

Ep #44: Preloading Your 2016... Hitting the New Year Running



Full Episode Transcript

With Your Hosts

Dr. David Phelps and Evan Harris

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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.

Evan: Hello, listeners. This is Evan Harris, and I am being joined by my good friend, Dr. David Phelps, today. We are talking about a topic that I believe is quite timely as where we are on the calendar brings up a lot of topics of discussion not only of how we did this year, but also what are we looking forward to in the next year.

Dr. David Phelps, are you there with us?

David: Hi, Evan. I'm here. Great to be with you always. It's good to do these calls with you. I find that I get so much out of them just because of your experience and the back-and-forth we have. I think this is a great topic today, Evan, because we are nearing the end of 2015, getting ready to go into 2016.

The thing that I find so often, Evan, is that business owners and doctors and dentists and the people that are listeners to our Podcast many times just shrug their shoulders when it comes to December and say, "It's December, and everybody's busy and our, and our staff is distracted, our patients are distracted, and, and I'm getting ready for the holidays, and, you know, it's kind of a down month, and, you know what, we'll just kind of get through this month and enjoy the holiday," which they should, we all should, "But then we'll get started fresh again in 2016 after January."

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My thinking or my response back to them, Evan, is, "Hey, wait a minute, it is the holiday season. You're right, there is going to be time for joy and, and taking time off and, and celebrating for the real reason we celebrate, but, as far as your business, don't wait until after the 1st of the year, typically, with those New Year's resolutions." You need to hit the ground running.

What I want to talk to you about today, Evan, is our experience and the experiences that we've had with other business owners who have taken the same approach versus those who have gone the other way and really taken the opportunity to set the stage for 2016. How do you do that? How do you assess where you've come from this past year? How do you take that to your team, because, again, it can't be all about you, the business owner? If it's in your head, but you haven't conveyed it to the people that are there to help support you, your core staff, your superstars, you haven't conveyed where you want to go, what the vision is and you haven't talked about the metrics for how you're measuring it, what is success for you and team going to look like in 2016, what are the measuring points, the metrics for that, how the heck are you going to have to have any chance at all?

Evan: David, if people could do a 5th of what you just mentioned, I believe their chance of success will be exponentially higher. I just was with a doctor just yesterday. This week, I've been asking the question, "How has your year been?" and then, depending upon their answer, I'll say, "What do you see going forward in the year come to come?" Frankly, I'm getting a lot of answers such as, when I say, "How is your year so far?" they'll say, "Pretty good." I'm meaning numerically, but they're not giving me [numerical 00:02:53]. I'll say, "Great. Are you up or are you down?" and they'll say, "I think, I think we're up." I think, "You think you're up. How, how do you know? The majority of

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the answers, although they come in different flavors, have been, "I think I just feel busier." I go, "Wow, I think I think I just feel busier. Like, are we more profitable or what?"

Yesterday, I was with a doc that I walked up and I said, "Hey, you know, how, how are things going?" and the answer was, "It was good. Things are good." I said, "You know, what, what does it look like you you're going to do this year compared to last year?" The doctor looked at me. He says, "Evan, we're on target to do 2.1 million this year. We're up 14% from last year, and we're planning to do 2.5 next year, and we're going to be able to do 2.5 next year because we're going to expand our office hours and we're going to be adding [some days of 00:03:43] specialty."

I was floored, David. The amount of responses that I got prior to this person's response were so different and yet I looked at this doctor, this doctor is one of my highest producing doctors, and I'm thinking, "Huh, here's a doctor that knows exactly what they're on target to do this month, knew that that was 14% up from last year." I didn't ask that question. They know what they're going to do next year and they know the how.

David, if I could just share or have people do just a part of this, even if their numbers are a quarter of it, if they just knew where they were, where they're going and how they're going to get there, my personal belief and my experience shows they would be head and shoulders above where they are today.

