

THE
EXTREME BUSINESS

100

Tactical Financial Mastery

Knowing the numbers that will double your profits



Quarterly Review

Looking back over the last three months, what do I class as my biggest “wins”. What am I most pleased and confident about?

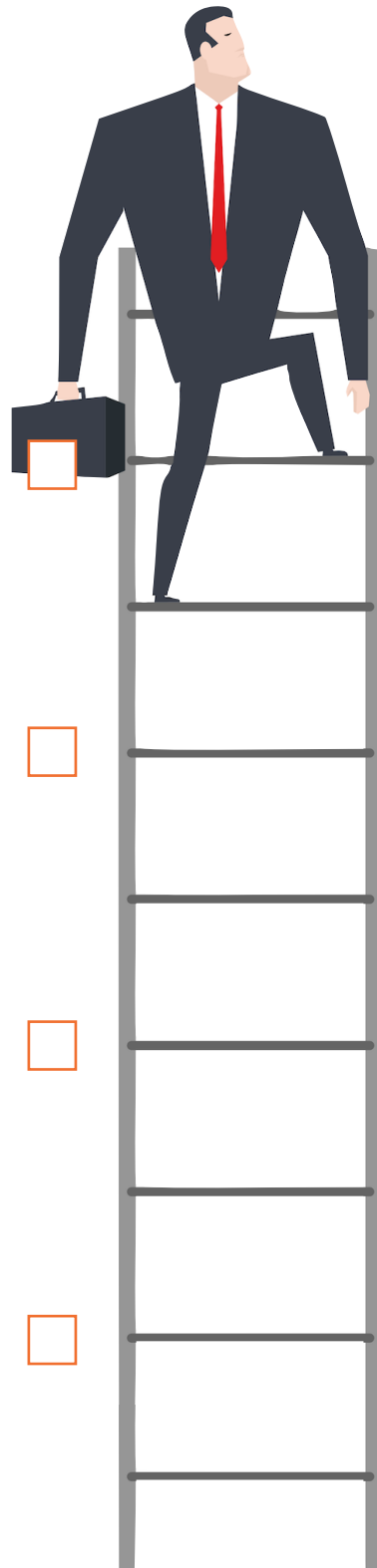
Looking back over the last three months, what are the biggest challenges I’m facing?

What are the three most important tasks that I would like to achieve in the next three months?

What are the changes I can make in the next three months both professionally and personally to improve my overall performance and behaviour?



Extreme Financial Confidence



8.

CALCULATING YOUR
GOODWILL VALUE

6.

MEASURING ASSOCIATE
PROFITABILITY

4.

MONITORING AVERAGE
DAILY PRODUCTION

2.

MEASURING KEY
PERFORMANCE INDICATORS

9.

SETTING YOUR PRICES
ACCURATELY

7.

UNDERSTANDING EBITDA

5.

CALCULATING OPERATING
COST PER SURGERY PER DAY

3.

CREATING BUDGETS AND
CASH FLOWS

1.

