

Ep #69: Pedal to Profits



Full Episode Transcript

With Your Hosts

Dr. David Phelps and Evan Harris

[Dentist Freedom Blueprint](http://www.DentistFreedomBlueprint.com) with Dr. David Phelps and Evan Harris

Ep #69: Pedal to Profits

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: Hello everyone, this is Dr. David Phelps back to you today with another episode of the *Dentist Freedom Blueprint* podcast. Got my good friend, Mr. Evan Harris, with us again today. So glad to have you, Evan. How are you doing, sir?

Evan: I am doing well and looking forward to bringing a little more positivity this time, more from a case study of success rather than a case study of failure.

David: Yeah, if you were on the episode last week we talked about what we titled “The Office Smackdown.” A young doctor who came into a practice that was running well, bought this practice, assumed the practice ownership. Tried to bring in an HMO culture because she felt like that was the fast track to crushing it and making the money and repaying the debt and whatnot. Your case study was so well laid out, Evan, talked about all the negative things that happened there.

This will be the positive spin today. We’re going to talk about some of your other case studies, one in particular I believe, in which there was a definitive purpose and a pointed culture created in that practice that made all the difference in the world. Talk to us a little bit about that, Evan, how’d this practice differ from the one we talked about last week?

Evan: Yeah, happy to do so. I’ll call this title, “Pedal to Profits.” What I mean by that is this doctor bought a practice that

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had a lot of insurances, no HMO, but had a lot of PPOs and some of which had low fee schedules.

What they did right off is they listed all of the patients and the coordinating insurances and what the fee schedules essentially were. They would rank the fee schedules, as far as and in relevance to, the procedures they do.

Meaning, if they don't do any dentures, who really cares what they refund on dentures? But if we're talking crown and bridge and that's what they do all day, well then that's relevant, right? Like you probably don't care how much diesel fuel is if you don't have a diesel. But if you have diesel, you are going to pay attention.

David: Sure.

Evan: So what they did is they just ranked them. They ranked them 1 through 10. Then they would prioritize the ones they wanted to set free. In other words, fire. When they got to a certain critical mass, they could let go of a certain insurance policy and they could see how many patients would be affected. Some of them were so small to begin with they just set those free right away. No reason to even have them. No reason to have someone call and say, "Do you take this plan?" when they could be able to potentially earn them on as a cash patient basis.

In addition to that, they created kind of their own non-insured insurance plan. In a way they said, "It's special rates for cash patients." They had a layout, like a worksheet, that said, "If they were to pay insurance, here are the average premiums." They put like three different insurances, like Delta, Aetna, that type of thing. They let patients see what it would cost them from average.

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They just took their other patients and averaged them. They have patients who were pretty open to sharing what their premiums were and what they found is that people were paying a lot more money for insurance than they were ever using if they had been cash.

So that was just a one starting point, is they gave people options. Yes, they could have insurance. Oh by the way, if they don't have insurance oftentimes their patients find that cash is a better, more affordable way for the healthy patient.

What do they mean by healthy patient? Well this dentist is passionate about outdoor activities: cycling, climbing, kayaking, all that type of thing. If given the choice, David, I think they would really rather be doing those things than doing dentistry. I think they like dentistry a whole lot but they love the outdoors. Do you know any dentist like that?

David: I certainly do. In fact, I'm one of those dentists and I love being outside. So if I understand you correctly what you're saying, Evan, is that these dentists live a lifestyle—by a lifestyle we're not talking about materialism—we're talking about what they like to do, what they're passionate about, and how that passion emanates out into the practice and as a result attracts a certain type of patient. Is that where we're going with this?

Evan: That's exactly right. This doctor really didn't do a whole lot of marketing. But what this doctor did do was be very clear on what he loves to do. So for him, he loves to ride his bike to work. Cool. When he gets trophies, he puts them on the wall or plaques or whatever he gets. Yes, he's graduated from Spear. Yes, he's graduated from the different dental religions so to speak, and they're up there.

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More importantly though, what the patients comment on is, “What’s that bike pedal on a plaque doing on your wall?”

“Oh that was a race that I did, and you know I got second place.”

“Wow, I didn’t know you were really into that. Cool. I’m really into riding too.”

“Why is that kayak picture up there?”

“Oh that was me kayaking in Jackson Hole, Wyoming.”

“Whoa, I love kayaking.”