David: That's not by accident. You're right, Evan, not by accident at all. I think that it can be overwhelming many times for any small business owner to figure out how to drive that vision and what performance indicators, what metrics, what measurements should they look at. Too many times, I see many ... and I was this way, Evan. I will definitely say, for many years, I thought

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that getting my P&L historic document, historic set of numbers from the accountant or the bookkeeper that that was what I should look at.

That's going back into history. We're talking about you're taking where we are today with better metrics that we can use as a team. Your teams got to be involved in this. Your team should share a dashboard or scorecard, whatever you want to call it, of some key metrics, not a dozen of them, not 30 on a P&L, but no more than 3, 4, 5 key metrics that you're using to evaluate the key things that are important to use as a team. Again, it's going to depend upon what you decide as a team.

We talked earlier today, Evan, about a doctor who said that his goal for 2016 was to remain flat, and I think that brought some puzzlement, but let's talk about why that goal made sense to that doctor because I want people to see it both ways. It's your freedom. That's what this is all about. Your freedom is based on the numbers that are important to you based on what your vision is, and so let's talk about that doctor.

Evan: Sure. Sure. In my experience, my male doctors are a little more I would say ego-driven than that. They're just more competitive. They want to always be up, whereas, some of my lady dentists, they're okay to have life experiences and be able to have a lifestyle business. I know that's a generalization, but it's what I found. This was a guy. I asked him the same question. He looked right at me. He says his plan for the next year is going to be flat. I looked at him and I said, "You want to be flat? Like what good is flat?" Like, other than pizza, I don't like a lot of things that are flat. I don't like anything that's carbonated that's gone flat. It's just not a thing that usually people are proud of.

He looks at me and says, "But, Evan, I want to work 15% less." I could see it in his face and his eyes, David, that working that

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little bit less was going to give him so much more. There were things, there were hobbies, there were things that this doctors has wanted to do for many, many years, but has sacrificed to put their kids through school and all those good things. This 15% is going to unlock some really fun stuff, so, in a sense, this doctor is telling me they want to be up 15%, but, for him, he's actually going to work less and make the same amount, which, to me, I really want him to celebrate that because, in my opinion, it's not all just driving, driving, driving more business, unless that's what they want. He was clear. He wants to scale back a bit on his time, but he wants his income to be the same.

David: I think that's perfect. That's a perfect example of knowing what your vision is. As the owner of the business, it is our job to be the leaders that many times we're not. To be better leaders, we've got to be able to communicate that. Again, that means taking the time. It means doing the work with your team. It means having constructive meetings, not just meetings, Evan, on a monthly or weekly or quarterly basis just because everybody says you need to have a meeting. No. These are meetings with a purpose.

I think when you're planning for, in this case, a calendar year, that takes a little bit longer than a weekly lunch [stopping 00:08:19]. You need to sit down your staff. Maybe it's a couple of meetings. Maybe you don't want to do it over a full day, but maybe you take 2 half days. You need to set it up in advance. You don't want to just bring your team together and say, "Okay, let's plan 2016." You've got to kind of build the stage for that. You've got to go to your team and let them know what your vision is. You've got to be excited. You've got to be passionate about it. If you have superstars, the things that we've talked about on previous Podcasts, if you have those people in place

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that bought into your vision, now, you can empower them to bring to the table all the elements that you all need.

If you're trying to drive it yourself and you're just throwing numbers on the board of what you want, what you want, what you want and there's nothing in there for them or they don't have participation in the process of taking the key elements that they see from their position, from their perspective into this whole operation, then it's not going to happen. It can't be top-down driven. It's got to come from the basis that everybody's got to be on board. You've got to take the time to do that. You've got to, again, let your team come on board and talk about ... and let them talk about, from their standpoint, from the seats they sit in what do they see, what ideas can they bring. When you let your teams start to bring in the ideas from their perspective, oh, my gosh, watch out because they're going to come out with some great stuff.

What you don't want to do, Evan, what I see too often happen is that the people in an organization that is top-down, the owner ... and again I'll just raise my hand high and say I was for many years this way that I thought I needed to drive everything and that it had to be kind of my ideas or I had to approve everything. If you have that attitude, then your staff is never going to feel like they have the right or the permission to speak up, not to criticize, but just to bring in ideas. If we're quick as the owner to shoot them down or to kind of push off like an idea that they might have, like, "Oh, that's, that's silly," or, "It's inconsequential," then, guess what, you'll never get any more good ideas.