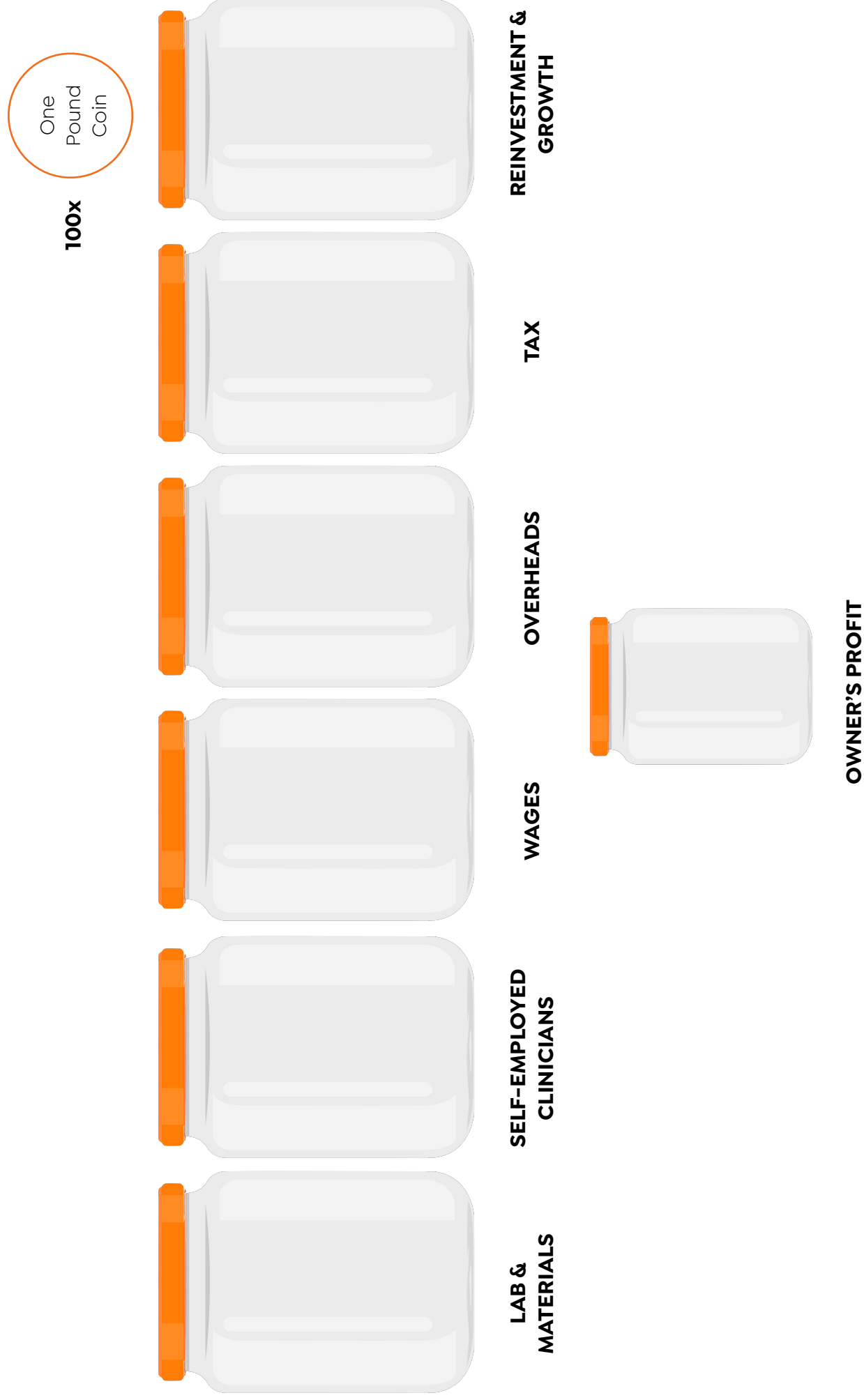
UNDERSTANDING YOUR PROFIT
AND LOSS STATEMENT



EXTREME BUSINESS
WITH COACH BARROW

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www.coachbarrow.com

Jam Jars



Profit and Loss Account

Trading and Profit and Loss Account for the Year Ended 31 March 2016. These figures are taken from a real-life practice, who consented to share them but wished to remain anonymous.

	£	£
INCOME	2016	2015
NHS fees	153,364	140,149
Private fees	40,304	45,369
NHS fees - Associate/locum	250,223	265,634
Private fees - Associate/locum	51,296	47,138
	<hr/>	<hr/>
	495,187	498,290
COST OF SALES		
	5,001	8,333
Opening stock	40,657	41,889
Materials	23,883	41,844
Lab fees	138,624	153,656
Associate/locum payments	<hr/>	<hr/>
	208,165	245,722
	(4,901)	(5,001)
Closing stock	<hr/>	<hr/>
	203,264	240,721
	<hr/>	<hr/>
	291,923	257,569
GROSS PROFIT		
OTHER INCOME		
NHS grant released	17,857	25,000
Golden hello	-	5,000
Defib reimbursement	-	719
Rates reimbursement	2,538	2,490
Dental practice allowance	43,177	44,589
Rent reimbursement	15,580	12,734
Deposit account interest	1	1
	<hr/>	<hr/>
	79,153	90,533
EXPENDITURE	<hr/>	<hr/>
	371,076	348,102
Rates and water	4,067	4,006
Insurance	5,059	4,023
Light and heat	(1,584)	3,071
Property factoring charge	600	1,360
Wages	165,415	152,228
Equipment leasing	35,826	35,826
Telephone	2,797	3,392
Post & stationary	2,693	2,463
Advertising	5,654	3,513
Computer & software expenses	10,545	8,523
Repairs & renewals	4,080	2,501
Dental equip. maint. contracts	6,850	1,208
Household & cleaning	7,738	5,442
Clothing costs	1,000	681
Sundry expenses	296	1,032



