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Where Are You Headed – North, South, East, or West?

Strategic mapping process helps you navigate challenging terrain to reach your destination.

By Kenneth H. Mathys, CPA, Dental Practice Advisors

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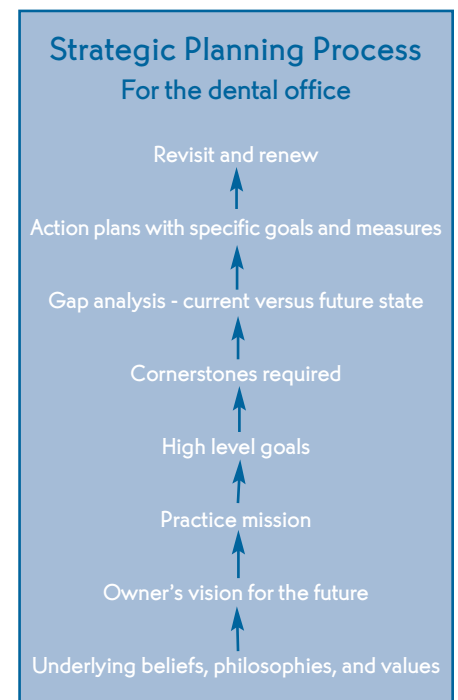
Where Is Your focus?

Do you spend too much time working *in* your practice and not enough time working *on* your practice? At the end of the day, do you really wonder if you are making progress? Are you leading your staff, or are you following their course? If you answered yes to any of these questions, you are not alone. And perhaps it's time for you to step out of your practice and rechart *your* course.

The answers to these questions may be relatively straight-forward, but sorting through all of the uncertainties and issues may not be. The practical, process-based approach (outlined in the chart to the right) can be completed in a matter of hours and it may be the ticket to your destination.

Process Overview

The process begins with you! Define your core principles, and ensure that your long-range plans, as well as your daily actions, are consistent with your underlying beliefs, philosophies, and values. Next, clearly articulate your vision – your mental image of how you would like your practice to be. Actually commit it to writing in a way that you can passionately relate it to others. With your vision in hand, you can now determine the practice's primary focus, its mission, or the ultimate "deliverable" for your practice. Now it's time to identify two, three, or four high-level business goals that are consistent with your mission. Taken together, your mission and your high level goals are what you'll build your practice organization to achieve. The cornerstones represent the foundation blocks of your practice. An honest "gap analysis" is required to determine the action plans necessary to build these foundation blocks properly – to get from where you are today to where you want to be. Finally, while your mission and high-level goals are not likely to change, it's important to revisit and adjust your action plans annually to respond to the inevitable changes and challenges that will occur.



Dental Perspective is published by Wipfli LLP's dental industry practice. At Wipfli, we partner with dentists like you to help you achieve success. Our strategic partnership with Dental Practice Advisors™, combined with over 75 years of experience serving the dental industry, allows us to offer innovative and sustainable strategies for your practice. Some of our solutions include:

- Strategic planning
- Comprehensive practice exam — productivity & profitability analysis
- Benchmarking and performance monitoring services
- Fee schedule review
- Practice transitions

Take the Roof Off Your Practice

To help you crystallize your vision, try this effective exercise. "Take the roof off your practice." Imagine that you could hover at 500 feet above your office, look down, and just watch your operation as it is today. Then imagine it as you dream it could be. What are your patients interested in?

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Wealth Management: Aligning Your Long-Term Strategies

By Ryan Laughlin, CPA, MST, JD, Wipfli LLP

As you reflect on your New Year's resolutions, ask yourself the million - (or more) dollar question. Are your short-term practice goals and personal strategies in alignment with your long-term financial objectives?

Gaining control of your financial future can appear to be an overwhelming task, but that doesn't mean you should leave it to chance. In order to reach your financial goals, you need to have a plan in place, track your plan, and periodically review the plan and revise it as needed to avoid unnecessary risk and to ensure that you will reach your objectives. A sound plan will integrate retirement, investment, insurance, estate, and tax planning strategies, while keeping your entire financial picture clearly in focus.