When you have a brainstorming session, which is kind of what this is once you decide what your vision is, it's like anything that someone wants to throw on the table is allowed. You put

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everything out there even if it seems silly or initially you think, "Oh, what does that have to do with anything?" because what that allows for is the synergy because 1 idea will lead to another, lead to another, lead to another.

These meetings can become so powerful, and your team can get so into it unlike the meetings that I had, Evan, where I think they got ... [They glazed over 00:10:46] if I pontificated for about 20 minutes, and they want to be done. I had to learn this the hard way. No, no one taught me this in dental school. By learning through other people who ran great businesses, I learned how to have a team that was empowered, and it made all the difference in the world.

Evan: Yes. I got to see an office that referred to their practice as the patient. The reason they did that is they said, "You know, Evan, every patient we have has a chart, and this chart mostly is digital." They were talking about how they had a patient in their Eaglesoft software. They said, "Evan, in, in our software, in our Eaglesoft software, we've got a picture of the patient. We have their Perio chart. We have a list of all the treatments that's been done. We have ... It's, it's all ... Everything is documented in there and, as our practice, we also have things like X-rays and Perio charts and, and, and gaps, meaning, we have, we have a giant diastema. Maybe in the patient flow, we've got, we've got a big gap of patient flow."

They were looking at diagnosing their practice in a way that was separate from the individuals, meaning, if the practice had ... They said, "Evan, our practice has Perio." I said, "What do you mean?" They said, "Well, we have perio, we have perio disease." We've got-

David: They're bleeding from the gums, right?

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Evan: Yeah. Yeah. We've got major perio. I'll say, "How so?" They say, "Well, our patients inflow is less than our patient outgo. That's a major perio. We've got people dying, moving, et cetera, natural stuff, but we also don't have a whole lot of new patients coming in." To them, that was a major disease. They had plans to be able to remedy that. They talked about the practice and they would write it out on a whiteboard of how they were going to progress. If someone has a perio pocket of 5, how do they get it to 4 or 3?

For them, they felt that there were some things they could do that they could remedy the situation or improve it and then there were other situations that they just straight needed to be ... They needed surgery. There are some people that can improve their gums. They can get them to the 4s and 3s, but, some people, it's foregone. They got to take some pretty big measures. In some cases, they came to that conclusion, either they needed to hire somebody, they needed to fire somebody, they needed to change maybe the consultant that they had or maybe their CPA or they needed to add a treatment room. One office was a 3-op practice. They were busting at the seams.

They needed to add another room, so, "We kicked the doctor out of, out of her personal office." She really wasn't in there very much anyway because she was on roller skates seeing so many patients. That room became a treatment room. It became room 4, and that gave all of the benefits they could ever have. They turned it 2 days a week into a hygiene office and then, when it wasn't hygiene, they had multiple ... They had specialty in there. It was just a huge deal. They had to diagnose the perio first, and the team together looked at it. The doctor wasn't offended when the team members were finding the disease because it was all of their practice. They all want to take pride in it.

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David: When it's their idea, in other words, when your team is involved in doing the diagnosis and then coming up with solutions and the team's part of that process, guess what, then they will take charge, they'll take responsibility, they'll have accountability for putting into play the specific solutions that you all agree on. You put the ideas out there. You look them over. You sort through them. You modify them or revise them. You add to them, make some of the initial ones better and, once you as a team come to a decision on, "Okay, this is the action step," give each person or give each action step, make that accountable by 1 specific person.

Now, that doesn't mean that 1 person has to do it all. It just means they're the one that's overseeing it. It might involve several people on a team. It might involve the doctor needing to do something or change his or her performance or behavior, whatever it is, but 1 person's got to be in charge of each solution that's put on the board, if you will, as you move towards the metrics that will then lead you to the vision that you want in 2016.