	£	£
	2016	2015
Brought forward	371,076	348,102
Professional subscriptions	3,751	2,916
Staff entertainment	2,222	1,230
Training costs	1,226	1,389
Accountancy	5,688	6,424
Legal fees	1,050	906
Bad debts	495	500
Donations	660	529
	<u>266,128</u>	<u>243,163</u>
	104,948	104,939

FINANCE COSTS

Bank charges	1,239	903
Credit card processing charges	1,783	1,905
Bank interest	33	-
Bank loan interest	6,906	7,920
Hire purchase	1,202	1,202
	<u>11,163</u>	<u>11,930</u>
	93,785	93,009

DEPRECIATION

Freehold property	3,134	3,134
Improvements to property	11,641	11,641
Plant and machinery	5,974	5,974
Fixtures and fittings	5,974	3,646
Computer equipment	3,646	1,812
	<u>2,722</u>	<u>1,812</u>
	27,117	26,207

NET PROFIT

66,668	66,802
<u>66,668</u>	<u>66,802</u>



Audit - KPI analysis

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EB workshop 2 - Coach Barrow financial audit September 2017

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Audit - OCPSPD

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EB workshop 2 - Coach Barrow financial audit September 2017

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ABC Dental

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Coach Barrow Financial Audit - April 2017		31/03/2017		31/03/2016		31/03/2015		Benchmark				
2													
3	ABC Dental												
4													
5	Fixed operating costs (ex deprec)		£ 291,698.00		£277,291.00		£255,093.00						
6													
7	Number of clinical days delivered overall		640		640		640						
8													
9	OCPSPD		£ 455.78		£433.27		£398.58		£400				
10													
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KPI analysisOCPSPD

Fee-earner production

Ready

Audit - fee earner production

[illegible]

Personal Cash Flow

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
General Expenses													
Food	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Clothing & Minor Expenses	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Rates/Council Tax	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Domestic Residence Mortgage or Rent	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Domestic Residence Maintenance & Repairs	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Water Rates	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Electricity	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Gas	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
House Insurance	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Telephone inc. mobile	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
TV Licence/Sky	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
House Cleaner	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Nanny	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Gardener	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
School Fees & Related Expenses	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Motoring Expenses - Insurance, Road Tax, Fuel & Servicing	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Average Credit Card Bills for Misc Bills & Luxury Expenses	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Meals Out and Entertainment	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Holidays	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Social Clubs (ie golf, gyms etc)	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Other Expenditure	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Financials & Insurances													
Life Insurances	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Pension Contributions	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Permanent Health Insurance (sickness cover)	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Private Medical Insurance	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Endowment policies	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Non Business Loans													
Personal Loans	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Car Loans													
Accelerated Personal Debt Reduction	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Total Personal Expenses	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Tax and NI Saving Needed	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Total Gross Income Needed from Your Business	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -

