

Picking the exact practice size makes perfect sense

Q: *I'd like to increase the size of my practice, but I want to do it in a way that is practical and realistic. I don't want to overextend or lose profits because of uncontrolled growth. What is the best way to determine the optimum size for my practice?*



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A: In a significant number of demographic areas in the country today, practitioners are doing a lot more than thinking about their schedules. A continuing population expansion with some economy concerns is causing food for thought and impacting practices.

Some practitioners who had anticipated retiring are choosing to work more years but fixing their schedules, deliberately not adding days. Some younger professionals in certain markets see it as easier to rejuvenate an older practice or even do a start up rather than try to arrange a high-price buy-in to a larger practice.

Some female practitioners starting families are stating are determining they will only work a certain number of days to balance family needs. Of course, some existing practitioners with a more traditional approach see any growth as a positive and are going for expansion, including adding more space or finding totally new space.

But ease of growth prospects and how it plays out for all the different constituencies in dentistry is obviously not all there is to the equation. Today, using good business planning techniques, it is possible to target overall growth and then tie facilities, staff and doctor schedule to it.

Welcome to pick-a-practice-size. The increasingly sophisticated area of targeting growth has become a new business planning discussion area in dentistry. Growing and growing without appropriate planning, or worse, deciding to go larger without an appropriate structure in place is, in my opinion, the number one cause of doctor and staff stress in current dental practice administration.

In contrast, we are finding that the decision to pick practice size ahead of the decision to grow minimizes the stress. Here's how it works. Basically, the process is to work backward from the local

demographics (both local population relevant data and number of doctors in the patient-drawing areas), to determine demand and potential unmet demand for general and specialty care.

Coupled with that is the critical component of fixing the comfort level of a doctor for a particular size practice and his view of what practice he wants as an end point. Only a thorough discussion of what the doctor desires for self, family and practice can lead to a considered-size judgment call.

With both demographics information in hand and a doctor's end point objective for the practice, it is fairly straightforward to then build a business plan that states the financial, administrative, staff and facility business planning targets. Of course, the doctor's appetite for a larger or smaller practice can play a big part in subjective decisions relating to why grow.

So, too, can personal interests in trying to achieving a certain balance between practice and personal / family time. But the amazing thing is that with a firm rational target that sets practice size, all the other practice, personal and, in some instances, family pieces begin to fit.

The emphasis on a rational target above is key, because stating an unrealistic target devoid of support from demographics, for example, is a fool's game and the target probably will not be met. The importance of this can not be overstated.

However it is arrived at today, a practice that is managed to achieve an optimum size will never be in the position of being one that is too large and has outstripped the doctor's real ability to control the practice, nor one with questionable staff depth, nor one with profit that is marginalized because of helter-skelter growth.