

OPTIMAL DENTAL PRACTICE INCENTIVE & COMPENSATION SYSTEMS

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Table of Contents

Your Great Incentivization & Compensation System Is Your Best Practice Manager!	5
OVERVIEW: If You Believe That There Is a Work Ethic, YOU Are Likely Being Fooled!	8
1. Spectacular Incentive-Fueled Growth, Prosperity...& Peace of Mind...That Wouldn't Have Otherwise Occurred!	16
2. There Is ABSOLUTELY No Work Ethic...& You Cannot Push a Rope Uphill!	25
3. Potential Failures of Your Practice Incentive System:	27
4. Examples of Un-Incentivized Staff's Subtle Undercurrent Interrupting Prime Time Patient Flows:	37
5. This Long-Proven & Basic, 3-Point Incentive System Is a Great Practice Growth Stimulator & a Wonderful Practice Manager	41
6. Here Is an Evolved, Likely MORE POWERFUL Incentive System: As Super Lucrative Prime Time ONLY Hygiene Exams Increase...All Else Falls Into Place!	47
7. Why Your Rolling Average Bonus System Should Be Based on Monthly Production...& Not Collection:.....	56
8. How Do You Determine the Proper Rolling Average Incremental Increase Bonus Dollar Amount?	58
9. SIDE BONUSES! Examples of Various Specifically Targeted & Focused Incentives Intended to	

IMMEDIATELY DRIVE Specific Positive Staff Behaviors:	61
10. How to Ensure That Your Rolling Average System Will Fail:.....	77
11. The Ethical & Business Advantages of Treating Employees With Respect & Ensuring Their Enjoyment With Work.....	81
12. Viewing NEW & INNOVATIVE Employee & Patient Friendly Schedule Configurations as an Incentive:	86
13. The Documented Advantages of Paying Hygienists by the Patient.....	89
14. Innovative NEW Compensation Approaches Toward Radically Improving Any Associate Doctor's Performance:.....	94
15. Associates Will Usually Produce at Higher Tiered Levels If Incentivized to Do So:.....	100
16. Consider the Extraordinary Cost of Staff Turnover:	102
17. You Should Be Aware of Our Private Chats With Your Staff:	103
18. The Patient-Perception Dangers of Your Incentive System:.....	105
19. This Above Great Rolling Average Incentive Systems & Other Incentives Are Perhaps the Best Practice Manager!.....	106
20. USE DRAMA to Your Advantage! Make Sure Doctors, Hygienists & Staff KNOW They Received Their BONUS!	107
21. Examples of When You Need an Incentive System	108

22. Why Pay Your Entire Staff This Bonus? 110

23. The Acid Test for an Ineffective Incentive Plan:.... 112

**24. Is It a Bad Seed Employee...or the Same Employee
Who, If Compensated OPTIMALLY, Would Be Your Star?
..... 114**

**25. An Excellent, Long-Proven Manager’s
Incentive...Proven at chrisad...& in Many Client Offices
..... 117**

**26. If Your Incentive System Falts, Please Don’t Give
Up...Fix It!..... 121**

Your Great Incentivization & Compensation System Is Your Best Practice Manager!

A great incentive compensation system is an ethically correct way of stimulating & proportionately rewarding positive staff behavior...especially when the manager or doctor-owner is away! It is at the heart of your very real opportunity to spend more time away from your office...on vacation...or with your family...while earning more.

Your incentives must be simple. **But ONLY paid AFTER the growth occurs.** You can't lose. Understood by all & always visible...& updated multiple times per day, the most optimal incentive is precisely focused & targeted at the exact behavior you are intending to elevate.

In all cases where chrisad is actively marketing, there is an INVISIBLE WALL of MASSIVELY increased new & returning patient demand...the BEST & most of which will ONLY accept hygiene exam appointments that do not require them to take off work or school.

So the trick is simply opening the conduit through which these WORKING & BEST new & returning patients must pass, are properly appointed, make it in the chair...& are retained in hygiene two times per year for decades.

Please cast aside any preconceived notions of what a dental practice "should be"...or what you were told the practice of dentistry would be like when you were in dental school...or what

friends or family...who enjoyed some degree of success in the past...told you practice would be like.

The world is not always the world the way we want it to be. **We must understand & accept it for what it IS! The world has evolved...& will continue to evolve.** We must then take advantage of the realities of TODAY's dental marketplace opportunities. Many of these amazing current opportunities will **ABSOLUTELY** not be around forever!

We must also view the practice environment where staff work...& the practice hours...as part of a great incentive system. It is clear that...increasingly the hours that the **BEST SUPER PATIENTS** want & need to come in (especially for cleanings) are directly opposite from the hours that most staff expected or wanted to work.

So creative schedules, workplace cultural environment & compensation systems must be engineered to offset this staff inconvenience.

A properly configured incentive system can be your best practice managerial system. Who needs a bunch of questionably competent managers when your great incentive system **DRIVES** better team **BEHAVIOR???** Optimal compensation systems & incentives produce a **WONDERFUL POSITIVE & quantifiable GROWTH & PROFITABILITY** outcome that otherwise would not have occurred!!

Most of us have learned “the hard way” that with staff, hygienists & associates, we cannot “push a rope uphill.”

But what if these staff knew **with certainty** that they would make more money in direct proportion to how well they exceed your patients' expectations...& profitably grow your practice? Would you need micromanagement? Would you even need an office manager? Would you need to be there??

An outstanding compensation/incentive system WILL NEVER upset even the most conservative of accountants. Rewards are PAID ONLY IF...& AFTER...**the practice has grown** in one or more of the critical incentive areas...& the practice FIRST received FAR MORE INCOME than likely would have otherwise occurred...had there not been an incentive. How can anyone complain?

Again, it is **ABSOLUTELY impossible to PUSH A ROPE UPHILL!!** Many outstanding practitioners appear to be convinced that the way their practice CURRENTLY IS defines the nature & limits of the practice. However, the concept of “No Limits” is far more than a catchphrase. With a great incentive system in place at your practice...you will soon see what we mean.

There really are no boundaries...but managing practices the way that they always had been...or the way your father or another friend, GURU or relative BOASTED that they managed theirs to great success...is rarely appropriate in light of today’s RAPIDLY evolving dental practice marketplace environment.

We find that too many practices are based on FALSELY **embellished** & fatally misleading success models. Saving face, many such friends, family, “experts” or **GURUS greatly exaggerate** (often, they are liars)...or enjoyed success in an advantaged marketplace environment long ago...or far away...that no longer exists.

The systems that we are suggesting below are the product of three-plus decades of extensive incentive related research...with further fine-tuning & perfecting in thousands of practices located in every U.S. state & many additional countries. This is additionally based on our past & current (today!) regular monitoring of the behaviors of around 20,000 dental employees.

The information suggested herein is not otherwise available...& is based on chrisad’s unparalleled & unique (& unbiased!!)

perspective. As I edit this book, I have been in 30 practices in three states this week. Over the past year, I have been in around 1,000 offices in four nations.

