

WELCOME!



NOT REALLY THE OLDEST

marks a golden milestone for the university and for the province. Take a trip through the timeline to discover how dental hygiene education has unfolded in its first 50 years.

1968

UBC Faculty of Dentistry launches British Columbia's first dental hygiene program: a two-year diploma program. Fifth faculty of dentistry to do so in Canada. UBC's accredited program requires pre-requisites in english, psychology, physics, chemistry and electives. First class admits 20 students.

1970

First graduates of a BC dental hygiene program.



(Continued on page 14)

Understanding the Business of a Private Dental Practice

Capital Investment

Variable and Fixed Expenses

Income Statement/Cost per Chair

Revenue Measurement/Metrics

Compensation

Philosophy



Seine et Eure Dental

LABORATOIRE DE PROTHÈSE DENTAIRE

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Sur Rendez-Vous

Purpose of Business

The purpose of business is not profit.

The purpose of business is to create a product or service that is so good that people are willing to pay you a profit in order to provide it.

Stanley Marcus
Neiman Marcus, Retailers

Before you can start making a profit as a dentist...

What do you need?

- An Education
- A Practice

Deep Pockets

- Do you know what it costs to obtain a DMD degree from UBC?

**Projected Costs for Degree of Doctor of Dental Medicine (DMD)****Class of 2023¹****First Year DMD Program**

Tuition ³	18472.79
UBC Student Levied Fees ²	1189.72
Clinic Fee ⁴	30141.25
Patient Innovation Fee	3803.58
Anatomy Lab Fee ⁵	71.01
Dissecting Equipment and Anatomy Lab White Coat Purchase	40.00
Surgical Telescopes	1250.00
Simulation/Stores Purchase Costs	600.00
CPR Certificate	60.00
Accident Insurance (optional but recommended)	7.00
Printing Costs for Dentistry	300.00
Incidental Costs	2160.54
SHS Immunization administration fee	162.00
DENT410 materials	80.00
i>clicker Purchase	45.00
Textbooks (estimate)	2100.00
Camera (estimate)	350.00
	\$ 60,832.89

Second Year DMD Program

Tuition ³	18842.25
UBC Student Levied Fees ²	1213.51
Clinic Fee ⁴	30744.08
Patient innovation Fee	3879.65
Anatomy Lab Fee ⁵	72.43
Simulation/Stores Purchase Costs	600.00
Articulator Purchase	1300.00
Surveyor	635.00
CPR Certificate	55.00
Accident Insurance (optional but recommended)	7.00
Incidental Costs	2203.75
Printing Costs for Dentistry	300.00
DENT420 course materials	80.00
Textbooks (estimate)	1500.00
	\$ 61,432.67

Third Year DMD Program

Tuition ³	19219.09
UBC Student Levied Fees ²	1237.78
Clinic Fee ⁴	31358.96
Patient Innovation Fee	3957.24
Simulation/Stores Purchase Costs	600.00
CPR Certificate	55.00
Incidental Costs	2247.82
Accident Insurance (optional but recommended)	7.00
Pacific Dental Conference Registration Fee	50.00
Printing Costs for Dentistry	300.00
Textbooks (estimate)	1000.00
	\$ 60,032.90

Fourth Year DMD Program

Tuition ³	19603.47
UBC Student Levied Fees ²	1262.54
Clinic Fee ⁴	31986.14
Patient Innovation Fee	4036.39
Incidental Costs	2292.78
CPR Certificate	55.00
Accident Insurance (optional but recommended)	7.00
Pacific Dental Conference Registration Fee	50.00
Textbooks (estimate)	1000.00
Printing Costs for Dentistry	300.00
NDEB Certificate Fee	2500.00
	\$ 63,093.32

Notes:

1. All fees subject to change without notice.
2. Students may opt out of certain fees. Please see section 13B of the UBC Calendar for details.
3. Currently, tuition amounts are estimates and will be finalized when approved by the UBC Board of Governors.
4. Clinic Fee is tax deductible. Fee will be finalized when approved by the UBC Board of Governors.
5. The Anatomy Lab fee is collected as part of the Faculty of Dentistry fees.

The projected cost of a dental
education at UBC is

\$245,391.78

This figure does not include
housing/living
or the cost of an undergraduate
degree.