Notes

White cells are for you to play with

Budget and Cash Flow

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sept-17	Oct-17	Nov-17	Dec-17	Actual Totals	Target
Income														
Principal	39210.30	26136.15	31465.42	31583.99	17284.57	30000.00	31393.23	26681.00	21554.80	26664.05	19456.60	17860.61	360000.00	
Associate	15700.85	12700.00	12700.00	12700.00	12700.00	12700.00	12700.00	12700.00	12700.00	12700.00	12700.00	12700.00	240000.00	
Implants	17756.00	13280.00	18696.36	35131.00	17400.00	18440.00	2950.00	8435.00	21935.00	16240.00	11366.50	8531.50	144000.00	
Therapist	5742.75	3189.60	2321.00	2198.00	2491.14	-1043.00	2717.55	2779.95	421.10	2007.35	2740.50	2017.50	33672.00	
Therapist	16.60	-42.00	16.60	16.60	16.60	373.95	-185.57	0.00	423.00	231.00	-3.80	0.00	5832.00	
NHS	16.60	50.28	19.23	17.40	21.22	17.40	25.91	17.40	17.40	17.40	15.10	25.93	252.00	
Practice membership	16.60	50.28	19.23	17.40	21.22	17.40	25.91	17.40	17.40	17.40	15.10	25.93	252.00	
Bank interest	0.19	1.35	2.59	5.37	5.41	1.78	0.64	0.89	1.87	1.87	2.08	0.57	62544.00	
Hygienist	0.00	0.00	0.00	0.00	0.00	0.00	516.00	198.00	737.25	636.10	448.00	348.00	60.00	
Hygienist	0.00	0.00	0.00	0.00	0.00	0.00	516.00	198.00	737.25	636.10	448.00	348.00	0.00	
Total Sales	84044.62	62678.80	79302.04	89001.38	53967.74	67275.39	59299.30	61388.99	66428.89	68645.14	50431.13	49954.61	792418.03	846360.00
Costs of sales														
Materials	8090.60	7134.64	3608.96	8452.13	4988.16	7061.41	4243.83	3393.74	4847.92	3992.30	4046.24	2985.69	78000.00	
Lab all	8889.38	9079.02	2691.95	4003.12	1916.41	4231.95	5361.07	4748.98	5771.87	7970.41	6378.37	6628.33	58872.00	
Associates costs	18182.62	16560.90	19718.61	29913.08	16687.65	20100.00	8829.93	15776.43	22225.97	10416.59	12982.00	12768.49	178512.00	
Hygienists costs	2011.50	2242.50	1982.00	1744.00	2110.50	1986.50	1878.00	1892.00	1878.00	1644.00	1896.00	1700.00	23568.00	
Total Variable Costs	37274.10	35016.66	28001.52	44112.33	25702.72	33379.86	20312.83	25811.15	34723.76	24023.30	25302.61	24082.51	357743.35	
Overheads														
Admin cleaning	20.00	0.00	0.00	0.00	0.00	0.00	10.00	60.00	0.00	10.00	0.00	0.00	120.00	
admin donations	0.00	0.00	0.00	0.00	0.00	0.00	25.00	0.00	0.00	312.00	0.00	0.00	300.00	
Admin insurance	125.62	364.65	364.65	368.80	239.03	498.57	136.26	136.26	136.26	136.26	136.26	136.26	2460.00	
Admin marketing/ advertising	1012.78	534.00	2560.83	1887.89	2496.65	1535.10	4623.10	1694.15	5432.86	3701.86	812.64	928.82	30000.00	
Admin newspaper / magazines	105.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	105.60	0.00	0.00	0.00	240.00	
Admin postage	106.70	160.85	283.59	69.75	82.10	34.05	25.55	181.90	216.36	28.90	145.80	203.90	1596.00	
Admin practice consumables	113.67	605.16	377.86	148.44	204.95	187.16	56.00	63.64	126.73	63.62	66.90	57.67	2616.00	
Admin Printing	52.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	290.00	0.00	0.00	240.00	
Admin Stationary	571.72	436.25	47.06	98.39	320.96	0.00	387.46	277.43	127.57	93.88	415.53	26.40	2808.00	
Admin subscriptions	806.82	66.82	34.00	34.00	256.57	108.17	127.17	108.17	143.17	168.17	168.17	108.17	2256.00	
Admin Sundry	306.00	3338.90	0.00	0.00	166.12	407.97	618.00	114.40	1291.24	100.00	220.00	1122.39	3656.00	
Admin telephone landline	31.20	296.27	31.20	339.48	539.24	0.00	255.32	260.11	264.52	649.34	0.00	525.16	2508.00	
Admin Waste disposal	393.94	-88.40	0.00	0.00	0.00	57.60	308.54	0.00	0.00	337.74	0.00	0.00	996.00	
Depreciation	2763.13	2763.13	2763.13	2763.13	2763.13	2763.13	2763.13	2763.13	2763.13	2763.13	2763.13	2763.13	33157.56	
Employee costs	11785.44	12244.07	12931.72	12999.64	12043.60	12089.54	11728.82	10910.81	11000.26	11072.79	11078.64	12215.75	144000.00	
Interest payable	291.84	291.84	291.84	291.84	291.84	291.84	291.84	291.84	291.84	291.84	291.84	291.84	3502.08	
Legal & Professional	978.00	978.00	978.00	978.00	1235.14	978.00	540.00	540.00	1021.50	1021.50	1113.50	1021.50	11736.00	
Motor & Travel Expenses	1338.45	673.15	278.52	651.73	2610.28	222.04	439.40	496.50	765.52	559.24	364.14	176.47	7848.00	
Other financial charges	877.09	854.51	677.21	1246.79	857.22	296.97	597.31	470.40	1202.46	1423.77	1313.00	944.60	11328.00	
Practice Exps	0.00	785.39	490.70	821.48	407.34	1200.00	2252.76	1268.44	157.39	1203.09	1200.00	2430.50	8964.00	
Premises drinking water	155.98	8.99	0.00	0.00	46.17	0.00	28.19	8.99	8.99	37.18	0.00	0.00	300.00	
Premises Health & safety	0.00	0.00	0.00	611.52	102.00	0.00	511.68	0.00	147.60	13.00	0.00	109.44	840.00	
Premises Insurance	0.00	0.00	325.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	432.00	
Premises Lighting	0.00	621.86	0.00	0.00	885.97	0.00	0.00	0.00	1003.26	0.00	665.34	0.00	3060.00	
Premises Other	31.96	0.00	0.00	0.00	437.37	92.36	49.71	52.02	531.11	260.46	314.00	185.71	1500.00	
Premises Rates	167.11	167.11	167.11	167.11	167.11	167.11	0.00	0.00	170.13	170.10	170.10	170.10	2005.32	
Premises repair and upkeep	111.00	84.00	0.00	105.00	143.94	0.00	2727.26	1129.00	185.76	105.00	67.04	75.84	1440.00	
Repair & Renewal computers +	679.41	598.52	508.80	517.94	1061.90	1640.14	598.90	514.06	614.08	976.22	848.14	782.61	12000.00	
Repair & renew equipt	90.00	90.00	100.98	0.00	365.91	650.24	202.30	0.00	0.00	358.24	252.10	332.34	3648.00	
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Fixed Overheads	22516.26	25875.07	23212.20	24400.93	27724.54	23219.99	29303.70	21341.25	27707.34	26147.33	22406.27	24608.60	360713.64	
Net profit before tax	23954.26	1787.07	28088.32	20488.12	540.48	10675.54	9682.77	14236.59	3997.79	18474.51	2722.25	1263.50	146694.36	