In addition, we have more dental practice managerial data...over a longer period...than any entity in the world.

And versions of these incentive systems have been used at chrisad for the past 43 years of continual & uninterrupted quarter over quarter growth (except the COVID period).

Optimal incentives have been part of the growth process of virtually all of our fastest growing & largest practices...with some growing to the \$70 million a year level...& with many up to the \$1 million per chair per year levels...with the owner/doctor (obviously) mostly or totally out of the chair.

The more **precisely targeted & immediately paid** your incentive system is...the more new & returning **SUPER PATIENTS** you will have in your practice.

Be careful what you wish for!

So, here's to your incentivization journey! It's all extremely counterintuitive...but well worth it. Problems or questions? Please remember that we are ALWAYS here to help! jc

OVERVIEW: If You Believe That There Is a Work Ethic, YOU Are Likely Being Fooled!

At chrisad, since 1980, it has been our passionate dedication to elevate your personal & practice welfare. We want you...as the

owner of the practice...to earn more while enjoyably being away...without being physically tied to the practice or the chair.

We want you to stay healthy, travel, relax & spend more time with your friends & family!

However, in this evolved new world, this goal is far less likely to be achieved in the absence of powerful staff, hygienist & associate doctor incentive systems that will cause the practice to grow & prosper in your absence.

In today's workplace environment, if anyone in the western world believes that there is a work ethic among employees, they are likely being fooled. It is universally the case that all employees will perform at higher levels when paid more to do so.

And for the employer, this additional incentive or bonus amount must amount to pennies relative to the HUGE incentive stimulated gains that...WITHOUT THE INCENTIVE...would NOT have occurred!

Many have read books or attended seminars...usually promulgated by idealistic authors who have never owned a business or succeeded in business...that suggest a “kumbaya” (socially happy employee) approach will motivate employees on its own.

However...**singing songs & DANCING by the campfire**...or various additional social events...ALONE...has been long documented to **NOT have much of a positive impact on business growth.**

You can't pay your mortgage or rent...or get a new car...by winning a team-building sack race.

Show me the money.

This is not to say that team-building exercises are not important. However, it is idealistically naïve to conclude that in the absence

of optimally configured incentives, kumbaya approaches alone will have any significant impact.

This no work ethic employee behavioral propensity has significantly & rapidly increased in employees during the COVID & post-COVID years of early 2020 thru present.

Too much **unearned MONEY** was being pumped into businesses & employees by government entities...regardless of if the person is working or not.

In early 2023...employees that might have been eager to work...**were often paid MORE by the government NOT TO WORK. The culture changed.**

While this will likely evolve, chrisad's recruiting department currently tells us that job offers by employers at pre-COVID compensation levels were largely ignored by prospective employees. "Why would I go to work for \$200 more per month...when I can sit at home in my pajamas, go on FACEBOOK...& get paid the same by the government?!"

In all cases...worldwide...when a business wants an employee to achieve higher goals, those goals are more likely to be achieved or exceeded as the employee **knows ahead of time & with CERTAINTY** that they will earn more for doing so.

On the other hand, as employees are asked to accomplish tasks that are difficult, uncomfortable or inconvenient, IF NO INCENTIVE IS OFFERED, employees will almost always (very quietly) SABOTAGE these agendas...& DAMAGE THE PRACTICE! Yes, YOUR office as well!!

This death of the Work Ethic appears to be more prevalent in the western world than in the developing world...where I am now (rural **India**) as I write this section. In the developing world there is usually no governmental safety net of unemployment insurance, social security, bail out funds or similar.

The “TIGER” running is after them, & he is on their tail! You lose your job & you will suffer: **You are out on the streets.**

A friend of mine, who is the founder/chairman of a major worldwide Indian corporation, recently suggested that, **“With my native Indian workers, I am worried that they work TOO MUCH! I have to tell them to slow down.”**

Unfortunately, this is certainly NOT the case in the most U.S. & worldwide markets where we care for our valued clients!

People reading this whose families...or they personally...come from the developing world...frequently intuitively expect that Western employees (from U.S., Canada, Europe, Australia, New Zealand & others) will have the same work ethic as do those workers in their native land.

They’ll soon find out...the HARD WAY...that this is ABSOLUTELY NOT the case!!!

Extraordinary individuals...particularly those with accounting, finance or similar backgrounds...oftentimes struggle to understand the value of incentives. HOWEVER, properly configured, INCENTIVES cause WONDERFULLY POSITIVE & SOMETIMES UNIMAGINABLE outcomes that would NOT have otherwise occurred.

In other words, an accountant or bookkeeper typically views numbers in the rear view mirror: They cannot understand nor quantify the production/sales declines that would have occurred had an incentive NOT been initiated!

The world isn’t always the way that we want it to be...or perhaps what we may believe it is. But it is what it is & we must deal with it.

Interestingly, many individuals...who were raised in various international & domestic cultures...where employee job

classification compensation levels are deeply stratified...tend to want to keep a given employee at the compensation level “where they are supposed to be.”

They believe that paying an employee more than this normative level screws up the system!

HOWEVER, we must consider the steep price that a practice will pay for maintaining this sedentary point of view.

For example...if staff quietly blocks or “empties out” weekend or evening hygiene patients (this regularly occurs) because the amount they are paid to work those prime time hours is (in their mind) INSUFFICIENT to offset their inconvenience...the practice will commonly lose millions of dollars worth of these BEST PRIME TIME PATIENTS.

On the other hand, they could have incentivized employees to offer & fill these PRIME slots with ONLY a few thousand dollars of tightly targeted incentives. **Pay out pennies...get back thousands!**

So who cares if your hygienists earn \$150,000 a year if they saw 150–200 patients a month...& a (average hygiene exam value) \$880 exam was performed on each?

Do the math.

So what if an office manager is paid \$300,000 a year if he/she helped grow & manage the practice from \$1 million a year to \$7 million a year???

As mentioned, I began aggressively studying the concept of bonuses & incentives over three decades ago. My original intent was not merely to help our clients...but to figure out a way to help our own company enjoyably grow while fairly distributing the fruits of our collective labor to our valued employees.

I knew I could not do it alone.

I spent years interviewing many hundreds of clients' staff regarding their current incentive systems.

I found that those incentive plans that were based on some sort of profit as a target were generally laughed at by staff as being easy to manipulate. Monthly alterations made by the doctor/practice owner were generally viewed as greedy manipulations.

Many plans were written by accountants & presented in too complex & fatally confusing accounting language. Many staff were discouraged because they never received bonuses when they thought they should.

Surprisingly, many staff did not even know they had an incentive plan...when they in fact did. Others were discouraged because the goal was never attained. And much more!

Again, a properly configured incentive system can be your best managerial system. Who needs a bunch of managers?

A great incentive system DRIVES better BEHAVIOR!

In graduate school, I worked as a waiter. I was amazed at how more efficiently other waiters worked to please their customers with the hopes of receiving a proportionately greater tip! **There was no need to have a supervisor breathing down my back!**

If I made the customers happy, I'd make more money! The tip incentive system was a GREAT managerial system.

