Eleven tips for success in your dental clinic

Part IV: ROI and PEST

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Welcome to the fourth part of the series Eleven tips for success in your dental clinic. Our new tips are about knowing how to choose the right investment for your clinic in order to have the greatest possible ROI.

Now what is ROI? ROI stands for the acronym Return on Investment. Let’s explain the term a little bit further. It shows our clinic’s ability to use its assets to generate profits. How many of you have bought a new equipment starting with excitement and six months later, had completely forgotten about it and never used it? How many of you bought an intraoral camera and are still using it?

1. Patients
2. Your clinic
3. The environment
4. The actual investment.

Now, for example, you are thinking of buying a new piece of laser equipment.

Observe your patients’ needs

Which patient needs are we going to cover with laser treatments? Let’s brainstorm a little bit more on this! To which patient groups do they belong? Are they afraid of the dental procedures or are they comfortable with them? Do you have a lot of patients and need to make more fillings in less time?

Know thyself and thy clinic

You can achieve this by learning in which areas we should improve ourselves (clinic) and in which areas we are in advantage. We can do that by using a very essential tool every six or twelve months, the so-called SWOT analysis. This is composed of four elements: our strengths, weaknesses, opportunities and threats as dentists. And we have already talked about it in the first part of this series (please see laser 9/2015).

Analyze your environment

The third component of the protocol that I would love to share with you is PEST analysis. PEST stands for political, economic, social and technologi- cal environment. By knowing the potential problems in advance, you will be more prepared and capable of find-

ing the correct solutions. By making effective use of PEST analysis, you ensure that what you are doing is positively aligned with the forces of change that are affecting our world. By taking advantage of change, you are much more likely to be successful than if your activities oppose it. Good use of PEST analysis helps you to avoid taking action which is condemned to failure for reasons beyond your control.

PEST is useful when you start operating in a new country or region. Applying PEST analysis helps you to break free of unconscious assumptions, and helps you to quickly adapt to the realities of the new environment.

Its four components include:

- Political aspects: government type and stability, regulation and de-regulation trends, social and employment legislation, tax policy and tariffs, controls, environmental and consumer-protection legislation, likely changes in the political environment.

- Economic aspects: stage of economic development, inflation, interest rates, unemployment and labor supply, labor costs, price inflation, and other factors affecting the costs of doing business in the region.

- Social aspects: changes in the social structure, lifestyle, attitudes and values, and the influence of social groups on the dental market.

- Technological aspects: advances in technology, the impact of emerging technologies, impact of Internet, reduction in communications costs and increased remote working.

Some years ago, Cyprus held the monopoly in communication services, but now the prices have dropped dramatically since there is a lot of competition in the market. For example, changes in the government policy may affect the nature of treatments that may be available; for example under the NHS. Changes in the economic climate can have a direct impact on the spending power of patients. Patients’ expectations may be affected, for example, if there is a change in interest rates or house price inflation.

The above protocol is one of the tools that you can be taught by the DBA educational programme full courses and seminars, including how to design your own ELIT. In the next issue, we will reveal two brand new tips and practical solutions that will help you access new opportunities and potentials of your dental clinic and change the way you see and make business in dentistry. Until then, please remember that not only are you the dentist in your clinic, but you are also its manager and leader. You can always send me your questions and request for more information and guidance at dba@yiannikosdental.com or via our Facebook account.

Looking forward to our next trip of business growth and educational development!