



## SETTING YOUR DENTAL PRACTICE'S DIRECTION AND SUCCESS THROUGH STRATEGIC PLANNING



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Since many dentists are too busy running the day-to-day operations of their practice, they simply do not find the time to successfully plan for the future. Dentists today are dealing with the great unknown – the uncertainty of the role of the government, insurance companies and the constantly changing healthcare environment. Practices can choose to stay the course, ignore it or plan for it by setting a direction. Practices that establish a strategic plan and follow through with it will greatly increase their probability of achieving success.

Strategic planning is advantageous for every size practice, whether solo, small or large group. For example, if you are a solo practitioner you might want to consider whether you should continue to be self-employed or perhaps join a dental group instead. If you are a dentist nearing retirement, you may want to slow down and limit patient activity; your practice must have a strategy in place to allow this to occur. Small groups might want to open a new office or hire a new dentist. Large groups might consider continued growth by recruiting dentists out of residency or by acquiring outside practices.

To set your practice's direction or strategic plan, there are five key (**SMART**) points that every successful plan must have:

- **Simple** – Must be easy to comprehend
- **Measurable** – Should be able to evaluate the practice's success
- **Achievable** – Should include stretch goals that are attainable
- **Realistic** – Must be developed within the confines of the practice
- **Time-limited** – Should be obtainable within a one- to five-year period

Implementing these key five points can be the difference between a successful practice and failure within your practice.

To begin the planning process, you must first determine your planning team. This team should include the practice leader(s), significant others, the practice administrator or office manager, consultants (legal, accounting) and key staff members. You are encouraged to discuss the strategic plan with your significant others; buy-in from your family is just as important as buy-in from your employees.

To establish your strategic plan for the future, your planning team should develop a mission statement along with a vision for the practice. The mission statement indicates the objective and the purpose for your organization's existence. Externally, a mission statement identifies your practice in the community and provides a means by which your patients can evaluate your practice. Internally, a mission statement is intended to inform and motivate your employees as well as provide a means by which your employees can evaluate your practice.

A sample mission statement would be:

*“To be the premier cosmetic dentistry practice in the Tri-Lakes area offering superior patient care and the highest quality of life and compensation for the doctors and staff.”*

The preliminary steps in developing your mission statement and vision are to determine your strengths, weaknesses, opportunities and threats.

Examples of your strengths might be:

- Technology and capital
- The skill mix of your dentists and employees
- Your current market position
- Location of your office

Your weaknesses could be:

- Lack of marketing direction
- Ineffective billing and follow-up
- No brand recognition
- Crowded and outdated office environment

Your opportunities could be:

- Weak competitors
- Expansion into new service areas (such as cosmetic dentistry)
- Expansion into new geographic areas

Your threats could be:

- Unclear vision
- Competition
- Shrinking market

To create your vision for the future, you also need to answer some key questions:

- What is the purpose of your practice?
- Who are your patients/customers?
- What needs do you have to fulfill and how do you fulfill those needs?
- How are you and your practice unique compared to your competitors?
- What is your patients’ perception of you and your practice?

This feedback should be solicited from your patients, fellow dentists and key staff at all levels of the practice. The next step would be to write your practice’s mission and vision statements focusing on a direction that is supported by your answers to the key questions mentioned above. Think of what you are trying to accomplish. Once buy-in is achieved, your next step should be to develop an action plan.

You should determine all possible actions that could move you toward the direction you want for your practice. These actions should be very creative; do not limit yourself to what has been done in the past. If you do, you will most likely see the same results.



Once you create your list of action steps, group each action into categories such as dentists, employees, patients, facilities, technology, marketing, etc. Assign key personnel to be responsible for the individual categories.

You are now ready to implement your strategic plan. Make certain each employee has a clear understanding of his/her accountability. The employees must know their individual tasks and how they are expected to accomplish each task. These should be expressed in as measurable terms as possible. Sufficient time each week should be built into all employees' schedules to enable them to achieve their tasks. You should take the time to look at your progress as measured by the plan periodically during the year and modify the plan as needed.

Also, consider establishing a reward or recognition system to motivate key personnel to reach their individual goals. As the vision is achieved, the individuals who were instrumental in accomplishing your practice's goals should be recognized and/or rewarded.

Every three to five years you should examine your current vision and strategic plan, review your accomplishments from your prior plan and begin the process again for the next five years. This will allow you to continue the evolution of your dental practice...and successfully reach your goals.

As one of the leading accounting and consulting firms for healthcare practices, Cowan, Guteski & Co., P.A. is well-versed in helping dentists develop a strategic plan for their practice. For additional information, contact Donald A. Cowan, CPA/PFS, CFP<sup>®</sup>, Shareholder/Director – Dental Consulting Division/Healthcare Services Group, at 732-349-6880 ext. 122 or [dcowan@cowanguteski.com](mailto:dcowan@cowanguteski.com) or contact Deborah M. Cordivari, Supervisor – Dental Consulting Division/Healthcare Services Group, at 732-349-6880 ext. 133 or [dcordivari@cowanguteski.com](mailto:dcordivari@cowanguteski.com).

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