What if your staff knew they would make more money in direct proportion to how well they exceed your BEST patients' expectations & grew your practice? Would you need micromanagement? Would you even need an office manager?

The following recommendations are based on our company's unprecedented daily in-office incentive related experience with thousands of dental offices, in multiple nations, all states & most provinces over the past four-plus decades.

Our conclusions are further supported by extensive research & study...& our own experience managing chrisad to four-plus decades of quarterly growth (with \$0 debt)...even during numerous past catastrophic recessions & other economic calamities (except during the crazy COVID period).

Based on preliminary conclusions, I wrote the first version of this book three decades ago. All properly configured academic studies worldwide...& all data at chrisad (including monitoring around 20,000 client staffs' behaviors over many decades)...suggest that properly executed incentives produce a WONDERFUL, POSITIVE & quantifiable outcome that otherwise would not have occurred!!

IMPORTANT: Staff will rarely tell you that they would be or were influenced by an incentive.

However, it pays to “follow the money”...& quantify what they DO...while downplaying what they SAY!!!

Usually the staff that (arrogantly?) most aggressively suggest that incentives are not important to them...are the ones that are influenced the MOST by incentives!!!!

In a general sense, to understand the role of incentives, one must examine statistical trend lines. Properly configured incentives CAUSE a positive deviation from a pre-existing trendline trajectory.

For example, a business determines that their “widget” sales trend-line... at \$100 each...is one sale; per a day. Without exception in the Western business world, if this business provides an incentive of say \$5 more per the second “widget” sold per day...more widgets will be sold AFTER the \$5 incentive is inserted.

If the amount is meaningful for the target employee...& properly managed...the result is always greater...after the incentive has

been inserted. Of course, business profitability must be always considered. Profit must be pre-calculated to significantly increase AFTER more “widgets” are sold & employees receive increased incentives.

No incentive is perfect. And many clients are concerned that contests & incentives can be gamed. However, in reality, a properly configured incentive can't be gamed by much.

AND yes, contests & incentives can cause money-focused, financially aggressive activity...but all this can be & should be managed.

Wouldn't you rather have a contest that might be gamed a bit...& get staff off their tails...than flatlining or suffering 10-20% DECLINE???

We understand people who cannot accomplish goals related to contests are frustrated by these contests & generally don't enjoy them...& might criticize them.

But a deeper issue is UNDERSTANDING & CORRECTING THE FUNDAMENTAL REASON WHY some can't accomplish their incentive-based goals & enjoy rewards!!! Did the practice owner/manager provide the tools for success? This is a never give up situation where we must continually fine tune & further perfect your incentive system!

Again, the world isn't always the way that we want it to be...or perhaps what we may believe it is. But it is what it is & we must deal with it.

Properly configured, incentives lead to AMAZINGLY OUTSTANDING outcomes that otherwise would not have occurred. This is UNIVERSALLY true in our business, our clients' businesses...& with all businesses in the world!

1. Spectacular Incentive-Fueled Growth, Prosperity...& Peace of Mind...That Wouldn't Have Otherwise Occurred!

How many huge corporations do you know that do NOT have some form of an incentive system? In fact, most got as big as they are at least in part BECAUSE of their incentive system! But how do you properly & optimally apply the proven powerful principles of incentives & bonuses to YOUR dental practice?

Your properly configured incentive system will stimulate enjoyable growth that otherwise would likely not have occurred!

A great incentive compensation system is an ethically correct way of stimulating & proportionately rewarding positive staff behavior...particularly when managers or the doctor-owner are away from the operatory, traveling with their family...or relaxing in the Bahamas!

The larger you grow, the more impossible it will be to micromanage every aspect of your staff's behavior.

However, if everybody in your office is properly incentivized to work in the same direction, it is more likely that more substantial growth will occur. We cannot push a rope uphill!!!

Without such an incentive...or with improperly configured incentives...teams will be more likely to “row the boat” in different directions...& a pinwheel effect will occur...causing practice stagnation, discord & declines!

A great staff incentive system is defined by being SO SIMPLE that everybody in your office understands it & can explain it in a sentence or two...& that all staff members know exactly where

they stand on an hourly & daily basis...regarding the SPECIFIC additional bonus DOLLAR amount that will appear in their upcoming paycheck.

The amount PAID must be VERY MEANINGFUL FOR THE EMPLOYEE. (This amount varies from marketplace to marketplace.)

DAILY INCENTIVE PROGRESS must be made instantly understandable via break room charts (updated hourly or daily!) so that the staff can immediately predict & project exactly how much MORE money they'll CERTAINLY make at the end of the month!

Incentive-tracking systems that are hidden in desktop computer or iPhone application screens are super risky.

Make it easy on staff to know how they are doing. **IT MUST BE IN THEIR FACE!!** No points of interruption or friction!! Make it easy on your staff...& they will make it easy on you.

The reason why we say to put the progress graphs up in your lunchroom is that it is UNAVOIDABLE, in their face & clearly updated every day.

A desktop computer or iPhone screen is usually hidden, can be easily ignored...or may be confusing.

Staff cannot switch off, avoid or miss a break room wall digital/electronic or hand-drawn white board graph! It is impossible to avoid understanding their current monthly progress...even as they eat their donuts!

An outstanding incentive system WILL NEVER upset even the most conservative of accountants.

It pays **ONLY IF...& AFTER...the practice has grown...& earned 10-20x more money...in one or more of the critical incentive areas. How can they complain?**

The beauty of the Rolling Average-based systems outlined in this paper is that it NEVER presents a drastic, unreasonable or unattainable goal! Since it is an average of past performance, the goal amount has always inherently been met in the recent past!

With rolling average-based systems, your staff is inherently never asked to exceed a goal that has not been recently attained!
EXTREMELY FAIR!

Staff motivation has proven to be very subtle & subconsciously based! Great incentive systems are a significant morale-booster! Your staff will magically work even harder...& with more optimal focus...but only when they know ahead of time & **with certainty** they will receive proportionately more money for doing so!

Your office will likely become instantly more focused, invigorated, self-directed...& you will have a greater peace of mind while you are away from the practice for a day, week or year. Staff members will more promptly bring weaker team members up to speed...or these weak link employees will be more rapidly spit out of the practice!

The most common & long-proven Rolling Average systems (explained below) use an average of highs & lows in three key practice performance areas...over the previous three months...to encourage enjoyable growth.

It encourages staff ownership of the practice...& fosters a spirit of teamwork & involvement! Staff will usually start to proactively make suggestions as to how everybody can more efficiently attain goals!

With this system, the “manipulative & greedy” doctor-owner is not seen by staff as involved in the goal-setting process: It is completely transparent, independent, open & honest. The new monthly goals are AUTOMATICALLY determined by past actions of the office & staff! NOT THE OWNER-DOCTOR!

Remember, with this Rolling Average system, bonuses are **only paid out AFTER you grow** above current production component levels.