It’s like this human side where, yeah, we’re going to do great dentistry and we’re going to take great care of you and, by the way, we’re really into healthy activities that we believe give us joy as well as take care of us.

Here’s where it goes deeper. It’s not just about kayaking, it’s not just about biking. For him, it’s a passion for health. It’s not just a health for vanity, although that’s cool to look good. For him, it’s how can we live life fuller by being healthy? A lot of people think, well, that’s systemic. But their belief is that systemic starts with the oral cavity.

We’re smashing food in our mouth and if we put a bunch of bacteria in, you know, I’ve got two little boys and let me tell you the stuff they eat off the ground, David. God bless them. Their immune systems must be so built by the stuff that they eat, good golly. But I digress, sorry for that, listeners.

Think of the bacteria that kids eat, dogs eat. I’ve got a dog that just eats anything. It’s introducing that into the body. Imagine a big open cavity. To them, they believe that

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nothing is good is coming from that bacteria. It's not just the oral cavity, it's not just an unsightly tooth or halitosis. It's not just going to make dating challenged. That stuff connects to the heart. That stuff connects to all the internal organs and they believe that that's going to limit life either for longevity, but for them as shallow as it is, that might have an issue for a race.

If they're in a race for cycling they don't want to all of a sudden have a toothache or bite down on their Power Bar and tear off a molar. That's serious to them. I find that as they have that passion for health and healthy activities, they start to attract—almost like a flame and a moth—more and more of those kind of patients come pouring in the door and they're prioritizing not just their physical health but their oral health specifically.

David: So as a result, you get a chance to work with people that also have passion in life and the affinity, the attraction, that I know I feel when I'm able to go to any business—we're obviously talking about dentistry today, But, Evan, you know, the same thing. When you go into a business and the proprietor, the owner, the manager, whoever is their frontend with service customer contact, if that person has a personality, either there is something about how they carry themselves, how they act, what they say, there's a spark about them.

If there's also visuals around that business about something that has passion, I'm attracted to that because I'm attracted to people who have passion in life. It could be something that is similar to mine or it could be something different but I still love people that are passionate about things. They have a focus in their life. Whether I'm going to have my tires changed or going to

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have my teeth, my oral cavity, taken care of, I want to be around people that have similar passion in life.

Like you said, in this case, this dentist loved to ride. So I would assume that in the right community, the right circles, that it just got to be known that this was the doctor you went to, the dentist that you went to, if you were into biking, in a riding mode. I think, didn't you tell me that some of the people came in in their jerseys and whatnot?

Evan:

Yeah, for sure. I was in there the other day and there were two cyclists with their bikes inside because each bike is like ten grand, all made of carbon fiber. They're fully in their jerseys. They thought it would be really cool to cycle to their dental appointment and then hang out with the doc and then cycle, you know, continue on wherever they're going.

I hear the diagnosis. I hear things like, "Jack, here's the situation," they've got the intraoral camera pictures up there. "You're going to need a crown. We can be able to do it right here in the office for you. That's going to really bring the full health to your body."

The patients, they move forward. There's not like, "Oh how much does it cost? I'm going to wait on that." It's not that way. I can only tell you, and maybe because they spend ten grand on a bike, they're willing to invest in other areas too. But they're in alignment. They want health. They don't want something rotting in their mouth.

Not to say that they're just cyclists. There just happens to be a lot of cyclists, but I've heard them talk to golfers, he's not even a golfer but he talks about the activities. So for him the patient comes in and says, "Bill, how's the golf

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game?” Bill goes, “You know, it’s okay. I’m trying to get a couple strokes off my score.” They know how to talk.

“Well what are you shooting right now?”

“I’m shooting about a 78.”

“Okay, you know, got it. What do you think is limiting your game?”

“Definitely my short game.”

They’re talking nothing about dentistry but they’re talking about activity. Then when there is a dental need they transition from health, you know, “What do you think is holding you back in the short game, are you doing any working out?”

They always go to athleticism and working out the body and then they transition to the oral cavity. That is, they believe, an essential component of what their overall health has. They talk a lot about what they eat, even though he is not a nutritionist, he’s sharing how the sodas affect not just the teeth but the body. How the sweet, how those things might be hindering their performance.

Now, someone might say, “Oh golf, big whoop. You drive a golf cart.” But you’d be surprised. They’re talking about back and what stretches to do. This dentist isn’t even making any money off of giving people ideas for stretches but most people who are really into physical fitness they know ways to be able to alleviate back pain.

