



## ASK THE CONSULTANT

# Leading Your Dental Practice by Numbers

By Curtis Marshall

Numbers drive the world of business, including the business of dentistry: Revenue, Profitability, Production per Active Patient, Case Acceptance %, Pre-Appointment %, New Patient as a % of Active Patients, and a variety of other measures. **Leaders in the dental industry would be at a severe disadvantage without timely and accurate figures relating to all aspects of their practice.** Numerical literacy is a must!

Some key performance indicators (KPI's) that dentists or practice managers regularly rely on would be defined as lagging indicators and not the crucial KPI's that drive action. Most accounting and financial results are lagging indicators; they provide information about what has occurred in the past, such as last month's revenue, which is generally reported in the subsequent month.

These numbers are important, but being able to define and track the crucial KPI's will provide dentists with significantly more insight into the future and allow them to make better decisions today and take action to achieve better results.

In order to determine your crucial KPI's you should first decide what key outcomes or results you and your practice are working towards. This will be determined by your status quo and goals. Second is strategy. Hoping to do better is not a strategy. Strategy is being able to understand how your dental practice is likely to play out and getting very clear on the key strategic moves your practice needs to make to position yourself for future success. The ability to determine and to measure objective, numerical values associated with actionable behavior in your practice is crucial in order to achieve your desired results.



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### QUOTE-WORTHY

*“It is always wise to look ahead, but difficult to look further than you can see.”*

*– Winston Churchill*

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