If you properly maintain your incentive system, a year from now staff can be shooting for a goal that (for instance) exceeds a rolling average “foundation” baseline that is 30% higher...or even higher...than it is today!

Per the above example, the 30% growth that occurs during the year should be proportionately more profitable for any practice owner.

Any future bonuses are only paid as the practice skyrockets above this 30% foundation level...toward 40% growth (& so on)...versus when the incentive system was initiated! As costs (other than these incentives paid out) are properly contained, this is even more profitable...for the staff, as well as the doctor-owner!

But remember, had you not initiated this incentive system, you likely would NOT have enjoyed that 30% foundation level of growth...or maybe any growth at all!

Many of our properly incentivized practices grow by many millions of dollars per year. We do not believe that these extraordinary growth levels would have been achieved in the absence of the optimal incentive systems outlined herein.

This suggested Rolling Average system is like a perpetual motion machine that continues to automatically push everybody far, far ahead & reward them along the way. Here too, there really are No Limits.

So what did you envision your practice would be like when you were graduating from dental school? Or when you first decided to become a dentist? Do you really want to grow? Are you prepared for a positive practice transformation? What did you believe the limits of a practice were? What did you think a great practice

would look like? How much money did you think you would make? How much money did you think your staff would make?

It is a wonderful new world now. Take advantage of it! These opportunities may not be around for long!

A great dental practice incentive system is a fundamental component of a practice that exceeds your wildest expectations...& your most optimistic dreams!

This incentive system...working in concert with your chrisad marketing...will help catapult your practice WAY BEYOND any “next level.”

There will be less need to micromanage...less quiet staff sabotage...& you can vacation or take days away from the office with the confidence that staff will be motivated by their incentive system to do the right thing!

Is your practice glass half empty...or half full? If you have not yet adopted a perspective of prosperity, please do! Please shift your thinking to one of expansion, prosperity & growth!

Here’s an example of the way we ask you to think about your incentive-related opportunity: What does it matter if you pay out \$7,000/month in bonuses if the practice owner grows by \$100,000/month...& there was no other way this growth would have occurred? This still represents a net gain of \$93,000 that otherwise would not have occurred!

Again, who cares if the office manager is (for example) paid \$300,000 a year if he/she helped grow the practice to the point where the doctor-owner is PERSONALLY paid \$3 million/year...& the practice value was similarly increased?

Please adopt a new way of thinking! Embrace a perspective of putting into play elements to encourage, stimulate & reward staff for causing your growth & prosperity!

CHANGE IS GOOD! In order to have a different outcome, you must make changes that will cause a different result to occur.

The norms of practice mediocrity must be shocked, shaken & upgraded! Chrisad marketing alone can certainly help...but it is a lot easier when staff are pushing for growth...rather than subtly sabotaging & fighting it!

Many clients believe they cannot afford to pay their staff a bonus. However, it is the other way around!!

The reason they might be currently in a new-patient or production slump, be declining or be short of cash is...maybe subtly...but DIRECTLY tied to the fact that they had NOT paid bonuses in the past!

AGAIN BEWARE: Without proper incentives, virtually all staff is quietly SABOTAGING your practice.

The practice must break the chain of this dangerously flawed stagnant compensation protocol...& immediately correct the course of the ship! Your practice can be whatever you want it to be. Your current practice can evolve into a much more prosperous & enjoyable level in the immediate future.

If you are not growing at a rate that satisfies you, please remember to avoid pointing fingers: The primary factor is usually NOT the economy...or your local marketplace. It is NOT the competition!!! Your true opportunity lies in how you ADOPT to your evolving marketplace.

Your staff is typically not the problem...the issue is how YOU manage them!

In reality, the path your practice takes is a byproduct of your managerial skills. Similarly, your staff's behavior is a key product of your managerial prowess. Your staff will significantly affect the patient-consumer's behavior.

From an objective perspective, your dental practice staff typically is exposed to potential new & existing patients...over the phone & in-office...10-20x more often than any doctor...or most office managers.

The patient's impression of your office is largely a byproduct of their various encounters with your staff &/or their actions.

Doesn't it make sense to do whatever it takes to keep staff happy & engaged so they might optimize these critical marketing touchpoints of patient-contact?

If your non-incentivized staff has a subtle chip on their shoulders...or blatantly aren't doing what they are supposed to...they will LEAVE A NEGATIVE IMPRESSION & make life very rough for you & your patients.

HOWEVER, conversely, if the patient's in-office consumer experience exceeds their wildest expectations, life will be a great deal better for you! (NOTE: Chrisad studies document that relative clinical excellence is rarely perceived...nor generally understood...by the patient.)

IMPORTANT: A practice should generally NOT rely on awarding arbitrary & subjective hourly wage or salary increases. Traditional arbitrary & expected annual hourly or salary raises or cost-of-living increases (etc.) are in no way exactly tied to performance.

Rather than place the employee's raise at the discretion of their manager's (usually subjective & sometimes socially motivated) evaluation...the following recommended Rolling Average system more directly & proportionately ties the employee's earnings to their objective performance!

In addition, in some cases...rather than grant an hourly "rais...managers frequently give key staff members increased incremental bonus amounts. For example, if a given staff person

were receiving \$5 per new patient above the rolling average, the practice could raise that amount to \$7 for this key employee.

This is the right thing to do! From an ethical perspective, shouldn't staff prosper in direct proportion to their positive actions that lead to better patient care & practice growth?

If your staff stimulates 30% growth this year, you should feel very good about paying them a percentage of that growth! They deserve it! You should look forward to writing them a BIGGER check! This Rolling Average system automatically & predictably rewards them. Please remember...without this incentive, the growth probably would not have occurred!

As we passionately care for you...our valued chrisad clients...I believe that we are doing you a grave disservice if we fail to make you aware of these new opportunities that are well within your grasp.

The truth is that there are absolutely no limits to any & all practices' growth...& the senior doctor-owner doesn't need to be in the office or chair every day...or every week...or even once a month!

With these incentive systems, anything is possible. Many clients who have mastered these principles no longer live in the same state or nation as their practice.

Many hundreds of chrisad practices are prospering at great levels without the doctor-owner in the chair.

However, this occurs far more efficiently as the doctor-owner evolves into being an ever-progressing & improving practice manager.

There are no limits!

What if **Sam Walton** viewed his retail opportunities as being limited to his one small Arkansas Variety Store? What if Ingvar

Kamprad was satisfied with selling matchsticks in southern Sweden...rather than founding **IKEA**? What if **Steve Jobs** was satisfied tinkering with electronics in his garage workshop?

Dedicating yourself to the highest level of practice managerial skill possible is a path well worth taking.

By reading & applying in your practice a dozen or so amazingly valuable business books (listed in chrisad's list of recommended reading), you can quickly catapult your business & practice managerial skills to a level exceeding a typical MBA graduate.