So he’s just saying, “Hey this is what I try at home, you may want to give that a try.” The patients are astounded. Like wow, they got so much added value. They came for a crown but they leave with potential to alleviate back pain. They’re going to tell their patients.

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It's like this whole tribe and their treatment acceptance, David, it's through the roof. These people come through affinity groups. They have team pictures on the wall. They have their cycling team. They have this kayaking team. The whole practice, I believe, shares passion of activity and health and vibrancy.

Anyone that wasn't aligned with that, I don't think they'd really be a fit there and that's not who they want. They even said upfront, "Evan, we don't want people to walk in this door that don't want to prioritize their health. We're okay to have people walk in the door that haven't prioritized their health but after they hear our story if they don't want to prioritize their health they're not a fit for this practice."

David: That's kind of a scary thing for I think a lot of dentists to think about because I think there's this feeling today because of the higher level of competition and some what the economy, lower insurance reimbursements, lower profit margins in general across the board for the average practice, that by limiting the type of patients that you're willing to see or attracting that that might do some damage.

But what you're saying is you're seeing a flipside. It's kind of hard to grasp that I think if you're a younger doc that has never experienced this. What would say to that? Because this isn't just the only example that you have.

Again, Evan, you've got that 30,000 foot elevation, meaning that you go into lots of practices. You see the whole spectrum. How many other times have you seen something similar in other practices that also would tell you this is the right direction to go if you're curious about how to take your practice to the next level?

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Evan: Yeah, I would say don't kick the patients to the curb. This doctor didn't do it. This doctor wasn't like "Mister Gutsy Guy," this doctor was just very clear and passionate about what he was about and as they got clearer about what they were about, there was such an inflow of those new patients. It was fast. It was faster than I ever, ever imagined.

Apparently the patients—there's Yelp, there's Google, there's all that—but they even have affiliate clubs. They're in a cycling club. They're in different groups and they share with each other and they have ways to post. Like Facebook has little off shoots of groups. Most people I'm talking to are like, "Yeah absolutely, we already know this." But some of you don't. So there are groups within Facebook that people belong to and they will post things like, "Need a dentist, who should I go?"

I mean it could be a crocheting group, David. It can be anything. But they trust that inner circle of members. No one from the crocheting group is making any benefit on saying, "I love my dentist." They're just saying, "Hey, I love my dentist." They go, "You know what? They probably get me. I like crocheting before I go to bed too and they probably understand me and they're probably going to know that I'm going to want to have a dentist like they would want." And they go. That's what this dentist has experienced.

As this dentist did this, the dentist really didn't kick people out. Although when there were patients that were continually saying no to treatment but were saying yes to hygiene, they did respectfully ask them to find another dentist. But that was only after they had so many new patients. So it wasn't like they let all these patients go and

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then all they heard was crickets like, “Oh my God, what do I do? How do I pay the bills?” No, no, no, no, no please don’t do that. Don’t call me and say that you did.

They began to let their light shine so to speak and that welcomed more people in and the affinity groups told other people. It just expanded. Yes, he sponsored certain events that he was really into but he was already going to be there. He sponsored and his name is right there. They're like, “Check this out, your name is on a banner.” He spent like two hundred and fifty bucks. Like really? That was it. But no one else was sponsoring it in these little niche kind of markets and boom next thing you know people know, “Oh, he’s like the go-to doctor of this.”

So, David, no down side at all, it was only upside. They weren’t being brazen and just let a bunch of patients go. But now that they have new patients, they are letting patients go. Because for him, he feels that there are suckers and there are givers. What he means by suckers is they're energy suckers. Is that if he sees patient B and that patient is just a sucker. So all these doctors that are listening right now, imagine that patient, you know that patient. You say, “God bless them. Bless their heart” and then you say bad stuff about them. Yeah that patient, that just sucks the life right out of you.

That patient they let go because he felt like the patients after that patient didn’t get the best of him because he felt like so much was sucked out of him. Even before he saw the patient, if he just saw the patient on the schedule, “Oh God, that patient is coming in, oh no.” He already started feeling it in his body. So for him, he feels life is too short and he wants to be able to be at his peak to be able to

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see the other patients that are the patients he wants to see.

David:

I think you're tracking this way, Evan, people that take responsibility for their own lives. I think that's the bottom line. They are people that are passionate and they have made decisions to live life to its fullest and they've realized that health is a big part of that.