Assuming you don't have the money

- What is the definition of prime rate?
- What is the prime rate right now?
- What does it actually cost (in interest) to borrow?

Now an office is needed

- Decision Time:

- To Buy
- Or
- To Build?

Buy a fully equipped dental practice with client files.

- Primarily the cost depends on the yearly revenue of the practice.
- Cost also depends on location, number of client files and style of practice.
- Visit ROI or Al Heaps to view.



Dr. med. dent.



Beat Gontersweiler

Zahnarzt

Practices for Sale in BC

- Burnaby \$975,000(1142)on annual rev \$696,000
- Delta \$1,197,120(134) on annual rev \$241,000
- West Kootenays \$500,000(1400) on revenue \$651,000
- Richmond \$1,227,000(940) on rev \$792,000
- Vancouver \$750,000(1979) on rev \$1,070,000
- or \$1,292,000 (540) on \$956,000 rev/year



Or you can build

- To build a 1,000 SQ FT office with 3 ops would cost between \$600,000.00 and \$1,000,000.00
- Amortization over 10 years would be \$6770 to \$11,286 per month at 6.45%
- Or \$7500 to \$12550 at 8.95%
- Add that to the total cost of a dental education...

Equipment/Supplies

- Digital Pan Machine \$40 - \$60 K
- 3-D Machine \$250K
- Statim Sterilizer \$6K
- Cassette Model \$8K (Cassettes \$250)
- Handpieces \$1 - \$2K (Burs \$2 - \$10)
- Computer Systems \$40K (\$2,500 per op.)
- Hand Instruments \$25 - \$70 each
- Ultrasonic scaler \$6K

Now it's your turn

- Dental Hygiene Instruments
 - EverEdge Curettes
 - Montana Jack
 - Mirror and Explorer
 - Probe(s)
 - Hartzell tips
 - Cassette and wrap



Now you need some people..

- Dental Receptionist \$20-\$30 per hour
- Dental Assistant
 - CDA \$23.00 per hour up to \$29 per hour
 - Non CDA \$19 per hour
- Dental Hygienist \$43.71 per hour
 - more on our salaries later

- And now the Dentist needs to make some money!

A WORD ABOUT PRODUCTION

PRODUCTION

- 2 Surface composite restoration=\$244
- 4 Surface amalgam restoration=\$281
- Porcelain Crown = \$816 + Lab (\$300)
- Root canal treatment one canal=\$472
- Oral Surgery single tooth = \$127
- Recall exam = \$29.50

HYGIENE PRODUCTION

- 1 Unit of Scaling or Root Planing = \$45.50
- 4 Units = \$182
- Polishing = \$38.30
- Topical Fluoride (varnish)= \$18.60
- 4 Bitewing Radiographs = \$36.70
- Panoramic Radiograph = \$65.80

The 2017 Report to the Dental Profession states

- The concept embedded in the Suggested Fee Guide is that the patient rents the hygienist and the chair for the time that they are under the care of the hygienist. It is this notion that defines a billable unit of time. Not the time an instrument is on the tooth.

2016 BCDA REPORT (published in Feb 2017)

The 2016 BCDA report to the profession states:

There are 8 key points to be taken from this report and included in these points

No.6 Preventive Care is an important contributor to gross revenue.

2016 BCDA REPORT

The BCDA report further states:

The variables that were found to be significantly associated with the average dentist's gross revenue, and were important in explaining differences in gross revenue were:

- Whether the dentist is an owner or associate
- How much revenue is generated through preventive care.

2017 BCDA Report

- This year the emphasis in the report is on working smarter.
- The two most important factors affecting hygiene productivity is management of patient flow and the number of missed appointments.

- It should be clear that the output of a dental practice is driven by only two things: the number of procedures that the dentist produces, and the billable units of time of the hygiene department.



