enhance the patient's well-being and improve his or her self-image.

The value proposition should be determined by that which creates value for patients. What type of patient is most closely aligned with the dentist's style and personality? What type of patient shares the dentist's values and is most likely to accept his

or her treatment recommendations? These are the patients that clinicians want to attract. Interestingly, one of the principles of relationships is that similar people tend to flock together. If a dentist has a number of patients who are driven by a return on investment, for example, it is likely that the people they refer to the practice also are driven by a return on investment.

Clinicians need to begin by understanding themselves and what drives value for them. Once they understand their value creation circle, they can gain more insight into the drivers of value for their patients. Dentists need to communicate with patients in a language they understand. If they leave this process to chance, clinicians risk letting patients walk away because they have failed to understand their needs.

Interpersonal skills. Dental services are inseparable from the person delivering them. Not only is the patient judging the dentist's clinical skills, but he or she also is judging the dentist's interpersonal skills.⁷ Dentists do not have to become marketing mavens or understand the nuances of a well-placed advertisement, but they need to combine professional skills with interpersonal skills to build a loyal base of patients who will refer others to the practice. Dentists may be their own worst enemies if they fail to demonstrate to their patients how competent they are—that is, if they fail to explain their value proposition.

PRACTICE EVALUATION AND REVIEW

A U.S. Air Force captain in the 1950s said, "If things can go wrong, they will." This is known more famously as "Murphy's law." In an increasingly complex world with more competition, more demanding consumers and relationships strained by a lack of time, it is critical for dentists to assess their performance with regard to relationships. The first step in evaluating one's performance is to conduct a formal review.

Overconfidence bias. Most experts do not believe that people are capable of forming realistic assessments of their own performance and capabilities.^{3(pp202-4)} The overconfidence bias is so pervasive that it influences almost all human thought and action.⁸ This bias is a tendency to attribute success to internal factors and failure to external factors.⁸ The bottom line is that we may not be the best

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Appraisal process. To obtain a realistic judgment of his or her own performance, the dentist needs to conduct a practice evaluation and review periodically. During the appraisal process, associates, trusted peers, dental and medical professionals in the referral network, vendors, select patients, staff members (who provide anonymous feedback), partners and the office manager are asked to appraise the dentist's performance on a range of topics, including interpersonal skills, motivation, professionalism, business acumen, attitude, aptitude and practice management skills. The appraisal process is repeated for each partner, associate and staff member. (**Editor's note:** The practice evaluation and review is one approach to potentially improving the operations of the dental office. This article does not constitute legal advice, and this approach should be considered in consultation with a personal attorney.)

In effect, the dentist is giving himself or herself and those connected with the practice a periodic checkup. The opinions of people who care about the practice and the performance of the dentist and dental team can be of most value. This is a difficult process to undergo, however, because people may learn things about themselves that they would have preferred not knowing.

Emphasize strengths. Appraisals usually are intent on finding areas of weakness, but this process is designed to uncover strengths as well. Dentists should delegate tasks that they do not perform well (for example, process third-party reimbursement) and focus their energy in the areas in which they excel. By discovering and exploiting his or her strengths, the clinician will build a stronger practice and better relationships, as well as experience greater personal satisfaction. More importantly, with this knowledge, the dentist will be better able to align his or her objectives with reality.⁹ The opinions of others matter, and if dentists have the courage to undergo this process, they can learn a lot about themselves and how to manage their practices most effectively.

ADVANTAGE PROPOSITION

Why should a patient come to a dentist's practice or refer a friend? The perceived risk in going to the dentist is high for the patient. Compounding the perceived risk is the probability that the patient lacks the information to make an informed choice. Evaluating alternatives for dental treatment and deciding where to purchase dental services is a

complex process. Dental care usually is sought infrequently, and most patients do not have much direct experience choosing dentists. Compounding an already difficult problem is the possibility that the patient is unable to define his or her problem sufficiently. He or she lacks the confidence to make an informed choice, and the complexity of the choice is aggravated by his or her limited understanding of the various alternative treatments.

Limited experience with purchasing dental services implies that the patient has not developed a set of evaluative criteria (that is, a set of heuristics that facilitates choice) that can be recalled easily from memory. With most services, the service provider quickly sets about developing a strategy to teach consumers which evaluative criteria are appropriate. The criteria are based on what the service provider believes will provide him or her with an advantage.⁴ Most service providers are adept at making the evaluation process easy for potential buyers. When the lawn mower stops working, for example, the consumer has little trouble identifying the problem, selecting a service technician and applying a set of criteria to evaluate each alternative. However, when a patient seeks dental treatment, he or she may not know which dentist to call.

