



3 Ways to Save When Starting A Practice

Joseph Morneau*

Former Chief of Orthodontics, NYU Lutheran Pediatric Dental Residency, Rady Children's Hospital San Diego, El Paso, TX, USA

***Corresponding Author:** Joseph Morneau, Former Chief of Orthodontics, NYU Lutheran Pediatric Dental Residency, Rady Children's Hospital San Diego, El Paso, TX, USA.

Received: April 12, 2018; **Published:** May 28, 2018

Building a dental practice from scratch is quite challenging. Ultimately its financial success depends on two simple rules:

1. Maximize income and,
2. Minimize expenses.

When starting out, there is a significant period without revenue. This makes minimizing expenses essential to success. There are a couple of factors working against dentists when starting their practices. First, dentists typically have no formal business education. If you haven't started reading some books on business and don't know where to start, feel free to contact me. I'll be happy to point you in the right direction. Second, most people involved in creating your practice know exactly how much financing you can attain. It's quite likely they know your loan officer better than you do. I find it amazing that the estimate for starting a practice tends match, almost exactly, the amount for which your lender has pre-approved you.

It is a mistake to accept the first cost estimate as a firm, immovable number. There are many ways to save money on a start-up. I would like to present 3 methods that can assuredly save you money and perhaps even your chances of financial success.

Supplies

Careful selection of supplies and equipment can easily save more than a million dollars over the course of a dentist's career. While it may be convenient to get all of your supplies from one large vendor, this is not the way to save money. Be very careful about where you get your supplies and be wary of crafty salesmanship. Many vendors will offer a "New Grad Discount". This is rarely a good option to save money. In fact, most vendor discounts can be beaten by the everyday low pricing of other online suppliers. While quality is essential to the treatment of patients and to the efficient operation of a dental practice, it does not mean that only expensive products are acceptable for this goal. In fact, some very expensive products have poor quality. When I was in orthodontic residency, I trained using very high quality brackets. Really, they were outstanding. They were also very expensive. Once I graduated I continued to use these brackets to treat patients in my private practice. Eventually, I tried other brackets and I am so happy I did. I realized I could provide the same if not better results with high quality brackets that cost far less. Ultimately, it is me that creates a beautiful smile, not the brackets I use. The major suppliers will always be there if you need them. Trust me. One company you might want to try is Net32. Net32 has a large selection of products, many of which are affordably priced. For orthodontic supplies, I recommend checking out Ace Ortho Supply <https://www.aceorthosupply.com>

Design

If you are starting from scratch you will likely need someone to design your office. This includes essential documents that need to be filed with the city. The technical drawings your designer provides are essential to communicating your vision to the contractor that will build out your office. I've seen design fees range from \$3000 to \$35,000. Some major suppliers even offer to design offices for free. I don't recommend this. It is important to get someone competent and that has experience in your field. That said, in my experience high design fees rarely equate to superior service.

A beautiful design depends largely on you, not the designer. It is imperative that you invest quality time and effort into the design of your office. Mistakes in this area will be lasting and costly. Do not assume that your designer knows better than you. I had an office designer forget to include a tooth brushing station for my orthodontic office. Luckily I caught it and we made changes well before construction began. Even if your designer is very experienced, do not expect perfection. You must monitor the design process closely.

Shop around. Get at least three estimates from designers. Include wording in the contract that your designer cannot provide services to a competitor within a specified radius of your office from the moment you sign the contract until the time construction is complete.

Website

A website is an essential component of your dental practice. Fees for building and maintaining a website can eat up a significant portion of your start up reserves. However, with proper planning and investment of time your website can also be an excellent way to save a lot of money.

I repeatedly hear dentists say the expense of paying a professional web designer to build a website is a pittance compared to the overall cost of starting a practice. This is not proper logic. In reality, these "small" expenses add up. With proper planning and determination you can save yourself \$100,000 by cutting out or reducing these "small" expenses.

Spending a fortune on a website rarely equates to a quality website, and certainly doesn't correlate to the number of patients you will get. Whether you spend a lot of money or not, a quality website will require a significant time investment by you. Remember this, no one cares about your website more than you do. Having a website is essential. Having an expensive website is not. While there are many companies offering their services to create and manage a website for you. These companies often promote their search engine optimization (SEO) services too. Ancillary services like SEO

can be quite expensive. For a busy profitable practice, these services may seem worthwhile to a practice owner with limited time and ample financial resources. Many starting new practices will have plenty of time to take on some duties that busier practice owners are unwilling or unable to assume. Use your down time as an advantage. Web design companies will charge anywhere from a few thousand dollars to tens of thousands of dollars to create and maintain a website for you. They will charge just as much for SEO. If you have the time, I highly recommend you create your own website. You do not have to have any programming skills to accomplish this. There are several online do-it-yourself website builders. A couple of website building companies I like are Weebly and Wix. Regarding SEO you could pay an “expert” to do this but, in my experience, it is not worth the money. With a little self-study you can do a great job with SEO on your own. If you ever opt to outsource SEO at least you will have an idea of whether or not it is being handled properly. It is my opinion that during the initial 6 months of starting your practice no amount of money will rocket you to number one in search ranking. If you do somehow rocket to the top, it’s not because of the money you spent on SEO. It was going to happen anyway.

For those of you planning to open your own private practice, I congratulate you. It is a bold move to be admired! I wish you the greatest of success. Invest the necessary time and guard your cash ferociously. You will need it to weather the storm before the clouds clear.

Volume 2 Issue 6 June 2018

© All rights are reserved by Joseph Morneau.