In fact, many of our clients who have taken this path...& who are now earning more money & caring for more patients...while spending less (if any!) time in the chair...tell us that the path to becoming a great dental manager was far more rewarding & enjoyable than their becoming a great dental clinician.

But even the great incentive systems outlined below will not by themselves optimally propel an otherwise mismanaged practice...any more than chrisad marketing can sell desirable appointments that do not exist...or otherwise surpass what the patient-consumer views as the practice's "closed door."

These incentive & compensation systems are not "set & forget"! They must be continually managed, monitored & fine-tuned.

However, a viable practice incentive system is a key, fundamental component of the practice growth & prosperity process.

It can elevate the practice to a point where daily staff micromanagement is less likely to be required...perhaps with fewer managerial staff...& can allow the senior doctor-owner to take more time off...while ethically & proportionately increasing practice...& staff...income levels!

2. There Is ABSOLUTELY No Work Ethic...& You Cannot Push a Rope Uphill!

To repeat, anybody who assumes an idealistic “Pollyanna” perspective...that the good-hearted work ethic of employees is enough to sustain your business...has a huge & VERY NASTY shock coming!

Most staff are honest & hard-working. They mean well & are good people...but WILL ABSOLUTELY hop on FACEBOOK...or file their nails...as soon as you turn your head...or leave to go into the operator. It’s only human nature.

You may find a rare exception where you will encounter a dedicated employee who will work diligently without incentive-based compensation. But would they work even harder...& with more optimal focus...if they received more money for doing so? Usually they will.

During the past few periods of economic hardship (economic recessions), too many of our clients have unfortunately taken the following fatally flawed attitude: “Staff can’t get another job anyway...so they BETTER do what they are supposed to do & what I tell them to do...or else!”

But under these oppressive conditions, will staff perform at 110%?

When the “big case” emergency call comes in at the end of their day, are you aware that the patient was told to call back on Monday...if the call was picked up at all?

As we have suggested...in law, marketing & management...it pays to statistically document what people DO...& listen far less to what they SAY. In fact, your staff’s QUIETLY suppressed

animosity can lead to them either consciously...or unconsciously...stabbing you in the back subtly & sabotaging your practice...the minute you turn away.

A tale of two practices: The following two real-life scenarios serve to illustrate the extraordinary difference that a great practice incentive system makes:

EXAMPLE A: A Tale of a Practice WITH a Great Incentive System: The following scenario is very typical: We'll walk into a practice & are treated like heroes. Staff are smiling, laughing & gleefully telling me how well they are doing. Recently, a hygienist pointed to HER shiny new BMW in the parking lot & said, "Thanks a lot! I got that car because chrisad helped us do so well with our bonus plan." They market aggressively, rarely score lower than all As on their Secret Shoppers...& staff regularly ask how they can do better. Are you surprised to know this was another of our many practices that regularly enjoys \$1 million-plus growth year over year?

EXAMPLE B: A Tale of a Practice WITHOUT a Great Incentive System: On the other hand, we'll walk into another practice & be treated like the bad guys...unwanted INVADERS who stirred up all the commotion. We're the marketing jerks who try to make them work harder for the same pay. Their Secret Shopper grades are rarely higher than Cs...& they resist making changes that will allow the practice to prosper because, they erroneously claim, "**this market is different & that won't work here!**" But frequently there is a rapidly growing practice PROPERLY configured like "A" (above) not far away! It is likely that the real reason they resist making the advantageous changes is that it will cause them to work harder with no increase in compensation. **There are no smiles.** They continue to look down when patients walk in or by them in the hall. Even though they are marketing aggressively & the doctor-owner says that he wants to grow...their (after marketing) growth is only a small fraction of

their true potential & far less than the practice outlined in example “A” above!

The only difference in these two practices is that one has a great Rolling Average incentive/bonus system (& other incentives) & the other doesn't.

We are ABSOLUTELY confident that the growth outlined in “A” above...& so many others like it would ABSOLUTELY NOT have occurred if it were not for the bonus system.

And the stunted growth discussed in example “B” would have been growth & prosperity with the inclusion of a great bonus system.

The MAJOR FACTOR is NOT your patients, your marketplace or your local economy...it is how you adapt to it!

The above radically diverse practice growth trajectories & trends have become so pronounced over the decades...with so few exceptions...that we want to ensure you are aware of how to initiate a great incentive system in your practice...or improve your existing bonus system.

3. Potential Failures of Your Practice Incentive System:

No incentive system is perfect. Even the following long-proven, tried & true incentive systems may need to be adjusted over time for various reasons. There are a number of factors that have historically been documented to DESTROY even the best incentive systems. We want to make sure that you are aware of the most common of these & will be able to avoid these pitfalls:

a. Failure to PROACTIVELY & Properly Add Infrastructure, Staff & Appointments That Are Required for Practice to Grow...& for Staff to Benefit From Their Incentive System:

If the practice fails to add desirable hygiene appointments, it usually can't see more patients...& as a result, sales are unlikely to increase! A practice can't sell more appointments it does not have. Three-plus decades of practice observation tells us that penny wise & pound foolish managerial behaviors...that will restrict a practice's ability to check more patients & properly grow...will also neuter most of the incentive systems outlined in this document.

So the role of the practice manager is to proactively, properly & regularly invest in more desirable (prime time hygiene) appointments.

It is a well-documented fact that the vast majority of western patients ABSOLUTELY can't or won't accept mid-day, mid-week hygiene appointments.

These working or in-school weekend & evening hygiene patients have been documented to be the BEST, highest producing patients...with better jobs...with higher insurance maximums, lower copays & larger INSURANCE amounts being paid directly to the practice.

Accordingly, evening & weekend hygiene (prime time) appointments must be PROACTIVELY & abundantly added in order for any of the incentives

outlined herein to work. A practice cannot sustainably prosper solely on the basis of infrequent, ONE TIME larger cases or elevated clinical approaches (full mouth, sleep, TMJ, cosmetic, implants, etc....even braces!!).

Ultimately there must be an always-increasing, perpetually compounding number of new & returning hygiene patients to check in hygiene in order for the number of these “big cases” (if there are any) & all clinical events to sustainably increase.

If you attracted 50 new patients this month, you must PROACTIVELY add 50 prime time openings 6 months later for them to return into. This is on top of your past (6-plus months prior) normative hygiene flows.

IMPORTANT: You must ALSO ADD more immediately available prime time hygiene OPENINGS in order to allow a predictable flow of NEW PATIENTS to flow in.

Any obstruction in these natural, marketing-driven new & returning patient flows interrupts the ability of staff to enjoy their bonuses. This is without regard to how diligently staff work. They cannot sell additional appointments that they don't have.

The number of emergency cases is declining in the western world.

As a result, almost all restorative (& larger cases) come as a result of hygiene checks. The more prime time hygiene openings there are...the more BETTER new patients that can be allowed in...& returning patients back...into hygiene.

Unfortunately, (without regard to the type or amount of marketing) we have seen many hundreds of incentive plans FAIL as a result of the office NOT adding proper amounts of prime time hygiene openings...& required staff to support these increases.

