

PRACTICE MANAGEMENT

How To Right Size Your Administrative Staff For Increased Profitability

Is your practice profitability suffering due to excessive front desk labor costs? Possibly your staff is doing the wrong tasks or doing them the wrong way. Or are you leaving dollars on the table because your front desk is stretched too thin? Below, practice management expert Bill Rossi* explains how to analyze your practice's front desk effectiveness and the steps to take to increase profitability.

Deciding when to add or cut back on hygiene or assistant staff labor is usually a relatively easy decision. Since you're working alongside these clinical staffers, it's easy to tell if they are keeping up.

But how do you know if your administrative (front desk) is underperforming, or possibly overworked? And how do you "right size" your administrative staff to properly fit your practice production and new patient flow?

Administrative Staff Benchmarking Ratios

As a general rule, total staff costs (not including payroll taxes, retirement plan contributions, or benefits) should represent approximately 26% of collections in general dental practices. The administrative staff's cost should be between 6-8 percentage points within that 26%.

Digging deeper, an in-depth study of our client practices revealed the following productivity averages, as well as those for more efficient practices (75th percentile), and those at the very top end (95th percentile):

	Average	75th	95th
Total Practice Production Per Administrative Hour Worked	\$439	\$550	\$750
Practice Exams Per Administrative Hour Worked	0.86	1.00	1.45

As a general rule of thumb, an average practice needs one full-time equivalent front desk person for every \$60,000 per month of dental office production. More efficient offices can average \$75,000 a month in production per full-time front desk staffer, with maximum efficiency practices around \$100,000. If your practice is operating below these benchmarks, you need to analyze the problem further.

Improving Front Desk Productivity

Possibly your front desk is tasked with duties that

could be delegated, or could increase their efficiency in performing the tasks that they should be carrying out. Consider the following ideas:

- Implement computerization in your operatories to allow patient billing, medical history, and electronic claims submission to be entered by the clinical staff directly involved with the treatment. This avoids costly duplication of effort, failure to charge out all procedures, miscoding of clinical procedures actually performed, while dramatically increasing the practice volume that can be handled by the front desk staff.
- Outsource your practice payroll using an outside payroll service. They can do it more efficiently.
- Increase use of payment by automatic bank draft and automatic credit card to reduce bad debt, increase case acceptance, and reduce front desk labor spent on billing and collection activities.
- Increase front desk efficiency by recording or tracking all potential new patient phone calls. Provide ongoing training to improve customer service to create the optimal patient experience, with a goal of converting at least 85% of all new patient calls into actual new patient exams.
- Have well-thought-out systems for continuing care and treatment follow-up that make good use of your digital communication and practice management software.
- Ask hygienists to help with the phones, especially in calling their patients that no-showed or cancelled.

Opportunity Cost With High Efficiency Practices

Possibly your practice is at the top end of these benchmarks and you're feeling rather complacent. Beware! While your practice may seem very efficient, there may be huge opportunity costs. Your front desk staff may be stretched so thin that follow-up phone calls are not being made, patients are not being properly scheduled, phone calls are not being answered, and insurance is not being processed on a timely basis, which could be costing you dearly.

You may not be aware of these problems because many good front desk staffers are very territorial. They don't want to tell you when they're not able to keep up with everything because they don't want anyone else around who "doesn't do things as well as they do." The problem here is that the practice is being limited by the capacity of the current staffers, no matter how competent they may be.

As a result, if you're at the top end of these ratios consider the possibility that you may be able to increase practice profitability by **adding** front desk labor. For example, if you hire a new part-time/full-time front desk staffer and can schedule five more recall visits per week, that could translate into \$2,000 of added production each week. This new staffer could also help you cover phones during lunch hours. Our research shows that not answering phones during lunch hours costs the average solo practice approximately four new patients per month. And they can make needed collection calls and follow-up calls to increase treatment acceptance.

And don't forget the advantage of having additional front desk labor so you can expand office hours and be more available to patients. Our research shows that having at least five clinical hours a week after 5:00 p.m. can significantly add to new patient flow.

Administrative staff labor matches up directly with hygiene productivity. So if you're trying to grow, you may need to add more front desk labor to fill the hygiene schedule for increased production. In many cases if you spend an extra \$1,000 in front desk labor, you may be able to get an extra \$4,000 back in production! Not only will this help your practice grow, but it will also increase your profitability much more than if you try to save money by throttling back on your front desk labor costs.

** For more information on his firm's practice management services, contact Rossi for a free 20-minute consultation at Advance Practice Management, 7101 York Ave. S., Suite 300, Edina, MN 55435-4407; 952.921.3360; or at www.advancepracticemanagement.com.*

MARKETING

Grow Your Practice By Giving Back To Your Community

Giving back to your community is a great way to promote your practice. You not only have the satisfaction that comes from doing good, but you're burnishing your image and building your brand that will likely increase new patient flow. And it will help to recruit and retain top-notch employees in this tight labor market.

Being known as a practice that cares is important, particularly if you are trying to reach Millennials. They are more likely than previous generations to support businesses that demonstrate a commitment to doing good, according to a recent *Fortune* poll.

Find a Project That Fits

If you want to do well by doing good, you really have

to **do** good. Here are some great strategies to make that happen in your practice.

Hold a drive: Collect non-perishable food, clothing, blankets, toys etc. This is a great way to help meet a local need and, at the same time, engage your patients. Set up a collection box in the lobby and invite patients to bring items with them to appointments. You could offer incentives—one idea would be that for each donation (limit one per day), they are entered into a drawing for a free whitening, tickets to a local event, a gift basket, etc.

Want to take it up a notch? Volunteer as a team at the foodbank, at the Toys for Tots collection center, or serving the dental needs of the under-served through Missions of Mercy, Smile For A Lifetime, or other dental-related organizations.

Tips:

- Before you get started, contact the charity you want to help to find out their greatest need. For example, some foodbanks have specific requests.
- Schedule a drive more than once a year. A one-and-done approach won't get you the marketing traction you need. Perhaps around Christmas you can participate in Toys for Tots, Operation Christmas Child, or collect coats or blankets for the homeless. In the spring, you can hold a spring cleaning clothing drive.
- Prime the collection box. You don't want it to be empty on day one!

Offer free oral cancer screenings: April is Oral Cancer Awareness Month, so you have plenty of time to plan. Block out a day each year when people can schedule—or just walk in—for a free screening. It's an opportunity to connect with potential new patients and increase awareness of your practice. If it goes well, you may want to offer it more frequently.

Sponsor a youth sports team: Sponsoring a youth sports team may be the perfect match for a pediatric or orthodontic practice. But remember: Parents need dental services, too. It's a way to get your practice's name in front of hundreds of potential patients. **Tip:** Ask for ad space on the season schedule. That gets posted on refrigerators and bulletin boards all over town.

Donate mouth guards: If a full sponsorship is out of the question, consider donating mouth guards—bearing your logo and phone number—to a sports team. Help students avoid dental injuries while they enjoy their favorite sports and market your practice. You can set up a time when team members can come in for fittings. Encourage them to have the guards checked regularly. That gets them—and their parents—through your door.