Retirement Planning. Many factors determine how much money you'll need at retirement, including the age you plan to retire and your lifestyle requirements at that time. Planning for your retirement now can help ensure your financial well-being later.

Investment Planning. Your investment plan must support your financial goals while respecting your investment preferences, risk tolerance, and market volatility. The timing of your retirement will also dictate investment strategies.

Insurance Consulting. A complete assessment of your current life, disability, long-term care, and other insurance needs is essential to ensure that you, your dependents, and your assets are properly protected.

Cash Flow/Budgeting. To meet your lifestyle goals in retirement, analyze your cash flow and debt management to determine the best way to utilize your funds.

Education Funding. The cost of higher education increases faster than inflation, but there are some great new tax-advantaged strategies that will help you and your family save and invest to meet those expenses.

Estate Planning. You have worked hard to accumulate your net worth. Estate planning - uniquely tailored to your needs, desires, and goals - can help you preserve value, minimize taxes, and facilitate the distribution of your estate to your chosen beneficiaries.

If you haven't already reviewed your goals, now is the time! Start by evaluating where you are today. Gather current financial information, estate plans, and legal documents. Create a personal financial statement, and take an inventory of your current assets, liabilities, insurance policies, and retirement plans.

Next, begin to develop and articulate your goals. You may have personal, financial, and tax goals that include protecting and preserving your wealth; minimizing income, estate, and gift taxes; and distributing your wealth in the most efficient manner to your intended beneficiaries.

Then implement, monitor, and adjust the plan as needed. Define roles and responsibilities for each of your goals and steps within those goals, and set dates for periodic reviews of your plan. Ideally, this should be done every year to two years as laws, people and motivations, and economic factors frequently change.

By following this process, you will be taking the steps necessary to ensure that you attain all of your goals. For assistance with the planning process, Wipfli's powerful Wealth Management Team - including CPAs, attorneys, and tax experts - can help you with proactive tax and transactional planning advice. For more information on any of these services, please contact Ryan or your relationship manager. ■

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Where Are You Headed...Continued

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Are they elated with their care? Is your future staff the same or new? How do they interact with patients and with each other? What is their skill level? What technology and equipment are they utilizing? What procedures are they performing? Are your standards of care consistent?

Key Strategic Element - Your Standard of Care

From a strategic standpoint, in a dental office it is critical to establish a clearly defined standard of care. Our dental consulting team established the Care Continuum[®] (shown at right) to assist our clients in thinking through the type of practice they ultimately desire. No position on the continuum is right or wrong - your position simply boils down to your particular circumstances and philosophy. The position you select, however, will drive many decisions about staffing, training, technology, equipment, physical facility, product offerings, marketing, and pricing.



The Importance of Soft Skills in Leadership

By Julia Johnson, Wipfli LLP



Interpersonal skills are absolutely necessary for functioning effectively with patients, peers, and patient service teams. Soft skills have long been recognized as essential for leadership success as well as practice success. All other things being equal (knowledge, education, technical skills, experience), it's the soft skills that differentiate the good leaders from the bad leaders.

Individuals who use their interpersonal skills to strengthen relationships with colleagues, peers, strategic partners, employees, and patients can make a direct impact on organizational culture, productivity, and the bottom line. People-oriented leadership has become increasingly vital to organizations when groups of people are working together to deliver quality results.

People-oriented management comes naturally to some—those natural “people people”—while others must work to acquire and build the soft skills. Each new workplace experience gives leaders an opportunity to exercise and sharpen their soft skills. You should always strive to hone your people skills. People can make or break your practice. If you are looking to enhance your soft skills, consider starting with these three key areas:

Listening

Listening is generally the number-one skill leading to a more effective organizational leader. Active listening requires you to give your full attention to a conversation, respect others' ideas and opinions, and reframe what has been said to ensure understanding. Good listeners also avoid these common pitfalls:

Multitasking. It's debatable whether or not you can hear what's being said while at the same time reorganizing your desk, scanning e-mail, or checking your schedule. Regardless, the person speaking to you will interpret your behavior as undisciplined, unfocused, and uninterested.

