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Full Episode Transcript

With Your Hosts

Dr. David Phelps and Evan Harris

You are listening to the *Dentist Freedom Blueprint* podcast, with David Phelps and Evan Harris. Navigating you through the uncharted waters of a turbulent economy with straight-forward advice to, transform your practice into a self-sufficient cash machine, compound your net worth assets, and multiply, multiply, multiply your passive cash flow streams.

David: Hey, everyone. This is Dr. David Phelps of the Freedom

Founders mastermind community and the *Dentist*Freedom Blueprint podcast. Back to you today with another very exciting interview. This one I've been looking forward to for quite a while and you're going to find out

very quickly why.

But before I jump in, let me just tell you that this dentist is not only a fantastic dentist but he's also one of a really great entrepreneurial background. I'm particularly interested myself in finding out more about what makes him tick: what allows him to be a great dentist, have a great practice, be a marketer, an author, a speaker, and how he balances all this with everything else he does. Because I know his reputation to be very authentic, a very high-degree man of integrity.

Also, it's very interesting that we both share the last name Phelps. So we're going to find out today, Dr. Christopher Phelps, who is the real Dr. Phelps here on this call? We'll let our listeners decide at the end. So, Chris, how are you,

sir?

Christopher: Awesome, David. How are you doing?

David: Doing great. So, yes, this is Dr. Christopher Phelps and

he has, as I said a minute ago, he's an entrepreneur, he's

a general dentist who owns multiple practices in the Charlotte, North Carolina area. He has a passion for business and really a flair for marketing and promotion, which he showed through his increased revenue of his practices ten times.

That's a factor of 10X in just six years. That's something that every dentist should want to know. If they could just double, Chris, many would be happy. You did it 10X and this is something that I want doctors to really get, that it's not just about being a great dentist, that's one piece of it. But you've got to understand what marketing is all about and you have brought that to the forefront, my friend.

For 2013, when as we know, most dentists across the nation were struggling to produce what they had just from the year before, your practices grew by two million dollars. My gosh, that's outstanding. We're going to talk a little bit about one of the things that you implemented for dentists, not only for your practice, but for other dentists and that was the Call Tracker ROI. It's a marketing tracking system that you developed with your business partner, Steve Yagey. There's some interesting parts of that that we'll get into that makes it much more than just another marketing thing out there. Chris, I think you've done an amazing job with that.

We'll talk a little bit about the fact that you're a Kolbe Certified Trainer. You're also a certified trainer in the Cialdini Method of Influence and I know people will want to know a little bit more about who Robert Cialdini is and why that might be pertinent to how it can work in their personal lives as well as their professional practice lives.

You also have a new book out that we're also going to talk about a little bit today which I think is, again, a great way for dentists to market. So time for me to be quiet and bring on my good friend, Dr. Christopher Phelps. So, Chris, just jump in and I know everybody is going to want to know a little bit more about your background. So bring us up to when you first got into practice and then any elements that just make you stand out from all the things you're able to do so well.

Christopher:

Yeah, definitely. I'm from Greensboro, North Carolina originally, born and raised. Went to University of North Carolina at Chapel Hill for undergrad. Then went to dental school down at Nova Southeastern University down in Fort Lauderdale, Florida. Which was kind of interesting because you know, it was the first new dental school to open up in twenty-some years.

David:

Right.

Christopher:

I really felt fortunate to go there, not only because it was state of the art and everything was brand new, so I had all of the latest toys to play with. And I'm kind of a toy guy, if most of you are like me out there. So that was a big draw but the one thing I loved about it was they weren't—the professors, the institution, wasn't rooted in 200 years of doing it the same way, this tradition.

So Nova was really open about listening to student feedback and hiring professors there that ended up being great mentors for me. One of which is a dean over at Tennessee right now, Tim Hottel, who was really a business guy before he ever went to dental school. So I was very fortunate to latch onto him my freshman year. He helped bring out some of this entrepreneurial stuff

inside of me and got me thinking, digging into my head, that you'll make more money with your mind than you ever will with your hands.

David: That's right.

Christopher: And getting me on that thought process. I graduated

dental school in 2003. Joined my wife's dentist, who'd been her dentist since she was fourteen. It was kind of interesting, he was in a little old house that he had renovated into a dental office. Old place, nothing fancy about it, it was at least fifteen years old when I joined it.