146694.36

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Associate Profitability Playbook

Operating costs per annum		£	445,819.00
Surgery use per year			
Total weeks/year		46.00	
days/week		28.37	
Days/year available		1305.02	
Associate weeks/year		46.00	
Associate days/week		3.00	
Associate days/year		138.00	
Days/year used		1305.02	
OCPSPD		£	341.62
Variable costs		% of total gross income	
Labs	5.20%		
Materials	6.50%		
Creditcard charges	0.00%		
Creditcard usage	0.00%		
Variable Lab charge		50.00%	
Associate Daily Production Rate		£	1,000.00
Yearly gross		£	138,000.00
Lab fees per month		£	11,500.00
Average per month less Labs		£	598.00
Average per month less Labs		£	10,902.00
Associate's percentage			40.00%
Total associate pm		£	4,360.80
Total associate pa		£	52,329.60
Associate Yearly Gross Production		£	138,000.00
Less Associate Fees		£	52,329.60
Less Credit Card Charges		£	-
Less Lab Bill		£	3,588.00
Less Dental Materials		£	8,970.00
Less Contribution to General Overhead		£	47,143.36
To Practice per year		£	25,969.04
Contribution per day		£	188.18
Profit on OCPSPD			55.09%
Target contribution from room		£	68.32

Guide to completing the sheet

Only fill in the dark GREY and GREEN cells
The objective is always to balance the BLUE cells by altering the GREEN cells