As a result, growth rates inherently decline or flatline. Incentive rewards stop.

Staff is disenchanted. Extremely expensive staff turnover levels increase.

So in order to enjoy substantial perpetual practice growth & enjoy always happier, heavily incentivized staff, the practice must be prepared to perpetually invest in prime time hygiene...along with the doctors, hygienists & staff required to fuel it.

To not do so will inherently choke the ability for the practice to grow...while partially or wholly destroying the staff's reward opportunities related to the following incentive structures.

b. DON'T BE CHEAP! If Incentive Incremental INCENTIVE DOLLAR Amounts Are Too Low...No One Will Care.

One shortcoming of the compensation/incentive systems outlined in this otherwise valuable document is that chrisad cannot tell you EXACTLY what per increment dollar bonus amount you should offer.

While we will offer herein some generally acceptable amounts, **the optimal amount in your office is case by case.**

The employee's behavior is the ultimate arbiter.

Think of it as you would an AUCTION!!!

The employee will communicate to you by their actions or inactions if they are motivated & buy in...or not!.

Some local areas where we maintain clients have average home prices of \$5 million. In other areas the average house sells for \$200,000...or less. Some practices have 95% overhead or higher. Other practices have 70% overhead or lower. Some client practices have three employees...others 300 or more!

While a practice must examine local conditions & practice overhead (your local chrisad Practice Growth Analyst will be happy to help) before announcing the incentive amount...& take all factors into consideration on a case-by-case basis...**AGAIN, arriving at the optimal amount is LIKE AN AUCTION!!**

If the amount that you have selected is too low, your team will NOT be motivated by your incentive plan. They will VERY CLEARLY communicate this to you by their lack of actions.

They are buying in...or NOT!

They may VERBALLY TELL YOU that the incentive amount is wonderful or similar...but their actions are all that matter.

When there is no incentive system...or the incentive system is improperly configured or reward amounts are TOO LOW...practice **staff have been repeatedly documented to quietly SABOTAGE the practice.**

This EXTREMELY COMMON SABOTAGE loss is usually thousands of times MORE EXPENSIVE than what would have been gained by offering a few bucks with a properly configured & more lucrative staff incentive.

Historically, the first appointments to be quietly BLOCKED, not offered or emptied out are the appointments that staff naturally do not want to work: The weekend & evening prime time appointments where the practice would have otherwise enjoyed its greatest return on employee & marketing investment!

In my sometimes humble view, we all must take **GREAT PRIDE** in the fact that your incentive system made your employees wealthier than they might have otherwise imagined.

Being in a position to compensate employees more...for their great work...is ethically correct. This proportionate increase in compensation is a great accomplishment on your part...something for you to be very proud of!

But your incentive plan must be priced & configured such that for every dollar your team gains, you (the practice owner) are inherently rewarded (for example) with 10x more!

Staff win. You win.

Before announcing your incentive, please run a number of incentive amount scenarios to ensure that your team will be adequately incentivized...while YOU are rewarded at a much higher level (including profit)...in lockstep.

The incentive must be substantial & meaningful to your team.

Remember, you must assume that there is no work ethic!

There is an (often culturally based) anecdotal & emotional notion with many practice owners that staff in a certain job category should not be receiving more money than they had in the past, or more money that is the norm locally...or that you think is correct or enough.

This restrictive mindset is ILLOGICAL & SUICIDAL to practice growth...& will cause your incentive system to falter or fail...while the practice stagnates at best.

You may know of others...in different employee marketplaces...or in the past...that offered employee compensation at lower levels...perhaps without incentivization...& still grew & prospered.

If true (it commonly is NOT) that's great for them.

But this approach is likely no longer appropriate TODAY...in your evolved marketplace...or anywhere.

We are physically in hundreds of practices in every U.S./Canadian (& many other nations) every month.

We don't find practices with underpaid &/or non-incentivized employees doing well

ANYWHERE...certainly not as well as nearby practices with employees that are properly incentivized are doing!

There may be various seminar speakers & consultants that brag about their amazing success.

But be aware, most of these occurred in isolated markets or under unique circumstances & are rarely replicated.

Many are liars.

Even if true, most successes occurred in the PAST in vastly different economic, employee & patient marketplace environments.

Many “gurus” are NOW owned by the insurance industry... & will guide (mislead!!) you along a path of lower insurance billing. (Lower insurance billing means higher profits for the insurance industry.)

SO PLEASE, PLEASE, PLEASE BE CAREFUL!

You must look at your practice...& your current employee marketplace...apart from the past & other areas.

Over our past 3+ decades of unprecedented & unparalleled practice incentive observation...failures where the incentive amount is too low...along with the above-mentioned failure to proactively invest in...& add open MORE...prime time hygiene appointments...have been the largest cause of incentive system failures.

Please look at the big picture of amazing growth & prosperity that otherwise will not occur...& please don't be cheap!

c. PLEASE DON'T BE OVER
GENEROUS EITHER! If Incentives
Make Staff & Managers TOO
WEALTHY, They Stop Trying!

Over the past 3+ decades of observation &
documentation in thousands of offices...&
particularly with the management of chrisad...beyond
a certain point, too much generosity can lead to
elevated complacency & LAZINESS!

IMPORTANT: Staff & managers quietly &
unannounced adopt a “Country Club” attitude &
stop trying harder.

Here too, staff will NOT approach you & say, “Hey, I
think I’m making so much money now that I’m not
going to work any harder to attain higher goals. I
make more money now than I ever thought was
possible.”

However, AGAIN, it pays to quantify what people
DO...& generally disregard what they SAY.

As you read this, you might say to yourself, “Doesn’t
EVERYONE want to make more money year over
year?!” That’s what I thought. Shockingly, not all.

We always must be reminded that in the arena of
human behavioral influencing, what YOU reading
this personally want & think is not always what
OTHERS want & think!!!

It’s amazing. **More than a little depressing.** And
surprising.

Some people seemingly quietly hit a ceiling of lifestyle satisfaction.

Beyond a certain point, they will not work harder to achieve greater goals.

With most incentive systems, it takes many years to reach this point. However, you must be **VIGILANTLY cognizant** of this likely eventual effect.

QUANTIFY what employees (associates, too!) & managers do...BUT generally disregard what they say. It may never happen with many staff & managers. But with others, it might occur at a higher or lower financial level. **Just be aware.**

So what to do?

This is the tough part. As employees' & managers' incomes accelerate, it is always wise to have replacements redundantly trained & ready to step in.

Obviously, the last resort is to simply FIRE the overpaid & underperforming manager or staff. These are usually valuable employees. They are just sitting too fat & happy.

On a case-by-case basis...in addition to additional training & mentoring...it makes sense for the incentive plan to be modified such as to DECREASE compensation if certain goals are not met.

Please see the optimal managers' compensation configuration at the end of this book.

While you should ALWAYS check with your local employment laws, this is generally legal as long as it

does not impact the base pay level that existed before the incentive was initiated.