But what he had which was unique, and what kind of drew me, was it was a true fee-for-service practice. He charged \$1,200 for his crowns, patients paid \$1,200 and he filed their insurance as a courtesy and then they waited on the money. Nobody really in my town in Charlotte, North Carolina, where I'm at now, had that.

So I knew there was something unique there, whether he realized how special it was or not. So that's kind of where I jumped into it, if you will, and just full steamed ahead with ideas and passion and everything else you can think of.

David: One thing you said, I don't want it to go by our listeners,

but you said that your early mentors mentioned to you that there's more money to be made using your mind than your hands. That seems like almost—what's the word I'm looking for? It just seems it goes against the whole ethics of what we are trained to be as dentists. How do you

blend that in?

I agree with you, but there's also this thing about, "Hey, we went to school and did all of our training to become

great practitioners and use our hands. Use our minds, yes, to diagnose. But certainly we have to use our hands to do treatment." So how do you justify the two?

Christopher:

Well, you know, it's hard because the average dentist that comes out of dental school, the way our education system is setup, those of us that make it through the program and succeed and do well to get through dental school, it kind of brings a certain profile of the person. What we call a Kolbe profile.

For those of you that don't know Kolbe, it's K-O-L-B-E. Imagine a car driving down the road, right? There's a driver and a passenger sitting in the car. Well, at any given time, the driver might be your IQ, which is your processing speed, right? How fast can you learn things, your experience to date. The passenger could be your personality. It's what do you want to do? What are your feelings? Your values? You're an optimistic, pessimist, introvert, extrovert. You know, even your birth order has a lot to do with your personality side.

Many times, the brain knows we should do one thing but the personality wants to do something else and guess what? It could be a conflict there. So what Kolbe is, and most of you guys don't realize this, I just saw a study that said 90 percent of the time our brain is on automatic pilot. Only 10 percent of the time does it wake up and the IQ and the personality make a decision.

So the question becomes, you can picture this, if you've ever driven home and gotten out of your car and looked back at your car and go, "How the heck did I get home?" You know, you have like no memory of the drive, right?

David: That's right.

Christopher:

That's automatic pilot. So the question then becomes, well if the brain, if there's nobody driving the car, where's the car going? That's kind of what your Kolbe is, it's your natural instincts, how you're built. What are you going to do, what are you not going to do?

If your car is built to drive on the highway, let's say, and you take it off road, sure it can go off road, but is it going to be able to last? Is it going to be good for the long term? Because it's not really built for that, right? So it's going to take more of it's time, effort, and energy to get it done. Versus if it's built for the highway, well then it should be smooth sailing and take less of your time, effort, energy.

So one of the things I realized early on was, that makes me different than most, is my Kolbe profile is uniquely different than most dentists. I'd say 90 percent of dentists have the same profile. It was kind of funny, when I met Kathy Kolbe, the founder of the Kolbe program the first time, all she looked at were four little numbers of this assessment test I took and I said, "Hey, Kathy, I'm Chris. I'm a dentist." She said, "Chris, let me stop you right there." She goes, "Number one, you're not a dentist." [Laughs]

David:

[Laughs]

Christopher:

I was like, "Uh, I'm pretty sure I'm a dentist. I think I remember those four years of school and hell and all that." And she goes, "No, what I mean is you're an entrepreneur who's using dentistry as his vehicle." I was like, "Oh, wow, okay."

So for whatever reason, entrepreneurism is innately built inside me, you know what I mean? As far as my driving factor. I think a lot of it has to do with that Kolbe. So it's a

challenge for most dentist who aren't built to be CEOs, who aren't built to do the things they need to do to make their business successful.

David:

I think we both know there's a lot of dentists that do kind of suffer through the mixed message that what they're doing is not exactly who they are. So you've figured out how to blend the two. Knowing what you know now about yourself, now you've given yourself permission, I would say, right? Permission to still be a dentist but also use your entrepreneurial traits, your entrepreneurial instincts to have fun and do more things that still blend dentistry, your background, and your training, into other things you can do. That's really what's led you to where you are today, wouldn't you say?