Hygiene/Therapy Profitability

Operating costs per annum		£ 325,000.00
Surgery use per year		
Total weeks/year	46.00	
days/week	15.00	
Days/year available	690.00	
Hygienist/Therapist weeks/year		
Hygienist/Therapist days/week	5.00	
Hygienist/Therapist days/year	230.00	
Days/year used	690.00	
OCPSPD		£ 471.01
Variable costs	% of total gross income	
Labs	0.00%	
Materials	0.00%	
Creditcard charges	0.00%	
Creditcard usage	0.00%	
Variable Lab charge	0.00%	
Hygienist/Therapist Daily Production Rate		
Yearly gross	£ 172,500.00	£ 750.00
Average per month	£ 14,375.00	
Lab fees per month	£ -	
Average per month less Labs	£ 14,375.00	
Hygienist/Therapist percentage		30.00%
Total Hygienist/Therapist pm	£ 4,312.50	
Total Hygienist/Therapist pa	£ 51,750.00	
Hygienist/Therapist Yearly Gross Production		£ 172,500.00
Less Hygienist/Therapist Fees	£ 51,750.00	
Less Credit Card Charges	£ -	
Less Lab Bill	£ -	
Less Dental Materials	£ -	
Less Contribution to General Overhead	£ 108,333.33	
To Practice per year		£ 12,416.67
Contribution per day		£ 53.99
Profit on OCPSPD		11.46%
Target contribution from room		11%
		£ 53.98

Guide to completing the sheet

Only fill in the dark GREY and GREEN cells

The objective is always to balance the BLUE cells by altering the GREEN cells

The Pricing Matrix

ECONOMICS

(What do we need to charge to make a profit?)

ARROGANT PRICING

(TAKE IT OR LEAVE IT)

CONFIDENT PRICING

(ABUNDANCE MENTALITY)

CONFIDENCE

(How good do we think we are at what we do?)

DEFENSIVE PRICING

(SCARCITY MENTALITY)

SPECULATIVE PRICING

(GUESSWORK)



2022 Price Rise Letter to Patients

Dear patient,

Review of prices June 2022

The purpose of this letter is to advise you that we will be increasing our fee per item and dental plan prices by x% from June 2022 - there is no need for you to take any action at this time.

Given the unique landscape of 2020-2022, I wanted to take a few moments to explain how we approach the subject of price reviews.

In considering adjustments to prices, we have regard to the following factors:

- 1.Changes in our external costs - such as laboratory fees, material costs and, especially this year, the overall increase in energy costs;
- 2.Changes in our internal costs - such as wages, professional services, insurances and all the other day to day running expenses of a business.

We also take the view that regular but small adjustments every year are better, in the long run, than significant increases with gaps between them - it is easier for our patients to plan their own finances if we do that.

At all times, our over-riding objective is to continue to deliver a customer service experience and to deliver clinical care to the best of our ability and in a safe environment for all.

Please refer to our Fair Pricing Policy (attached) for a more detailed explanation - and we welcome any constructive feedback or questions.

Yours truly,

Dr. John Smith
Principal
ABC Dental



Fair Pricing Policy

Here at ABC Dental fair pricing is an important part of our ethos. We want the fees that we charge you as a patient to be great value to you but to also reflect a fair price for our skills and experience – without compromising the quality of materials, our duty to the environment, or the respect we have for our staff and suppliers. Below we have set out what we will do to try to make this happen.

Making you aware of the fees

We want you to be fully aware of the treatment we are proposing, the reason why we are proposing it and of the fees that you will pay before treatment starts. We also want you to be aware of when your fees will be due, in most cases this will be at the end of each appointment.

To do this we will:

- Display a fee guide on the web site, and make sure it is available on reception.
- Discuss with you the treatment we think is necessary and the reasons why and provide information leaflets for further information about your treatment.
- Provide a treatment plan which includes estimated costs for each patient before treatment starts.
- Provide a new treatment plan with updated fees if the treatment needs to change for any reason.

How can I save money on my dental treatment?