There's the other side of the coin. People, patients that have decided that they are more or less victims in life and they don't take responsibility and they don't have good diets, they don't have good health. Unfortunately, a great number of them, not all of them, but a great number of those type of people as you said are people that we don't like to be around because they're more negative. They tend to feel that somebody else is responsible for where they are or the problems they have or let's face it, for their dental condition. They won't take responsibility.

We're flipping these around here by going for the affinity groups of people who take more responsibility, and typically those are people who are going to be more affluent. They're people who have that passion in life and they are going to come into a business, come into an office, and as you said, the discussion doesn't have to be so much on quote, "selling the dental services." You've built up a trust, a connection, with these people because everything in your culture says what? It says you're passionate about the best things in life.

Well your dentistry service is going to have to be there and be congruent and as long as it is, I'm going to accept what is being offered to me or what is being recommended to me because my passion is the same way. I want to live life to the fullest. If these people are

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doing that and I see everything that matches what they're saying, they're walking the talk, then to me, it's a no brainer.

So what else can a practice, once a practice has determined what affinity groups they want to go for, as you said, in this case, this doctor was part of other running groups, clubs, was sponsoring things. What about a newsletter? What other kinds of branding could someone who once they've focused on what kind of culture and affinity groups they want to go after?

Evan: Sure. I would say permeate anything and everything that you do. What does that mean? Do you have a website? Well if you do, put that on there. This is just my experience, the doctors that put personality on their websites and not a bunch of dancing, happy teeth, like let people know who you are. Now if you're into dancing teeth, great.

But I think so many websites look so generic, like Google just vomited their standard template. Everyone just goes with that. They just click, "Oh, dentist link." That's just the same thing across the board. Make it you. If there's a banner on the top, if you're somewhat attractive, be on there. If you're not, put a helmet on. Really. Just do something that helps people connect with you.

Do you dance? Great. Put that on there. And your team, your team probably they do cool stuff. They probably do cooler stuff than you. Put them on there and let people connect to that. And yes, that means if you let them go you have to take them off there. I get that. But let patients know the team and the experience that they're going to have.

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That also includes: Do you go on Instagram? Do you go on Facebook? Do you go on Pinterest? Yeah, I said Pinterest. If you're a male, know that ladies love Pinterest and I'm guessing over half your patients are probably female. They love Pinterest. Did you do something? Put it on there. I know that sounds so ridiculous but the new generations, they're looking at it. Just telling you, it's not my opinion. Just go study. Anywhere and everywhere.

If you're into playing bridge, let people know. You're a dentist and you love serving the bridge community. Is there a way to sponsor it? Sponsor it. Whatever it is, I would be really into that. Not being salesy or cheesy. It's just, "Hey, I'm really into these things and I would love to have other people know that I'm passionate about it. I love to treat people like myself." Really.

I don't want to treat people that are totally different than me. I'm open to it. But if I had a bunch of people that were into the stuff I'm into, I'd think of the conversations I'm going to have. God, if people walk in, they're like,

"Hey, I got a puppy."

"Me too."

"Hey, I've got two sons."

"No way, me too."

That, to me, I'd be really engaged in that. I believe that other patients want to connect with the doctor, with the staff. So whatever it is you're into—and if you're not into any like extra-curricular stuff, then maybe travel. Maybe restaurants. If it's dentistry, okay. Let's share dentistry. Let's share before and afters.

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“I’m so excited that I was able to transform Joyce’s smile.”
Put that all over.

“How was your day today?”

“Oh, so good. There’s this one person that couldn’t chew on the left side. They now can chew. I’m so delighted.”

Have a testimonial. So it doesn’t have to be athleticism, it can be really anything. If it’s just dentistry and that’s really all you’re really passionate about, okay. Then put that out there too. But if you can find other things that other people connect with, please, share that with the world.

David: If you can get a practice where everybody shows up on their \$10,000 carbon fiber bikes and has their jerseys on, I think you’ve got it dialed in pretty darn well. I love this case study, Evan. Thanks for bringing out it out for us today.

I think it gives a lot of clarity to this world today where it’s so important that your business, your practice, you’ve got to differentiate. You cannot be a commodity because commoditization will take you over and take you down to average, sub average, mediocre. You can’t play that way today. There’s no room for it today. So great case study. Evan, thank you so much.

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