Christopher:

Oh, yeah, without a doubt. Kolbe is all about not only taking your IQ, your personality into effect, but finding out what are your natural strengths and focusing on those and stop trying to prove your weaknesses. And delegate it and hire somebody to do that for you.

David:

So a good thing for anyone to do, no matter what their career path is, dentistry or professional practice, or otherwise, you would recommend that taking a Kolbe could definitely probably show them some things about themselves and probably help them identify why they may be struggling in what they do day to day, week in and

week out, yes?

Christopher: Oh, definitely. It finally gave me ... I love the Jim Collins

book, Good to Great, about having the right person in the

right seat on the bus.

David: Yes.

Christopher:

Kolbe was the first thing that actually gave me language to describe, why is this person the right seat for this seat on the bus? And why are they a better seat for this seat on the bus? Or, why do I need to help them off the bus? It was the first time for me, it was very empowering, because I had language to describe myself.

I saw what my challenges were and even though I know I could do them, why am I wasting my time, effort, and energy when I'm just not going to be as productive at it? When I can just hire somebody or offset it to somebody else to do that for me? And focus on my strengths. That's when I started doing that, that's when things really started taking off.

David:

I love that. We just finished one of our masterminds this last weekend and that's one of the things we went into, right people, right seats on the bus. Exactly to your point, we talked about Kolbe. So this is right up the line of what we deal with and you're right, it's so enlightening when finally, you can discover what your natural gifts are.

Then you can hire other people, delegate out, to complement the areas that you're not as gifted or things you just don't like to do. It makes so much difference in life because I think most of us were taught you just buck up and do what needs to be done. And that's a work ethic but unfortunately, as you mentioned earlier, it leads to burnout and that's something that we want to avoid at all costs.

Christopher:

Oh, yeah, and I sort of find most dentists are struggling with is they haven't built the right team to support them. That's one of the things, I was very fortunate, one of my pillars of success has been Kolbe and making sure

whatever business I build from my dental practices to the other things, I've got the right teams that can handle whatever comes at bay and set the stage for success.

David:

Perfect. All right, so I want to talk a little bit about the marketing that you do. So that's again, I think very innovative. You've taken marketing and dentistry, and really outside of dentistry as well, to another level with your Call Tracker ROI.

Let's talk about how use you that, really, where it came from. Because you took that first practice that you purchased back in 2003, which had done about \$600,000 in collections the year before. In seven years, you had 10X that to 6.5 million. So talk about what the marketing did to help you do that and really a little bit more about what Call Tracker ROI is all about.

Christopher:

Yeah, well, it's kind of funny. Having a 10 times growth in six and a half years was a lot. It was basically just me being me, just pure instinct. But I got to the point where I had made some sacrifices to get to that point where I had sold some of my shares of the business to some of our associates, which was nice because that freed up my debt and allowed me to do some other things, like purchase real estate and whatnot.

But what I found was that because their Kolbe is different than my Kolbe, the way I wanted to do things moving forward and the way they wanted to do things today, were completely different. So I made the decision to sell two of my practices because I'd built up to four practices at this point.

So I sold my two best producing, highest profit, least debt practices to the associate docs, who were my partners.

And I took over the two highest debt, lowest profitable offices, one of which was literally costing me \$40,000 a month to keep open.

I was back to my original office, in the smaller office of a cold start, that was maybe eight months into it. It probably did about 1.6 million between the two of them but they say necessity is the mother of invention and I can honestly my Call Tracker ROI program was built out of necessity because I found myself spending \$36,000 a month in marketing and getting sixty new patients a month for my efforts. Thirty at one office and thirty at the other.

So I knew I had a huge problem but I didn't know what it was. So what I've figured out know, there's two sides of the marketing coin. There's, are the ads that you're paying your money for giving you enough quantity and better yet, quality, of new patients? Who are spending enough in your practice to justify the expense, whatever number you put at that.

Or, is it the other side of the coin which is, I call, lost opportunity. Are you not answering the telephone? And if you do answer the telephone, are you not converting those calls into appointments, right? Or is it both? You have both problems.

So what I found with my own team was while I was out spending so much money, well guess what, we did not answer over 220 potential new patient phone calls a month from my marketing sources.

David: Oh, wow.