I will just say that you let your team talk about from their seats what do they see that they feel like could be changed for the better, again, based on your vision, all the things [you lay out 00:15:11] is how you want your practice to look like, metrics, how you want the experience to be for your patients. That's going to involve everything from marketing, current staff. Do you have the right staff? Do you have enough staff, do you need to add somebody? Who? Why? What's the profile of that person look like? Do you have enough capacity in your practice? Do you need to extend hours? Do you need other resources in the practice? Do you need different technology?

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Let it be open to everybody to put their ideas out there because, when you do that, again, they're going to be more open to continue to add to this process. The point is, here, don't waste December. Get your team on board. Get them involved. Empower them. You set the vision. Let them help you with that. Ask for their help. If you ask for their help and they feel like you care, that you care about what they think, how they feel about how they are put in place to help the practice roll on, then 2016 can really be exactly the way you want.

It's not going to happen by default, Evan. It's not going to happen just because you wished it to be. It's not going to happen because you walk in on January 2nd or 3rd and, all of a sudden, you start [stroking 00:16:19] different numbers up there and you start telling them how this has got to change or that change. A top-down doesn't work. It will fail flat on its face and everybody gets frustrated.

Turn that around. Set a different stage for 2016. If you haven't done it before, this can be life-changing. It can take the stress off of everybody, doctor, all the way down. You'll have a staff that is more motivated. They're excited to be with you. Your staff retention will increase. When you have a happier staff that's all motivated, guess what, your patients will also feel the same thing. They'll know they're in the right place because they're greeted by people and taken care of by people who do care. It shows up. You can't pretend. You can't fake it. People see through that.

This is so core to every business that I hope that everybody who's listening to this Podcast today, Evan, will take heed and do something with this. Don't just let December get by. Don't start another year without being proactive about what your vision wants ... what you want your vision to be.

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Evan: Yes. I would mention that the doctor who was doing the 2.1, when I went back in the lunch room, what was prominently right there was a large whiteboard. On that whiteboard, it was clear that the doctor did not write on the whiteboard. I don't know what happens in medical school and dental school, but it's almost as though people become incredibly gifted with their hands to heal people, but they can't write to save their life. I don't know what happened to you guys.

On the whiteboard was this beautiful writing, beautiful. It was clear, of all the things that the team ... It said on the top, I think, like "team commitment objectives," and it was clear who was doing what. When I asked a little more information, they said, "Oh, yeah, it's clear. We all created what we will need to do individually to get us to our goal next week, uh, next year. If we want to do 2.5, what do we need to do? It's not on the doctor. It's on a- it's on all of us, and we have rules that we check in with."

I said, "What hap- what happens if you check in and, and, and things aren't moving forward?" They said, "You mean like if we have perio?" I go, "Yeah, if you have perio?" "Well, we try, we try to support. You know, we try to support. The, uh, the, the person tries to support the role, but, ultimately, if, uh, if it's just not going to, going to take hold, we have to, we have to do a surgical extraction, and that's, uh, that's agreed to by the whole team. In that way, it's not, uh, it's not a, a doctor ... the doctor is a bad, a bad guy or a bad gal.

"It was already, it was already agreed to on the commitment objective that that's what that role would need to do to get to 2.5, and that's where we're going, so we'd love to have everybody come along with us, but, if not, it's okay. We understand. Sometimes, we have to do a surgical extraction.

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We'd like to not do so, but if we do, we need to plug a new person into this, uh, this role, you know, let us know now. Uh, if you don't think you can, if you're not a right fit. If you do think you're the right fit, well, we're here to support."

That, they said has made all the difference because there's no longer a finger-pointing type of deal. They all look to the board and they all need to make sure that they're following those steps that they've agreed to.

David: A team that plays together well, that works together well, understands the signals and how to bring it all together is a team that can ... in which there's no boundaries. Evan, I'm inspired just talking about this. I mean, I get motivated just getting on the call with you because I know how you think and how you live your life. I appreciate you and thank you for all that you give to empower our listeners.

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