You have made some money but

- Now you must pay some bills

Variable and Fixed Expenses

- **NAME A VARIABLE EXPENSE!**
- **NAME A FIXED EXPENSE!**

WAGES

Wages - CDA (2)	\$88,000
Wages - Hygiene	\$86,400
Wages - Admin (2)	\$96,000
EI	\$6130
CPP	\$13,790
Payroll Service fee	\$2054
Worksafe	\$823
Temp Agency Fees	\$977
Uniforms	\$2298
Total Payroll Expense	\$296,472

SUPPLIES

Lab Fees	\$112,220
Clinical Supplies	\$83,000
Total	\$195,220

GENERAL EXPENSES

Accounting & Legal	\$6800
Advertising & Promotions	\$11540
Business Fees & Licenses	\$3500
Computer expenses	\$10,800
Courier & Postage	\$600
Gifts	\$3000
Insurance	\$6200
Office Supplies	\$10,145
Subscriptions	\$645
Meals & Ent 100%	\$5000
Rent	\$60,000
Total	\$118,230

MORE EXPENSES

Repair Dental Equip	\$2375
Repair & Maintenance Office	\$2970
R&M - Cleaning	\$7200
R&M - Security	\$785
Telecomm	\$10,850
Utilities	\$1500
Conventions & Courses	\$9000
Visa Commissions	\$4175
MasterCard Commissions	\$2100
Interac and bank charges	\$1785
Total	\$42,740
Total Expense	\$652,662

COST PER CHAIR

DENTIST & DENTAL HYGIENIST			DENTAL HYGIENIST		
COMMON FIXED COSTS			COMMON FIXED COSTS		
	Rent	\$5,126		Rent	\$5,126
	includes repairs & maintenance			includes repairs & maintenance	
	Equipment Costs	\$1,601		Equipment Costs	\$1,601
	(amortization & rental)			(amortization & rental)	
	Utilities	\$1,032		Utilities	\$1,032
	(telecomm&hydro)			(telecomm&hydro)	
	Other			Other	
	TOTAL	\$7,759		TOTAL	\$7,759
COMMON VARIABLE COSTS			COMMON VARIABLE COSTS		
	Office supplies	\$1,560		Office supplies	\$1,560
	Continuing Education	\$651		Continuing Education	\$651
	staff & management			staff & management	
	Advertising & Promo	\$962		Advertising & Promo	\$962
	Accounting/Legal	\$2,134		Accounting/Legal	\$2,134
	including bank charges			including bank charges	
	Computer expenses	\$896		Computer Expenses	\$896
	Other	\$443		Other	\$443
	(100% entertainment)			(100% entertainment)	
	TOTAL	\$6,647		TOTAL	\$6,647
ADMIN SALARIES	including contract services	\$8,589	ADMIN SALARIES	including contract services	\$8,589
PRACTICE PURCHASE PRICE	\$1,000,000 plus \$350,000	\$15,285	PRACTICE PURCHASE PRICE		\$15,285
	BASE COST/MONTH	\$38,281		BASE COST/MONTH	\$38,281
	TOTAL NUMBER OF CHAIRS	4		TOTAL NUMBER OF CHAIRS	4
	BASE COST/CHAIR/MONTH	\$9,570		BASE COST/CHAIR/MONTH	\$9,570
VARIABLE COSTS DENTIST			VARIABLE COSTS HYGIENIST		
	Lab	\$9,352			
	Dental Supplies	\$6,901		Hygiene Supplies	\$800
	TOTAL	\$16,253		TOTAL	\$800
	No. of Dentist Chairs	2		No. of Hygiene Chairs	2
SUBTOTAL PER CHAIR		\$8,126	SUBTOTAL PER CHAIR		\$400
	Dentist's salary	\$15,000		Hygiene salary	\$8,000
TOTAL	Assistants salaries	\$7,874			
SALARY/DENTIST CHAIR		\$11,437	SALARY/HYGIENE CHAIR		\$8,000
PROFIT/CHAIR	10%	\$2,913	PROFIT/CHAIR	10%	\$1,797
COST PER DMD CHAIR/MONTH			COST PER CHAIR/MONTH		
	days worked per month	19		days worked per month	19
	hours worked per month	152		hours worked per month	152
	per day per chair	\$1,687		per day	\$1,040
	per hour per chair	\$211		per hour	\$130

Common Costs

DENTIST & DENTAL HYGIENIST		
COMMON FIXED COSTS		
	Rent	\$5,126
	includes repairs & maintenance	
	Equipment Costs	\$1,601
	(amortization & rental)	
	Utilities	\$1,032
	(telecomm&hydro)	
	Other	
	TOTAL	\$7,759
COMMON VARIABLE COSTS		
	Office supplies	\$1,560
	Continuing Education	\$651
	staff & management	
	Advertising & Promo	\$962
	Accounting/Legal	\$2,134
	including bank charges	
	Computer expenses	\$896
	Other	\$443
	(100% entertainment)	
	TOTAL	\$6,647
ADMIN SALARIES	including contract services	\$8,589
PRACTICE PURCHASE PRICE	\$1,000,000 plus \$350,000	\$15,285
	BASE COST/MONTH	\$38,281
	TOTAL NUMBER OF CHAIRS	4
	BASE COST/CHAIR/MONTH	\$9,570.15