Christopher:

So over 55 percent of the calls I paid to get, we didn't even answer. If we did answer, we only converted 24 percent of those into appointments. For every ten people that called, only two left with an appointment. I was like, "Holy crap, no wonder I'm spending too much money."

Here's the answer to the problem and back that up because I knew the answer to the problem was in the telephone but I tried every call tracking system out there, let me tell you. I hate to say call tracking, people like to lump it all together, that's it's the same thing, but it's really not.

There's the rest and there's what I did and the reason is because I don't want to invent the wheel. If somebody's got it, I'll use it and buy it. I don't want to have to reinvent the thing. But nobody had what we needed. They had just enough data to justify their expense but it wasn't really what I needed for my business or what I felt we needed for our practices.

So that's why I felt like I had to innovate and develop a program that gets us the data we need to make smart decisions. It's as simple as that. So I could figure out what was going on with the telephone, why am I not answering, why am I not converting, and then I could do something about it.

Then as you saw, the result is we went from 60 new patients a month to averaging over 300 a month with feefor-service patients, which is great. You know, not insurance based. Then my marketing costs went down 75 percent as a result because I got more efficient.

David:

So is there a training component or a recommendation for a certain kind of training that you find out of Call Tracker if

you determine that the one side of the coin, if there's a lost opportunity because the calls are not being taken, there's appointments not being scheduled, is there training that goes along with it? Or do you recommend certain training to get your staff on board? Because you're right, that's such a key aspect of any marketing campaign.

Christopher:

Yeah, you know what I found is that the average dentist now, believe it or not, and there's a bunch of people sitting out there going, "Well, we answer all of our telephone calls." And the reality is I'll take the Pepsi Challenge with any of them. The truth is you're not because our average client over the U.S., even in Canada, and Australia, and the U.K., it's all the same. They don't answer 32 percent of their phone calls from marketing-based ad sources.

If you do answer, they're on average only converting 34 percent of the calls. So what I try to do is figure out, how can blend technology with live people and create some solutions to help you with this problem? So with the miscall issue, the first thing I recommend is everyone should have an office cell phone.

You can add an office cell phone to your existing cell phone policy for \$10 a month and they'll probably throw in the last model iPhone for free, right? I tell them, make your staff make every outbound phone call using the cell phone. So if you're going to be on hold with the insurance company for twenty minutes, call them with the cell phone, not with your main line.

Now if a patient calls the office from an ad source and you're on hold with the insurance company with the cell

phone, just put the cell phone down, pick up the phone, handle the patient call, hang up and guess what, you're still on hold.

David: There you go.

Christopher: You haven't really lost anything. The next thing I

developed was something called a—I have a patent for it—it's called a text alert feature. I wanted to be able to understand, when am I missing a potential new patient

call in real time and then what can I do about it?

So one of the things I've set up is when a new patient calls your office from your ad sources and your calling from one of my tracking numbers, and you don't answer for any reason, so it could go to voicemail, you could get a busy signal, or the thing just rings and rings and nobody picks up so they just hang up. Well, within seven seconds, that cell phone, your cell phone, the office cell phone, anybody's cell phone you want, gets a text alert from us that says, "Hey, you just missed a call at this time from Sally Jones at this phone number from your magazine ad source. Call her back."

So it's a way for the doctor to come back from the chair, and again, we're so focused on the mouth, we have no idea what's going on in the office. No you'll know, "Hey, why did we miss ten phone calls this morning, new patient sources?" So you can go to the front and ask, right?

David: Exactly.

Christopher: "A, why did we miss these calls? And B, did we call them

back?" Secondly it's for your team to understand, well,

what were they're doing when they missed a call? Because many times they don't even know they're

missing them and it's not really their fault but, "Oh, I was helping this patient check out." Or, "I was helping this person get their appointment for the next time." Or whatever the reason is.

But patterns will develop and you can move these activities that are distracting them to non-call volume times to help offset that. At the same time, they can actually call a patient back in real time and try to schedule them because they were interested.

The next thing I developed was if you're a potential new patient calling and you're using your cell phone, they get a text alert from us within seven seconds as well from your office and it's customizable. So for my office it says, "Thanks for calling Carolinas Dental Center. We're sorry we missed your call helping other patients. Please expect a call back from us in the next five to ten minutes."

