

Kerrspeak

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## Planning for the Unexpected..

### **What lessons did I learn from the pandemic?**

Exercise fiscal sanity. Live within your means.

Have your personal affairs in order.

Know your practice numbers and what they mean.

Invest in your team year-round.

Evaluate QOL and work/life balance.

Understand that life can change suddenly. Have a contingency plan.

### **Fiscal sanity:**

Annual personal financial statement

- Tracks progress toward financial freedom.

- Improves financial decision making.

- Records key information in one place.

Consider insurance to protect both family and practice.

- Term policies to cover practice investment/debt.

- Universal policies to cover young family.

Make financial management a “family affair.”

- Joint checking accounts (both business and personal)

- Plan and monitor retirement goals together.

- Annually evaluate family budget. Adjust as necessary.

### **Have personal affairs in order:**

Write your will, living will, financial power of attorney.

Specify recipients of family treasures/heirlooms.

**Record important information in one place (3-ring binder):**

Personal (Full name, DOB, place of birth, SS#, name of parents & birthplace).  
Family (Siblings? Cousins? Close personal friends? Email addresses? Cell #s?).  
Documents (Safe? Bank? Safety deposit box? Box #? Location of keys?).  
Insurance policies, agents, beneficiaries (Are they up to date?).  
Current personal financial statement.  
Investments (On-line? Broker?).  
Funeral arrangements (Buried? Cremated? Favorite Hymn?).  
Up to date User IDs and Passwords.

**Keep spouse informed of practice:**

Contacts (Leasing agent, banker, CPA, attorney, insurance agent, consultant).  
Names and responsibilities of employees and cell phone numbers.  
Access to business checking account, management software, and training.  
Broker identified or codicil for your will.  
Available resources (locum tenens, study club, dental society, supplier).

**Have a plan in place for practice transition:**

Establish relationship with a broker.  
Consider practice evaluation.  
Insure practice debt (A debt-laden practice will not sell).  
Maintain maximum productivity.

**Practice's cash flow must:**

Cover monthly overhead.  
Service the practice purchase loan.  
Meet the lifestyle needs of the buying doctor and his/her family.

**Know your numbers:**

Break-even point

Annual fixed overhead x 118% = Total overhead (fixed and variable).

Divide total by number of days treating patients = break-even point.

Cost per procedure (Are you still profitable if you're discounting your fees?)

Monthly best practices per centage comparison.

Need one full day of hygiene each week for every 200 patients of record.

**Team Meeting: Create an Annual Plan:**

3-year review of practice statistics  
Adjust fees (National Dental Fee Advisory)  
Determine calendar, goals, break-even point.  
Review systems.  
Evaluate marketing.  
Plan continuing education.  
Brainstorm together – consider a SWOT analysis.  
Have fun! Use this as a team building opportunity!

**Build team loyalty:**

Share core values.  
Embrace clear and open communication.  
Delegate appropriately (based upon training and state practice act).  
Treat each other with dignity and respect.  
Lead and work with integrity.  
Be flexible! Life happens!  
Give praise and recognition.  
Be appreciative.  
Consider community-based activities outside the office.

**Total-Pay Statement (McGill/Hill):**

Present each employee a full summary of all funds spent to employ at year end.  
Salary, taxes (FICA, SUI, FUI), benefits (vacation, CE, dental, medical), 401(k)

**Evaluate Quality of Life and Work/Life Balance:**

Set time aside each year to assess.  
Determine what is important to you (priorities change over time).  
Identify where you are spending your time, money, and energy.  
Eliminate conflicts preventing your happiness, or set a timetable to do so.

**Develop a Contingency Plan:**

Cloud Back-Up – Data Recovery!  
Know your cash reserves (rainy-day fund, HELOC, retirement plan, insurance).  
Equipment inventory  
List of key contacts (insurance agent, banker, attorney, CPA, leasing agent, etc.).  
Available resources to continue to serve patients (clinic, merger, sublet space?).