DMD Cost per Chair

VARIABLE COSTS DENTIST		
	Lab	\$9,352
	Dental Supplies	\$6,901
	TOTAL	\$16,253
	No. of Dentist Chairs	2
SUBTOTAL PER CHAIR		\$8,126
	Dentist's salary	\$15,000
TOTAL	Assistants salaries	\$7,874
SALARY/DENTIST CHAIR		\$11,437
PROFIT/CHAIR	10%	\$2,913
COST PER DMD CHAIR/MONTH		\$32,047
	days worked per month	19
	hours worked per month	152
	per day per chair	\$1,687
	per hour per chair	\$211

RDH Cost per Chair

VARIABLE COSTS HYGIENIST		
	Hygiene Supplies	\$800
	TOTAL	\$800
	No. of Hygiene Chairs	2
SUBTOTAL PER CHAIR		\$400
	Hygiene salary	\$8,000
SALARY/HYGIENE CHAIR		\$8,000
PROFIT/CHAIR	10%	\$1,797
COST PER CHAIR/MONTH		\$19,767
	days worked per month	19
	hours worked per month	152
	per day	\$1,040
	per hour	\$130



YOUR TURN



MEASUREMENT IMPROVES PERFORMANCE

- METRICS



What would you measure?

Reference:

2017 Report to Dental Profession

British Columbia Dental Association

Prepared by Impact Economic

Consultants

The following tables are available on the BCDA website. Try the BCDA's confidential online practice tools to measure key performance indicators against efficient BC dental offices. Visit the member website (www.bcdental.org) under practice management to learn more.

Figure 18
Average Practice Cost Comparison (2016 Data)
Hygiene Hours 0 to 1,600
Expense Percentages are a Percentage of Total Revenues

BC	Average	Efficient	Your Practice	% of Gross
Dentist Gross (incl. Lab)	94.1%	98.0%		%
Hygiene Gross	15.2%	10.8%		%
Less Cost of Sales - Lab	-9.3%	-8.8%		%
Total Revenues	100.0%	100.0%		%
Accounting / Bookkeeping	1.0%	0.8%		%
Mandatory Lic.Fees / Malpractice Insurance	0.9%	0.8%		%
Insurance-Business, Fire, Theft, etc.	0.8%	0.6%		%
Fixed Costs	2.7%	2.3%		%
Depreciation-Plant & Equipment	4.0%	3.3%		%
Equipment Rental	0.4%	0.1%		%
Interest - Long Term Debt	0.4%	0.3%		%
Janitorial / Cleaning / Laundry	0.2%	0.1%		%
Recovered Exp./Share of Joint Exp.	0.0%	0.0%		%
Rent / Property Tax	7.2%	6.6%		%
Repairs / Maintenance	0.9%	0.6%		%
Utilities / Telecommunications	1.2%	1.0%		%
Long-Run Variable Costs	14.3%	11.9%		%
Bad Debts	0.4%	0.6%		%
Dental Supplies / Drugs	9.0%	9.4%		%
Other (GST)	0.0%	0.0%		%
Interest -Short Term, Bank Service Charges	1.5%	1.4%		%
Office Supplies / Postage	2.5%	2.1%		%
Salaries/Wages/Benefits-Staff	28.9%	22.5%		%
Short-Run Variable Costs	42.3%	36.0%		%
Advertising / Business Promotion	2.0%	1.2%		%
Automobile	0.5%	0.4%		%
Consult./Practice Man./Legal/Comp.Consult.	0.1%	0.0%		%
Cont. Ed./Study Clubs/Conv./Travel	1.3%	0.8%		%
Insurance-Life, Disability & Other	0.0%	0.0%		%
Voluntary Dues & Subscriptions	0.0%	0.0%		%
Discretionary Costs	4.0%	2.5%		%
Total Expenses	63.4%	52.7%		%
NET INCOME from Operations	36.6%	47.3%		%
RKH November 2017	BC		gfbk2.xls	

Revenue Measurement/Metrics

- Revenue Goal/Actual
- Collections
- Accounts Receivable - due from client/insurance

Revenue Measurement/Metrics continued

- Dentist Hours - hrs/revenue ratio
- Dental Hygiene Hours - hrs revenue ratio
- CDA Hours
- Administration Team minutes to book an appointment
- Number of gaps in the appointment book

Continued...