The think I learned is, you know, Google did a study about two years ago and they said that if a new client calls your business and you don't answer, you have about seven minutes to call them back before they Google the next place and they're gone.

David: Yeah.

Christopher: And that was two years ago, so I think we even have less

time than that now. So this way, what I found is when our text alert goes off within seven seconds, the patient is getting communicated with, that was the key. That's all they wanted was some communication. When I talk about the principles of influence and why they work, it kind of

feeds into that.

People are looking for a quick, easy decision because they've got a thousand other decisions to make. So what I'm finding is now they'll wait 20 minutes and up to an hour for you to call them back because you communicated with them. So they're not looking for another office because you said you were going to call them. So it's a win-win for both sides. Now you can kind of recapture that lost opportunity.

David:

That's brilliant, Chris. That makes perfect sense, you're exactly right. All of us are so busy that—and I am the same way. If I'm looking for something, I need something quickly, I need a quick answer, I need a solution, you're right, I will just start going down the list and if no one is responding, then I'm just onto the next, onto the next.

But yeah, if someone reaches out and says, "I heard you. I'm going to get back to you within a certain period of time," then you're right, that's an acknowledgment that someone is going to take action on my part and you've got me hooked. You've got me ready to wait for that next step. I think it's brilliant.

I know that you're helping so many practices take that marketing they're putting out there and now actually convert it into what we really want and that's new patients and conversions to treatment. That's brilliant. People can find more about that at CallTrackerROI.com, correct? Call Tracker ROI?

Christopher:

That's it. Then the other side of the coin that you said is we include phone training in as part of our service. It's just included in our fee. So there's three levels of training I recommend. It's kind of a step-by-step approach that if

you follow it, I promise you, you'll get your conversions above 80 percent and they're going to stay there.

David:

That's excellent. I don't know why any practice would not want to incorporate what you have. I'm not trying to sell anybody on what you have, I just know the issues that every practice has, every business has for that matter. With technology, to automate the process, that's what we need. It sounds like you have just put together the perfect system. Very, very exciting. Well done, my friend. You've done well here.

I want to get to one more thing before we close out this particular session. That's about grassroots marketing, something else you're very, very adept at and you've got a new book out. I want you to talk a little bit about *Grow Your Practice with Wine & Cheese*. Now how does that work?

Christopher:

You know, it's funny. I went to Napa Valley, California for the first time a couple years ago. My sister had invited me out there and so my wife and I went out with a couple couples. We hit like twelve different wineries over three days and if you know the joke, what happens in Vegas stays in Vegas? While I left Napa Valley a wine club member of ten of those twelve places. So what happens in Napa follows you home every month thereafter.

So wine just starts showing up every month at my house and I'm like, oh my God, my wife and I are like, "We are never going to be able to drink all this wine." I'm like, "What am I going to do with it?" So right about that time, I had a large senior community that had opened up called Sun City, a Del Webb community, they're all over the

country, 3,500 homes of active, independent living, 55 and older retirees.

I knew that was my market, so I have a full page ad in their monthly magazine that goes around the community and one of them, because I did a full page ad, committed to like six months. They said, "Oh well, as a perk, would you mind coming and doing an educational seminar to the community?" I was like, "Huh, never thought about that. Okay, sure, why not?"

I thought, "What in the heck am I going to talk about?" Then it hit me and I thought, "Well, my tagline was going to be, maybe you can't get to Napa Valley, so I'm going to bring Napa to you. Please join me for an educational talk on the top five things affecting the aging population from a dental standpoint and what you can do about it and enjoy some of Napa's finest wines."

An interesting thing happened at that first meeting. I had about 60 people there and I asked them, I like to ask people questions, and I said, "So how many of you have been to the dentist in the last year? It's a safe room, no judgement, just tell me the truth." And only ten of the 60 people had been within the last year and I thought, that ain't good. I said, "How many of you have dental insurance?" Those ten people raised their hand.

I was like, "Huh, okay. How many of you would've gone had you had insurance?" And the other 50 raised their hand.

David: Wow.

Christopher: So it hit me in that moment, there's a barrier there that we

didn't even know existed, that we didn't even see that's

keeping these people from coming into our office right now. Then I thought about my parents who had recently retired around this time as well, and the first thing they lost when they retired was their dental insurance. So when you're working, you have an abundance mindset, which is, "Hey, I might have overspent my money this month but I've got more money coming in next month. So resources are kind of unlimited right now."