Dominating conversations. One-way conversations leave no room for exchange of thoughts and ideas. Dominators need to talk less and invite others to speak more.

Jumping to conclusions. It is important to listen to the whole message and seek understanding of a situation. Otherwise, you may act on partial facts and undermine your credibility.

Empathy

Empathy is the ability to view situations from another person's perspective. Demonstrating empathy can help leaders understand how and why people react to situations. Empathy does not mean you necessarily agree with others' perspectives. The empathetic leader will consider others' perspectives, acknowledge feelings and perceptions, and strive to show genuine concern.

Empathy does not paralyze leaders from responding to or acting on areas for growth and development. Rather, it helps the leader frame the response in a manner that will be heard and received. It is often not what a leader has to say as much as it is the intent with which the message is delivered and how the message is delivered.

Humility

Humility is much more than the absence of arrogance; it's the willingness to accept responsibility and readily admit mistakes. Leaders who fail to “hold up the mirror” and who thrust blame onto others become ineffective and disrespected. People respond to leaders who share credit for successes, share responsibility for failures, and express appreciation for efforts. ■

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Group Practice Considerations

The strategic planning process is especially helpful to group practices. Our experience has taught us that the biggest issue group practices face is lack of alignment on their strategic plan. Often, the partners have differing opinions on strategic direction and the related investments required to move the practice forward. Frequently, one partner enjoys the status quo, while the other(s) yearn for change. Lack of a clear leader only exacerbates the problem. In these cases, a skilled facilitator can assist the partners in developing a shared vision and game plan.

Pull It All Together With a Five-Year Projection

Ideally, all elements of the strategic plan integrate with each other and with a solid five-year financial projection. The projection takes all of the hard work you've done on the strategic plan and applies best-case and worst-case financial assumptions on costs and revenues. The end result is a set of income statements, balance sheets, and cash flow statements against which you can measure your progress along the way. ■

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Solution Highlight: Annual Vital Signs[®]

By Shawn Mathys, CPA, Wipfli LLP

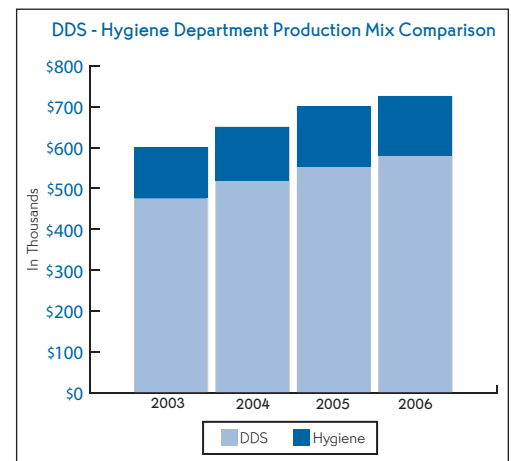
Have you taken the pulse of your practice lately? Do you know how your practice performance compares to your goals and to industry benchmarks? As you close the books on 2007 and look ahead to 2008, now is the perfect time to step back and get a clear and objective picture of the health of your practice.

The Annual Vital Signs[®] update is an innovative program that compares your annual results with previous years and with industry benchmarks in the following operational, wage, productivity, and financial areas of your practice:

- Doctor and hygiene production growth
- Doctor vs. hygiene production mix
- Doctor and hygiene procedure mix
- Doctor procedure speed and chair-time value
- Doctor and hygiene productivity per hour
- Productivity per active patient
- AR : Production ratio
- AR aging analysis
- Discounts and credit adjustments
- Clinical and administrative staff wage efficiency

Your customized Annual Vital Signs[®] report will provide summary statistics and key performance indicator graphs to help you evaluate your practice's performance and measure progress toward your goals. The graphical format will help you readily spot trends so your practice stays in optimal condition. It is designed to add a new layer of annual results each year, and as you participate in successive years, you will be building a valuable database of information to understand and manage your practice more effectively.

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To learn more about Wipfli, please contact a dental practice specialist at 888.940.1016.

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