

Management by Fear

by Bill Rossi



istockphoto.com/ kasyatzi

Almost anyone would agree that hard work, intelligence and integrity are important components of success... but there is another trait that is not talked about as often that is equally important: courage.

Just as you would predict that someone who was lazy, stupid and dishonest would not be successful... it is important to note that someone who is fearful would have limited success too. How does this manifest itself in a dental practice?

Situation #1: A practitioner in a small- to medium-sized town with seven to ten major employers gets a letter from a PPO announcing that it has captured the business of one of those employers. The letter implies that he should sign up (and accept the reduced fee schedule) or he's liable to lose a significant portion of his patients. Furthermore, he has to decide soon or he will miss a chance to be on the provider list.

The practitioner signs up with the PPO... not to explore an opportunity or gain a benefit... but out of fear of losing patients.

Situation #2: A dentist has a front desk person who has been with his practice ten years. She consistently rejects the dentists' suggestions on how to improve the practice. She occasionally offends patients. Other staff have left because of her. Still, this person is the only one who really seems to know the computer and is very efficient. The dentist feels that his practice would go into chaos without her. So, despite her intransigent and disruptive behavior, he does not replace her out of fear that she is irreplaceable.

Situation #3: The dentist is very busy and cramped in her three operatory offices. She has room to add another operatory but the equipment and their related expenses in expanding the facility might cost her \$60,000. Because of the uncertain nature of dentistry nowadays (increased competition, managed care, etc.), she holds off doing it even though she is very busy. She fears she might over expand and be stuck with high overhead while facing an open schedule.

Situation #4: A Doctor in a small town is worried about increasing his extremely low fee schedule because the other Doctor in town also has a very low schedule. He is afraid that he would lose patients.

Situation #5: A Doctor does not take the time or money to attend an important continuing education event because she fears that the temporary loss of income will not be recovered. She is just making ends meet as it is.

Situation #6: A Doctor does not present his best options to a patient because he fears that the patient will say, "No." The truth is this is dentistry he would have in his own mouth; however, he doesn't think the patient will feel he can afford it. Previously, when patients have declined carefully proposed treatment he found it quite upsetting.

Situation #7: A Doctor wants to be more active in the delivery of perio treatment to her patients but she fears if she does, so many will ask, "Why haven't you talked to me about this before?"

In all the situations above, the Doctor is making (or not making) a decision based on fear of loss instead of anticipating gain from exploiting opportunities. The Doctor may be hard-working, intelligent and feel that he/she is being prudent by making the decision, but in actuality the decision was not the wisest or the most prudent. Fear is a most insidious enemy.

Still, when you are in the thick of things, it's hard to remove yourself and know if you are being objective. In general though, playing it "safe" is probably more dangerous than doing what may, on the surface, look risky.

Now, I'm not recommending firing staff, adding to facilities, or even spurning PPOs willy nilly. But, if you find yourself often trying to overcome situations through hard work, worry or fighting to maintain the status quo, then you know you would probably do better if you accepted a little more risk. After all, to go into private practice in the first place required courage! It is just that once you are in practice and established you can feel that you have more to lose than to gain. If every Doctor practiced with this same enthusiasm, optimism, and courage as they did the first day they opened their practice, the level of success achieved could be astonishing.

Let's look at the flip side of some of the above situations:

In Situation #1 the Doctor declines joining the PPO and accepting \$4,000 or \$6,000 per month in write-offs. Instead, he invests \$2,000 per month in a marketing campaign and gains additional patients. As a result, he's less dependent on PPOs and less vulnerable than his counterpart who signed up.

In Situation #2 the Doctor terminates the "irreplaceable" employee and after careful searching finds a replacement. She brings a new and refreshing perspective to the practice. The team respects the Doctor's leadership in making a tough decision and it is affirmed that no one is indispensable. The Doctor

is back in control of her practice!

In Situation #3 the Doctor goes ahead and invests the

\$60,000 on the expansion... financed over five years at 8%. The payment comes to about \$1,216 per month. With that additional capacity, her practice grows to a new level and she attains prosperity she could never have by playing it safe. Before she expanded the room, however, she did an Active Patient Count, checked on her recall effectiveness to see if there was potential for expansion, and did a cost-benefit analysis. The analysis told her she and her hygiene department each would have to average one or more patients per day as a result of that expansion to make it worthwhile. Framed that way, they knew they could do it.

I could go on and on but, you get the point. If you really want things to go the way you want them to, you have got to create your future versus letting your future happen to you. You can't just play defense.

A courageous approach also changes your staff meetings. Are you focusing on opportunities or problems in staff meetings? Problems with cancellations, patient credit problems, cranky patients, etc., will always be with you. Sure, you want to minimize them, but are you focusing on things you can gain from instead of going over and over the same problems.

You must also realize that there has always been something that somehow threatens the dental profession. That's the way it is with every business! Again, go back to the first day you started practice. A successful small business person has to be optimistic and courageous. Otherwise, one might as well go hit the bottle or work at the factory until doomsday finally arrives. Plan on succeeding and you will.

Bill Rossi is actively involved in the ongoing management of over 250 upper midwest dental offices. Contact him at 952-921-3360 or through www.AdvancedPracticeManagement.com.