To help the patient make an informed choice, the dentist should develop an advantage proposition. This is a written statement of what the dentist and the practice stand for. (It should be posted on the practice's Web site and included in any other communication vehicles.) The statement transforms the dentist's beliefs and values into action, but it also establishes accountability. The dentist must be prepared to stand behind the proposition every time a patient interacts with someone in the practice. Dentists must demonstrate that the things to which they have committed themselves have been done and done well.

RELATIONSHIP AUDIT

All relationships exist on a continuum. In a service business such as dentistry, practitioners cannot leave relationships to chance. A dentist's primary asset is his or her list of patients, and the value of the asset is not the revenue it generates, but the strength of the relationships that underlie that revenue. Relationships are one of only a few assets that do not depreciate with use; in fact, they can increase in value if properly cared for. However, dentists must validate

empirically the strength of their relationships.

A relationship audit is a thorough evaluation of relationships with patients. The dental practice mails each patient a survey, and, if needed, follows up by telephone to assess the quality of the relationships. It is important to solicit feedback regarding the performance of the dentist and staff members, hospitality, professionalism and overall level of satisfaction.

Center of influence. A practitioner must know who is a center of influence in the community.¹⁰ A center of influence, or an opinion leader, is someone whom people seek out for advice and counsel.

A single opinion leader can refer hundreds of patients to a dental practice, but these relationships must be tended carefully. An opinion leader does not assume this role by accident. He or she aspires to fill this role. An opinion leader builds a broad network and strengthens that network by facilitating trade among the members. A dentist may have opinion leaders in his or her practice, although they may not have been identified. Meticulous record keeping is required to understand where your patients are coming from and why they stay with the practice.

Solicit feedback. For example, a patient for whom the dentist has performed a significant amount of work volunteered that she was leaving the practice. She explained that she didn't really know why she wasn't going back; she was happy with the work but did not feel that it was in her best interest to stay with the practice. She did not even know where she was going or how she would make the choice. Why did she leave? This—an apparently good patient's leaving the practice for no explicable cause—is the reason to conduct a relationship audit. A relationship audit would have provided this patient with the opportunity to explore her feelings and convey them to the dental practice.

It is easy to dismiss this example as an anomaly, but that is a simplistic response to a complex problem. The relationship audit is predicated on networking principles. The dentist needs to personalize the relationship between the patient and the practice for it to be meaningful and satisfying. Patients want to feel that they are part of the practice. In addition, people tend to do what is expected of them.⁹ If the dentist does not lay out his or her expectations with regard to being a part of the practice, how will patients know how to behave?

If relationships are left to chance, it is likely that practitioners will have a transaction-based practice, not a relationship-based practice. It is critically important for clinicians to reach out to patients as often as possible. Repeated interaction encourages cooperation. Finally, dentists should keep in mind that the world is small and it is important to network continually.

The process of building and maintaining strong relationships will not work for the insincere. Patients will read through a dentist's motives if he or she engages in these efforts only to increase revenue. Making relationships an explicit priority means that dentists must genuinely care about their patients and their welfare.

CULTIVATING OPINION LEADERS

Once dentists have completed the first six steps discussed above, they will know which objectives they would like to achieve, what they value, how well their practice runs, the quality of their relationships and their advantage proposition. It is important to take this information and cultivate opinion leaders in the marketplace. Where does one find them? In truth, they are all around.

Other opinion leaders are the only people who will actively help you find them. They are always looking to expand their networks, and they look for people who are proactive about networking and know where they are going and why they want to get there. The eight steps toward success help practitioners become that type of person. Activity generates activity; this is an undeniable truth known to every salesperson. Opinion leaders are not hiding from dentists, but it is key that they know you are committed to excellence and building quality relationships.

It is important for practitioners to develop a visible presence in the community. This is accomplished by joining groups composed of leaders in other professions, civic groups and committees important to community development. There is a chronic shortage of qualified people who volunteer to fill important roles in the community. Practitioners need to get involved; it will bring personal satisfaction and often referrals.

If there are organizations in the community that employ a large number of people, including the local government and school system, the dentist should strive to create relationships with them. These employers need to know about the practice's advantage proposition and how the

dentist has helped people in the community.

TIMETABLE OF ACTIONS

Dentists need to establish dates for achieving their objectives and create a timetable by which each phase of the project (such as the practice management audit) will be completed. The practice is where it is because of the choices the dentist has made, and it is time to make choices that will benefit him or her explicitly, as well as the practice's patients, the dental team, the dentist's family and the community.¹¹

CONCLUSION

It is beyond the scope of this article to explore in depth the benefits, on many levels, of improving relationships. It can be the single most rewarding aspect of a dentist's career. Discovering one's strengths and those of staff members, and then working toward one's strengths and delegating tasks to those whose skills complement one's own is a rewarding experience. As Patton said, "Accept

the challenges so that you might know the exhilaration of victory."¹² ■

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