- **Sign up to one of our dental plans!** We think they offer great value for patients as the base cost is slightly lower than you would pay normally for your routine appointments, but you also benefit from a member's price for certain treatment costs, and worldwide accident insurance cover. You can read more about the plans on our web site, (terms and conditions apply).
- Apply for 0% finance. For treatment plans over £X we offer you the facility to apply for 0% finance over 6 or 10 months. Terms and conditions apply.
- We have a range of advice for helping you to save money on dental treatment which you could look at here, ranging from advice from our therapist and dentists on prevention, through to the different types of insurance that might be suitable to you.

- All our treatment is aimed at getting you dentally fit and making your mouth as self-cleansing as possible, to help to significantly reduce your treatment needs going forward and in the future.

Fee Rises

We review our fees every year and based on our current costs and the current market conditions we will decide whether to increase some or all our fees. We will let you know the result of the fee review with an email and a link to the new prices on the website. If the payment plan fees have risen, you will also know at this point.

If we raise our fees and you have a treatment plan that is less than 90 days old, the prices on it will be valid for 3 months from the date of the rise. Treatment plans that are older than 90 days will be subject to the new fees.

But why do you have to raise your fees?

The two major factors we take into consideration when adjusting our fees are, our costs and the market conditions. Our costs are all the things that we must pay for in order to run a practice, there are all sorts of them ranging from cleaning and insurance to energy. By far the biggest of these are the wages, the materials and the laboratory costs.

We want you to have confidence in our team and the best possible service and treatment. To do this we need the best people working for us. We think it's only right to pay them a fair wage, if we didn't someone else would and we would lose them.

The cost for materials and laboratories varies hugely. We could reduce our fees by using cheaper, materials that don't have biocompatible properties, or find a cheaper laboratory, but we have found over the years that this is often a false economy. In the world of dental materials and laboratories it is almost universally true that you get what you pay for, if we used a cheaper filling material it will not look as nice or last as long and may have undesirable ingredients. Use a cheaper laboratory and the crown may not fit as well, look as natural or be as strong – ultimately meaning that you will probably end up paying more.

Dental material costs also change based on the world market. Most of the items we use are manufactured in Europe, and any changes to the relationship between Britain and its trading partners will cause costs to fluctuate.

We consider all these factors when deciding if we should raise our fees.

What exactly does Fair Pricing mean?

More than just the outright value of our services we also believe there are certain principles that we try to uphold...

We feel it an absolutely necessity to minimise our impact on the environment.

For example, we could pay less for our energy but having it from all renewable sources is important to us, and to our patients. (although the fees we pay Ecotricity have remained remarkably competitive with other non-renewable tariffs).

We want to make use of the fantastic local talent we have in our area,

We could use a large centralised Laboratory who provide lab work to the whole country, or even a lab based abroad but we would probably be speaking to different technicians for each job, and we want to be able to pop in and see our master lab craftsman when we have a technically challenging treatment, we think that provides you with better service too.

We want to build a relationship with our suppliers

We could probably switch the supplier of our materials to a large multinational, but they rarely have good ethical credentials and we believe going locally and building relationships with our suppliers where possible our main materials supplier is a family run business, rare in this market.

We think by following these principles we are giving you the best possible service at good value, our impact on the environment is as small as it can be and we are treating our staff and suppliers fairly, this is what we mean by fair pricing.

Why our prices say 'from...!', and our treatment plans are 'estimates'

- It's hard to be completely accurate on our fee guide, for example for a white filling on our guide it says (depending on size) "From". So why do we say 'from' and not just give a fee? A small filling at the front of the mouth is easy to get to and doesn't use much material which will be cheaper. A big filling at the back of the mouth will take longer, it will be more difficult to get to and it will use more material, therefore the cost will be more.
- Sometimes there are things that we would want to fix before we even get to a filling, a good example is gum disease. There is plenty of evidence to suggest that gum disease has a considerable effect on your overall health, and we would always want to sort that out first. We also try to look at the reasons why you are having the problems you are having, if you need a filling is that signalling a problem with what you eat? Perhaps if we can help you fix that we can stop you needing fillings in the future, but we won't know that until we see you.
- Even when we have seen you and provide you with a treatment plan, the figures are an estimate, we will try to explain in the plan why there might be variation, but the main reason we have to be unspecific is that we just can't be sure of what's going on until we have actually seen it. A good example of this is where we may need to

replace a failing crown. Even an X-ray won't show if there is decay under the crown, we won't know the extent of the problem until we have taken the old one off. It may need us to use Biodentine to give the tooth the best chance of healing; this is why they are always estimates! Sometimes it might be that you pay less than we were expecting for the same reason.