Well when you retire, they go to a scarcity mindset. Resources are limited, right? So everything is an expense. So you have to watch every penny. I realized their thought, "Well, I lost my dental insurance, I can't afford insurance." Then the next thought they had was, "Well if I can't afford insurance, I don't have insurance, I can't go to the dentist unless it hurts, I'm in pain, or whatever." Even though we know the reverse to be true, they'd prevent more things if they came.

So I knew that was the barrier. They think I don't have insurance so I can't go to the dentist. So my theory was if I could get them over that hurdle and get them in the door, that if we did find things and recommend treatment that they would move forward with it. So I had heard about these little things called in-house savings plans and whatnot before so I decided this was the solution I needed.

I needed to create my own plan, which I called a dental savings plan. I was going to bring it back to this community. I said if dental insurance costs these people on average \$600 a year for a policy for one person, and I called four major insurance carriers to verify that, I said, what do you really get with that? Exam, x-rays, and basically a discount off some of the things that we do.

So I said, all right, screw that. I'm going to cut it in half. For \$299, I'm going to give them the same two cleanings, same two exams, I'm going to give them an FMX instead of bite wings. I'll give them fluoride, varnish, desensitizing treatments, as a little perk. Then I'm going to give them a ten or fifteen percent discount off everything that we do.

So I went to the community the next group and I unveiled it and I said that, "For those of you that have insurance, we maximize that. And for those of you that don't, I have this savings plan. Have you heard about it?" A funny thing started happening. After that second event, these people started showing up in the office and making appointments.

Next thing I knew, I started six months later, I'm selling the savings plan to half the people in the room. Then eight months later, people are showing up just at the end of the talk to get some free wine and to sign up for the savings plan.

David: That's great.

Christopher: I ended up selling over a thousand of these things in a

small period of time at \$299 each and each person spent

an additional \$1,254, each, on top of the \$299.

David: Wow, that's fantastic.

Christopher: That was the other thing I realized. The barrier you don't

think about is, well you can put these things in your ad but this generation, their other barrier is they think it's too good to be true, what's the catch? So when they see our advertisements, if there's any kind of uncertainty in your ad, they're not going to come. They're going to think,

"Sounds good to be true."

So when you go do these grassroots events, these wine and cheese events, you get them over that hurdle because they like you, they like the reciprocity from the wine and cheese. The early adapters will get over that hurdle and come in and try you out. If your service is A+ they will go back and tell everybody else and it spreads.

David:

Wow, that's brilliant. You're so right that so many people, no matter what their financial ability is, the word insurance. Everybody is used to having insurance for everything, right? So the minute that insurance quote goes away for whatever reason, you're right, they have a scarcity mindset, "Well, we can't afford to do that anymore."

Just by overcoming that one hurdle with what you've done and then doing it the way you do with touching them with a live presentation, it does, it just inures them to you and now you become that go-to person and right, it will spread like wildfire. I think that's brilliant.

It's no wonder you do so well because you really have taken your mindset, that entrepreneurial mindset, and put it into so many innovative, creative, and marketing aspects of your practice, or I should say practices, and really done so well. You're a real gift to dentistry because you are definitely way outside the box but in such good ways, Chris, that you can help so many dentists overcome what today is becoming the commoditization of dentistry, the intrusion of PPO-managed care insurance, corporate dentistry, all those things that people are fearful of.

Yet if they just took some steps to be innovative or piggybacked on people like you who are innovative, wow,

it changes everything so much. Listen, we could go on. I'd love to go on for a long time but I've got to keep this podcast short and concise and to the point. You've done an amazing job of giving us really, really some strong nuggets.

As far as your wine and cheese book, I want people to know that they can obtain information and probably obtain that book at www.WineAndCheeseNewPatients.com. That's wine and cheese new patients dot com. The other, for the Call Tracker, is CallTrackerROI.com, just so people can connect with you a little bit more about what you talked about today.

Christopher: Yeah, definitely, reach out anytime.

David: Perfect. Well, Chris, thank you so much. It's been a

pleasure. Let's talk again very soon.

Christopher: Yeah, we'll do, thanks, David.

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