After that...& you have tried everything else...simply let the too wealthy Country Club employee or manager go...& replace them with an employee or manager starting at a lower compensation level.

4. Examples of Un-Incentivized Staff's Subtle Undercurrent Interrupting Prime Time Patient Flows:

All staff, hygienists & doctors must row the boat in the same optimal direction...& be rewarded appropriately for doing so. This is the only solution!

Here are various examples of commonly encountered misbehavior:

1. Many hundreds of thousands of chrisad Secret Shopper calls suggest that very rarely...unless micromanaged & actively counteracted/micromanaged by chrisad & the practice owner/management...are prime time appointments proactively offered by phone staff to potential new or returning patients...OFTEN even after an abundance of prime time hygiene appointments are in fact added in the practice!

2. **Saturday & Sunday appointments are particularly UNPOPULAR with staff.** A few years ago, an audit of 20,000 Secret Shopper calls found that the word "Saturday" or "Sunday" was NEVER ONCE mentioned over a 9-10

month period...even though at that point 200–300 of our client offices offered those appointments.

3. Commonly, we will find a practice where 7am or 5:30pm weekday hygiene appointments are (very oddly) completely available & wide open. Very commonly, staff will selfishly suggest that, “no patients around HERE want these appointments,” or similar. Typically, the owner/doctor knows that the practice is open & available early & late...& (incorrectly) believes that these prime time hygiene slots are being abundantly offered to patients over the phone & in office. **HOWEVER, THEY ARE COMMONLY NOT BEING OFFERED!** Our Secret Shoppers callers will soon uncover the fact that the receptionist offers our “random sample” caller the practice opening times of 9am to 5pm Monday thru Friday or similar. We assume that this is the same policy for returning hygiene appointments as well. Obviously these are hours that best suit the STAFF...but **NOT THE PATIENT!** The result is usually the loss of 100% of the best insured, wealthier working patients!

4. We recently found a practice where we saw a string of Saturday hygiene appointments 100% filled over a 7–8 week span...but one Saturday was left **COMPLETELY OPEN**...with no patients...that was **NEVER** offered to our Secret Shoppers. The owner-doctors were **NOT HAPPY** when they found this. A quick investigation found that one staff member was getting married on that open Saturday...& many staff were invited...so the underground “mafia” communication channels apparently suggested that no “bothersome” patients be scheduled on that Saturday...& thus interfere with their fun! We found a similar upsetting dynamic with Mother’s Day afternoons...& Super Bowl Sundays.

5. THE VERY SUBTLE POWER of “UNDERGROUND STAFF COMMUNICATION CHANNELS” CANNOT BE IGNORED: Think MAFIA! One of our great clients has 5 offices & a centralized new & returning patient call center that is located no closer than 4-5 miles from any one office. The call center staff do not physically, socially...or otherwise...intermix with the five offices’ staff members. They don’t know one another. Nevertheless, the call center staff tell us that they receive many requests a day from associate doctors, hygienists & other staff at ALL offices to NOT put a patient into a particular (usually) prime time slot...or move patients OUT...when they don’t want to see patients. Remember: This off-site call center staff does not even know the office staff! Think what damage occurs when ALL of your staff are all under one roof!

6. Additionally, we frequently find that staff enters false patients into the prime time schedule so that patient no shows will occur more often during the prime time periods that they do not want to work. **They hope that practice owners & management will be more likely to conclude that prime time demand is different in their area (IN FACT, it never has been...anywhere!)...& they might be more likely to go back to the old way!**

7. Again, apparently tied to subtle STAFF UNDERGROUND COMMUNICATION CHANNELS, we have uncovered cases where a given NEWLY ADDED prime time hygienist’s schedule does not fill up at all...while all of the existing/established hygienists' schedule filled 100%. AGAIN, THINK MAFIA! While we can never compel anyone to admit this, the only explanation for this PHENOMENON is that the established hygienists...who were paid on the basis of commission...did not...(in their mind!) want the new additional hygienist to siphon off new

or returning patients...thereby potentially reducing their income.

We believe that in these cases...unbeknownst to the owner/management...the established hygienists apparently persuaded the scheduling staff to steer patients away from the newly added hygienist. When this occurs, we have heard them suggest that this was due to the fact that “she’s a bad hygienist” “is rough”...or similar hogwash...but there may be other more subtle staff communication approaches used.

This has even been the case where the hygienist is paid by the hour & is NOT compensated by incentive. In these cases, the hygienist likely has a scarcity mentality & apparently believes that if their schedule is not full, their hours will be reduced or they will be laid off! Really!

Generally, staff resists working or filling these prime time hours because it (very understandably!) interferes with their personal lives...or those of their friends at work. It represents change & the unknown.

Very few individuals are comfortable with this. It is not always the dental world or dental lifestyle that they expected or envisioned before entering dental school, hygiene school, assistant school or otherwise when they first sought dental office employment.

The world changed...& doctors, hygienists, receptionists & other staff RARELY like it. They commonly (judging by their actions) think that...by resisting...they can change the thinking of the public so that the public will no longer want prime time hygiene.

However, **no one can change the course of a river.** Staff privately tell us that, “If we give them a Saturday appointment, they...& everybody else...will ALWAYS want

Saturdays. What are we going to do during the middle of the day, middle of the week?”

The answer is that it is inevitable that dental practices will eventually end up like a restaurant: No matter how much the restaurant owners want it to be different, you can't influence someone to come in for a great steak dinner at 10:30 in the morning!

So please, don't try to fight Mother Nature. The sooner the practice EMBRACES these realities...rather than try to fight them...the faster they will grow...& the more prosperous they will become!

5. This Long-Proven & Basic, 3-Point Incentive System Is a Great Practice Growth Stimulator & a Wonderful Practice Manager...

We have suggested for decades that a great incentive system is the best managerial system. In business, the larger your enterprise gets...& the more you (the owner) are away... the more difficult it will be for you to micromanage every aspect of your staff's behavior.

But if everybody in your office FAILS to “row the boat” in the same direction, it is unlikely that you will grow much larger! You'll just end up rowing your boat around in circles...& your practice will stay in the same place!

Great managers have found that it is difficult...if not impossible...to push a rope uphill! Outstanding employees MUST know in advance...& **with certainty**...that they WILL BE

proportionately compensated for their additional focus, actions & dedication!

A great incentive compensation system is an ethically correct way of stimulating & proportionately rewarding positive staff behavior...even when the manager or doctor-owner is away!

It is defined by being so simple that everybody in your office understands it...& can explain it in a sentence or two...& all staff knows exactly where they stand on a daily basis.

It must be instantly understandable via updated daily break-room charts &/or video screens so that staff can immediately project exactly how much more MONEY will be on their paycheck at the end of the month!

The ACID TEST for a BAD incentive system: If staff cannot competently explain how the system works...or how much they will likely make at the end of the month at a given point during the month...they cannot possibly be stimulated to work toward the incentive goals! (Ask them!)

Another distinct sign of an incentive system needing an urgent upgrade is when staff fail to hit their bonus for three or more months in a row.

