

# Financial Entrepreneurship Management in Dentistry

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**Abstract:** *Most dentists are not inherently entrepreneurial. They primarily go into dental practice due to its historical stability and minimal downside risks. Dental practice classically has been a pathway to sizable personal income, immune from radical fluctuation in the economy and safe from being displaced by disruptive technologies until the recent times. Seismic shifts in the dental landscape are now occurring. The asset value of solo dental practices is nose-diving due to a flattening of its revenues, increasing costs of doing business, competition for new patients who can pay for dentistry and the increasing restrictions of dental benefits. To make matters worse, student debt—along with a major shift in attitude among younger dentists—is reducing the number of viable buyers for dental practices, further depressing the negotiable value. As individual practices are struggling more financially, managed group practices are emerging as a dominant force in the market due to their ability to reduce the cost of delivery, handle backroom functions more effectively and less expensively, manage operations and staff, and leverage negotiations with vendors, suppliers and labs. By reducing the cost of delivery and improving access, managed group practices have gained appeal in the market and among other industry stakeholders such as insurers, benefit managers and suppliers. They have a grand purpose of building a great business, not simply leading a stable practice that allows them to make a good living. Dentist entrepreneurs are driven by their passion for creating a significant dental enterprise that reflects their values, vision and purpose.*

**Keywords:** Financial Entrepreneurship Management, Dentists, Dental practice

## 1. Introduction

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Seismic shifts in the dental landscape are now occurring. The asset value of solo dental practices is nose-diving due to a flattening of its revenues, increasing costs of doing business, competition for new patients who can pay for dentistry and the increasing restrictions of dental benefits. To make matters worse, student debt—along with a major shift in attitude among younger dentists—is reducing the number of viable buyers for dental practices, further depressing the negotiable value. As individual practices are struggling more financially, managed group practices are emerging as a dominant force in the market due to their ability to reduce the cost of delivery, handle backroom functions more effectively and less expensively, manage operations and staff, and leverage negotiations with vendors, suppliers and labs. By reducing the cost of delivery and improving access, managed group practices have gained appeal in the market and among other industry stakeholders such as insurers, benefit managers and suppliers.

Among all this change, there is a minority of dentists who see such seismic shifts not as a threat but as an opportunity. These are the dentist entrepreneurs. They can envision building their own managed group practices, their own expression in the market, their own brand. They are consumed by what is possible and are committed to converting that possibility into action. Dentist entrepreneurs are driven not by security but by a vision. They have a grand purpose of building a great business, not simply leading a stable practice that allows them to make a good living. Dentist entrepreneurs are driven by their passion for creating a significant dental enterprise that reflects their values,

vision and purpose. They reimagine how dentistry can be delivered.

Dental entrepreneurs are a rare breed. They seize the opportunity in an economy that embraces access, convenience, ease of use, reduced cost of delivery and brand marketing.

For those willing to risk their time, money and individual identity, managed group practice offers up the perfect platform for the amalgamation of one's passion for dentistry and passion for building a great business. The key qualities of a dental entrepreneur would be:

- 1) Resolve
  - Resolve is the willingness to decide firmly on a course of action. Dentist entrepreneurs clearly have the resolve to produce a successful dental enterprise. They don't go into dentistry to give themselves a secure, high-paying job; they go into dentistry for the opportunity to create a great dental business.
  - For dentist entrepreneurs, dentistry is the "means" not the "end." They see dentistry as the means to create a unique dental entity. It is this resolve that empowers them in the face of the multiple problems that inevitably arise while building a substantial dental company.
- 2) Fearlessness
  - Fearlessness means operating without fear. It isn't that dentist entrepreneurs don't get scared or anxious. They do, but what distinguishes them is that they step into the fear and don't let fear stop them. Whereas most dentists are frozen by fear, dentist entrepreneurs are intrepid. They don't play "not to lose." They play to win. They are not intimidated by being on the edge. This is the antithesis of most dentists, who are intimidated by the task of building a managed group practice.
- 3) Passion
  - Passion is a deeply felt emotion. Dentist entrepreneurs are extremely passionate about creating a dental enterprise that is highly effective, productive, and well

marketed with growing revenues, strong margins and highly competent non-dental senior executives. Their passion is often expressed with an intense overpowering sense of conviction.