Why our prices may be more expensive than another practice.

We regularly check the prices of other practices in the area to ensure that we are competitive, it is unlikely we are a great deal different but if you have seen some very low prices on the internet you should proceed with caution, the saying '*if something seems too good to be true, then it probably is*' is as true in dentistry as in general life, here are some things to check:

- Make sure that you are not getting 'partial pricing'. For example, if you see a low price for an implant make sure it is for the implant, and the crown. We have seen a quote for an implant that didn't include the crown and we believe that this is unfair pricing. The common understanding is that an implant means the implant and the crown as a total price. Implants sometimes have other cost associated with them based on your own circumstances, bone grafts being the most common so always check and ask what additional cost there might be.
- As discussed above, the cost of materials varies considerably, and this will be the most difficult thing for you to assess, but this could be another reason why prices vary. If you are in any doubt check exactly what materials you will be getting and what's in them, we love it when our patients ask us this as it shows they are really thinking about their health.
- Finally, as Red Adair so eloquently put, "If you think it's expensive to hire a professional to do the job, wait until you hire an amateur."

The skill and experience of the dentist really does matter. At ABC Dental we only select dentists, hygienists and therapists who have similar ethos, high ethical and environmental standards, and excellent dental skills, we think it is fair to pay them what they are worth. We have a lot of experience of dealing with simple through to complex and challenging cases and have been pioneering in our use of Biocompatible and Bioactive materials. There are only a handful of dentists in the world that use them in the way that we do. Our experience and skills in this area are being actively sought out to train other dentist in their use.

I hope that this fair pricing leaflet has answered any questions you may have. If you haven't found what you are looking for here, feel free to drop us a line and ask your question over pricing, or indeed anything else.

The team at ABC Dental

Patients and Prices Calculator

Note - only alter figures in white boxes	
Number of patients assigned to dentist	<input type="text" value="1000"/>
Number of examinations, per patient per year	<input type="text" value="2"/>
Minutes spent on examination	<input type="text" value="30"/>
Charge for examinations	<input type="text" value="£75"/>
Clinical hours worked by dentist per week	<input type="text" value="35"/>
Weeks of absence each year - holidays, course etc	<input type="text" value="8"/>
Target annual fees for dentist/hygienist	<input type="text" value="£450,000"/>
Fees earned by Hygienist	<input type="text" value="£150,000"/>
Target fees to be earned by Dentist	<input type="text" value="£300,000"/>
Hours per annum	
Clinical hours spent each year on examinations	<input type="text" value="1000"/>
Clinical hours worked per annum	<input type="text" value="1,540"/>
Time remaining for treatments	<input type="text" value="540"/>
Fees per annum	
Fees for examinations	<input type="text" value="£150,000"/>
Target annual fees for dentist	<input type="text" value="£300,000"/>
Fees required from treatments	<input type="text" value="£150,000"/>
Result	
Hours available for treatments	<input type="text" value="540"/>
Hourly rate for treatments to achieve target fees	<input type="text" value="£277.78"/>
Notes	
Hygienist assumption is 2 visits per patient at...	<input type="text" value="£75.00"/>

Wages to Price Increase Calculator

	Example	Your numbers
Total sales	£ 1,000,000.00	£ 500,000.00
Lab	£ 120,000.00	£ 60,000.00
Materials	£ 70,000.00	£ 35,000.00
Self-employed clinicians (hyg/ther/associate)	£ 250,000.00	£ 125,000.00
Total variable expenses	£ 440,000.00	£ 220,000.00
Gross profit	£ 560,000.00	£ 280,000.00
Gross profit margin	56.00%	56.00%
Total existing wages	£ 200,000.00	£ 100,000.00
Increase in wages as % of wages	10.00%	10.00%
Increase in wages	£ 20,000.00	£ 10,000.00
Increase in gross sales to cover increase in wages	£ 35,714.29	£ 17,857.14
Increase in price as % of sales	3.57%	3.57%

Bonus Calculator

Staff bonus calculator

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