- New Client Goal vs Actual
- Overhead Expense % to Revenue
- % of Team Salaries to Revenue
- % of Lab Costs to Revenue

MONTHLY HYGIENE STATS

Date	Production	NB	CX	NS	Filled	Downtime units
1	\$796.50	1	0	0	0	5
2	\$766.00	0	1	1	0	9
3	\$888.00	1	0	0	0	6
4	\$1,022.00	0	1	0	0	4
5	\$857.00	1	0	0	0	3

OLD STATS

	Hygienist 1	Hygienist 2			
Hourly	\$53.36	\$45.47			
Period ending Oct 2					
Hours	46.75	56.25			
Cost	\$2,494.67	\$2,557.52			
Production	\$5,550.20	\$5,497.00			
Prod/hour	\$118.72	\$97.72			
Cost %	45.00%	47.00%			

NEW HYGIENE STATS

	Hygienist 1	Hygienist 2	Hygienist 3
Hourly wage	\$46.59	\$53.33	\$60.26
Hours	64 8hrsx4daysx2weeks	64 8hrsx4daysx2weeks	48 8hrsx3daysx2weeks
Cost	\$2,982 46.59x64	\$3,413 53.33x64	\$2,892 60.26x48
Production 60hrs=64-.5hrs/day,4days,2wks set up and clean up	\$10,920 45.5x4x60	\$10,920	\$8190 45.5x4x45
Prod/hour	\$170.63	\$170.63	\$170.63
Cost %	27%	31%	35%

What does the practice invest in me?

- Wage
- Canada Pension Plan
- Employment Insurance Contribution
- Holiday Pay
- Statutory Holiday Pay



DO THE MATH..

		HYGIENIST 1	HYGIENIST 2	HYGIENIST 3
BASE HOURLY RATE		\$40	\$45	\$50
VACATION PAY RATE		4%	6%	8%
ADD CPP	5.1%	\$2.04	\$2.30	\$2.55
ADD EI	2.268%	\$0.91	\$1.02	\$1.13
STAT (based on a 20 day month)	5%	\$2.00	\$2.25	\$2.50
VACATION PAY		\$1.60	\$2.70	\$4.00
TOTAL		\$46.59	\$53.33	\$60.26

Discretionary Benefits

- Paid salary for and cost of education days
- (and staff meetings)
- Dental care for self and immediate family
- Extended Health Plan
- Uniforms
- Annual bonus/Gift
- Paid Parking
- Entertainment

Compensation

- Who pays my salary?
- What are my needs, values, motives and goals?
- How can I be rewarded in a no growth business?
- How much is enough?





WHO AM I?

- Philosophy

What Is a Client?

- A client is not an outsider to our practice - he/she is a part of it.
- We are not doing him/her a favor by providing a service - he/she is doing us a favor by giving us the opportunity to do so.

- A Client is not an interruption of our work - he/she is the purpose of it.
- A Client is a person who brings us his/her needs, values, motives and goals. It is our responsibility to respond appropriately to our mutual benefit.

- Dentistry is About Transferring the Locus of Control
- Dentistry Can Improve Self Esteem
- Dentistry Involves Relationships
- Dentistry Is Largely Discretionary

How Will You Describe Your Daily Work?

(What is Your Mission Statement?)

BREAK OUT!

- I want you to write a mission statement
- Who are you? Descriptors...
- What do you bring to the table?
- What makes your soul sing?
- What are your motivators?
- What are your needs, values, motives and goals?



What can you do to help production?

- Create a list of skills you will provide
- Clinical Skills
- Soft Skills
- ie: how will your clients lives be better for what you have to offer?

Purpose of Business

The purpose of business is not profit.

The purpose of business is to create a product or service that is so good that people are willing to pay you a profit in order to provide it.

Stanley Marcus
Neiman Marcus, Retailers

There are benefits that are priceless.....