- 4) Acceptance of ambiguity
  - Ambiguity is the quality of being open to more than one interpretation. Dentist entrepreneurs can endure the uncertainty, the vagueness, the polar opposites that are the result of ambiguity.
  - Because of this relationship to ambiguity, dentist entrepreneurs can deal much better with the chaos and surprises of growing a company. They can live with the doubt and haziness that comes with any paradox. This is what makes dentist entrepreneurs unique. They can operate in the uncertainty of not knowing.
  - This is the opposite of most dentists who won't act until the plan has been time-tested by others. Simply put, most dentists abhor ambiguity.
- 5) Vision

A vision is an aspirational description of what an organization sees as possible to achieve in the mid- and long-term future. A vision serves as a clear guide for choosing current and future courses of action. Dentist entrepreneurs have an authentic vision and are obsessive about creating a future that is unique.
- 6) Adaptability
  - Adaptability is the quality of being able to adjust to new conditions, the capacity to modify one's approach in response to change. Given the rapid shifts in the dental industry, adaptability gives dentist entrepreneurs a distinct advantage since it allows them to adapt rather than resist change.
  - Dentist entrepreneurs accept that change is constant. This understanding enables them not to be positional. In the face of change, dentist entrepreneurs remain detached with a greater sense of objectivity, which enables them to make more prudent and effective decisions.
- 7) Risk tolerance
  - In the context of dentistry, risk tolerance is the degree of variability that a dentist is willing to withstand, his or her willingness to stomach the swings in the value of his or her investments. The definition of risk is exposure to danger. In business, this implies downside risk, meaning the uncertainty of a return on investment or the potential for financial loss. Dentist entrepreneurs have a high degree of risk tolerance, which allows them to move bravely into an uncertain future
  - A strong risk tolerance is needed given the numerous financial and professional uncertainties that present themselves in generating a managed group practice.
- 8) Motivation
  - Motivation is the desire to achieve. Motivation begins with a strong belief. A tremendous amount of motivation is needed to sustain dentist entrepreneurs through the trials and tribulations of building a managed group practice. If not fully committed, the arduous issues a dentist entrepreneur faces will never be resolved.
  - Almost all dentists are strongly motivated to improve their clinical knowledge and the level of dentistry

they deliver, but few are motivated to build a managed group practice.

- 9) Self-awareness
  - Being self-aware is a fundamental and critical component of successful leadership in generating a managed group practice. Self-awareness is conscious knowledge of one's own character, feelings, motives and desires. As validated by numerous business books, experts and studies, the higher the level of self-awareness, the more potent the leadership and the more successful the enterprise will be.
  - Most dentists see little value in enhancing their self-awareness. They have little appreciation for self-examination and self-discovery, the pathways to self-awareness.
- 10) Core values
  - Core values are the principles that guide behavior and action. Core values help people distinguish between what is right and wrong. They create an unwavering guideline for behavior. Core values help businesses determine if they are on the right path to fulfilling their business goals.
  - For dentist entrepreneurs, core values don't exist as platitudes—they exist as the bedrock of the company. When the core values are heavily enshrined in the firm, the culture of the practice will generate high performance and strong relationships.
  - Rarely is this the case with dentists. The core values for most dentists function as banalities or good intentions, but their commitment to upholding their values is often weak or nonexistent.
- 11) Responsibility
  - Dentist entrepreneurs must be responsible. Successful dentist entrepreneurs hold themselves as the cause of what occurs in their group practice and their lives.
  - Responsibility determines how dentist entrepreneurs see themselves and their ownership of the group practice. Few dentists embrace this level of responsibility.

## 2. Conclusion

Dentist entrepreneurs are a unique breed. As an estimate, they represent less than 10-15 percent of all dentists. Dentist entrepreneurs have a driving desire, a passion, an unconditional commitment to building something special, and they devote their time, energy and money to making it so. As solo practice fades, dentist entrepreneurs will build managed group practices that will dominate how dentistry is delivered. They will bring their own expression, their own dynamic, their heart and soul, and their own vision to dentistry. Dentist entrepreneurs are the future of dentistry.