

A Reason to Smile!

News and Ideas For General Dentists

Compliments of



November 2007 Volume 2, Issue 11

Practice Ideas: *Hunting and Farming—Find a Balance*

You can't pick up a dental journal without reading about the need to constantly attract new patients in order to grow your practice. However, for a practice over three years old, there's a much easier and less expensive source of growth...your patient base.

In marketing terms, finding new customers is called "hunting," and marketing to your existing patients is called "farming." A thriving practice allocates resources (time and money) effectively to both.

The costs associated with hunting are called "acquisition costs," which you pay for every new patient in the form of yellow page advertising, direct mail, new patient discounts, etc. This "investment" in a new relationship is paid one time, and results in a single "sale."

The costs associated with farming, or cultivating, that new relationship are your ongoing marketing costs, which should be "invested" every month. The objective is to keep your name in front of those existing patients you spent so much to attract, and motivate them to stay patients. You also have a unique opportunity to plant the seeds for a restorative or cosmetic discussion on their next hygiene visit.

It's a unique opportunity because:

- 1.) you don't waste time introducing yourself, your staff, your facilities or your practice ...they already know you!
- 2.) it takes an average of 6 dollars to get the same sales dollars from new patients for every dollar spent on existing patients.

BIZARRO By Dan Piraro



The Bottom Line: *"Buy vs. Lease"*

When starting a practice, one of the most important decisions is whether to buy or lease. Here are some benefits of each:

LEASING

- Your credit rating will not be quite as critical for leasing as it would be for buying.
- Your entire monthly lease payment is tax deductible because it's a business expense.
- You may be free from paying for building maintenance.
- You are free to sublet and move to another location if you find the need to.
- No hassle of selling before you can move to another location.
- No loss from owning a building in a bad real estate market.

BUYING

- Interest on the mortgage loan is tax deductible.
- You can take annual depreciation deductions on your taxes.
- No risk of rent increasing at term.
- You benefit financially if the real estate market is good when you sell.
- You may be able to lease out a portion of the building if you determine that you have excess space.
- Any investment in substantial changes to the building are owned by you and not your landlord.
- You are free to stay in the same location as long as you wish.

The Quote "Happiness is not a goal, it is a by-product.." Eleanor Roosevelt

Dental Stocks ⁵² Low ⁵² High

Colgate Symbol	75.25 CL	54.0	76.39
Patterson Symbol	38.37 PDCO	29.6	39.76
Amer Dental Partners Symbol	20.98 ADPI	13.0	21.6
Dentsply Symbol	43.87 XRAY	27.7	46.15
Hnry Schein Symbol	61.84 HSIC	44.4	63.5
Nat Dentex Symbol	17.20 NADX	14.0	20.9

Hot Off The Press

Dr. Lawrence Hagen of Cincinnati, Ohio has collected 2,500 pounds of candy for American troops in Iraq since starting a Halloween buyback program three weeks ago.

Hagen paid \$300 to more than 150 children for their candy, but most donated without asking for money.

"We're so grateful to everyone for their overwhelming support of the Halloween candy buyback," Dr. Hagen said. "The troops serving in Iraq will be so glad to receive these treats and to know that so many people are thinking about them back home."

Local schools and Girl Scout troops participated. Hagen also received \$200 in donations to cover the shipping of the candy. The goodies will go to the Marines 2nd Battalion.

Source: Cincinnati Enquirer