The system that we suggest below is the product of three-plus decades of fine-tuning & perfecting in thousands of practices located in every U.S. state & many additional countries. These principles have been proven in hundreds of our most successful practices over the past two decades...& a version of it has been used at chrisad for the past 35 years.

It has been part of the growth process of virtually all of our fastest growing & largest practices...some growing to the \$70 million a year & \$1 million per chair per year levels...with the owner/doctor (obviously) out of the chair.

While the system below is tried & true...we are going to suggest an evolved (however less tested) but seemingly more successful...version of this system later in this publication.

The tried & true optimal incentive system is **very simple**: Per the sample “Production” graph below, the practice calculates the average of the past three months in the following three vital areas. If one, two or all rolling averages are exceeded during the current (fourth) month, everybody in the office gets a bonus! By “everybody,” we mean all staff except Doctors & Hygienists.

If the bar is not surpassed, nobody gets a penny. The system automatically rolls into perpetuity & is compiled...& paid...at the end of every monthly pay period:

\$ 5 Per \$1,000 ABOVE the PAST 3-Month Rolling Average of Production (or % increment)

\$ 5 Per New Patient ABOVE the PAST 3-Month Rolling Average of New Patients

\$ 5 Per 10 Filled Hygiene Appts. ABOVE the PAST the 3-Month Rolling Average of Filled Appts

Simple, isn't it?

Accountants love this because the incentive is only paid if & ONLY AFTER growth occurs!

Again, the \$5 is just a suggestion.

The dollar amount(s) you set your incentive at should be established by you at higher or lower dollar amounts in accord with the size of your practice & local economic conditions.

Remember, it is like an AUCTION. The dollar amount has gotta be meaningful to your staff...but not break your bank. Again, be

sure to run projected financial scenarios before presenting it to staff. You have to ensure you can live with it.

This simple & powerful incentive system inherently perpetually & gently pushes everybody ahead in a growth mode...& rewards in direct proportion to the growth that occurs!

Staff can receive bonuses in either one, two or three of the above areas! Combine all three & in most cases it adds up to some significant coin!

Rather than a demoralizing pie in the sky goal, staff is **never asked to achieve a production level they have not already recently attained!** Another benefit of this approach is that it takes the “greedy” & “manipulative” doctor out of the system: This incentive system is inherently gently self-managing & adapting!

Whatever your new-patient rate, the number of filled hygiene appointments ALWAYS has the potential to increase six months later by around 95% of those patients who came in six months earlier (minus the average 3-4% of locals who die or move out every year). Just make sure that patients are properly pre-appointed into hygiene six months later...with 100% of all patients in the practice pre-appointed...80% of those into prime time!

Add into the hygiene recall schedule the new patients that are attracted during the current month...& you will see why we have stated for many years that hygiene production should always be increasing every month!

With this hygiene appointments filled portion of the incentive system, your true hygiene growth potential is far more likely to be realized! As we will discuss further below...as the patient behavioral world evolves...it makes increasingly less sense to incentivize mid-day mid-week hygiene fill rates (see below)...&

super incentivize increased weekday evening (strictly after 5:30pm) & weekend hygiene fill levels.

However, in order for this hygiene growth to occur, the practice inherently must regularly & fluidly add hygiene capacity...usually in the form of an additional hygienist every 6–12 months who primarily works prime time hours...& far more cost-efficiently...by adding assisted (two-plus patients per hour) hygiene!

Think about it: When all three incentive components are at work, each of the three operates as a synergistic web of dynamic forces that causes the other two components to rise!

For example, if new-patient flow increases, the practice should experience resulting growth in general dental production & the number of hygiene appointments filled. If more hygiene appointments are filled, the doctor should be able to extract more restorative production from this...& new-patient referral should be the byproduct...& so on!

We use production rather than collection because only a small minority of staff can influence collection...while ALL can pick up the phone, reactivate, confirm &/or stay late to boost production!

We suggest you adjust your production incentive amount to account for typical collection rates (reasonably collectable production)...while (as we'll explain below) ADDITIONALLY stimulating & very liberally rewarding the person(s) in your office responsible for collection as they exceed recent Rolling Average collection norms!

While no incentive system is perfect, the approach outlined herein is the best that there is...& should slow the alarming number of maverick staff that we've documented will tell patients, "The office is closed"...when the doctor believed it was open...& other similar selfish behavior.

Do you ever wonder what happens to your end-of-day emergency calls? How many answering machines do patients get when your staff is chatting with friends? We know. You gotta pay them more to care.

Please beware: One huge surprise & disappointment we've encountered over the past decade or so is that once this great incentive system is in place, management must still very closely monitor & measure staff progress & performance in order to guide, train & re-train to ensure that they are doing what it takes to earn a significantly larger paycheck!

You cannot possibly sell a can of soup if it isn't on the shelf: Again, management will need to regularly invest in the increased prime time hygiene & other capacities (more operatories, hours, staff, hygienists, doctors, etc.) that will allow the practice to continue to grow. If they don't, it won't.

Also, BEWARE! We understand your natural tendency to want to fine-tune & otherwise tweak this plan. Be careful: some seemingly innocent tweaks can be fatal to your effort!

You may believe that your LOCAL marketplace or staff situation is different & you must therefore revise the plan. Please be careful: It never has been different.

The very simple plan outlined herein is the product of decades of postmortem examinations of hundreds of failed incentive plans that utilized seemingly innocent...but fatally caustic...components.

However, any step that your practice takes toward initiating an incentive plan is a positive one! If need be, the following two tweaks are acceptable:

Some practices cautiously start by installing only one or two of the three above suggested components...& add others as they become comfortable with the process. Usually the production component is initially added.

In other cases, practices (unwilling to take the actuarial leap of faith that assumes collection will always proportionately follow production) have averaged collections & production to place more immediate emphasis on collection.

6. Here Is an Evolved, Likely MORE POWERFUL Incentive System: As Super Lucrative Prime Time ONLY Hygiene Exams Increase...All Else Falls Into Place!

The system discussed in this section was pioneered by a brilliant client that had used the above three element, three-month rolling average incentive in his past office's system for many years. But for his NEW SCRATCH office, he correctly reasoned that "as hygiene goes, so goes the practice."

He understood that the patient public no longer viewed mid-day, mid-week hygiene appointments as being an option. Particularly the wealthier working or student majority.

He knew that adding more hygiene checks would NECESSARILY result in more production & more referral. The more the merrier.

When these hygiene checks were mostly comprised of PRIME TIME SUPER PATIENTS...the practice's return on the exam investment would be 2x-3x higher.

So why not **ONLY incentivize prime time hygiene fill rate increases?**

This practice quickly grew to \$1.35 MILLION per chair, per year...mostly while the owner doctor was thousands of miles away...vacationing.

We must **ACTIVELY & AGGRESSIVELY COUNTERACT** the extremely **PERVASIVE** subtle, long-documented, active & powerful staff (including hygienists & associate doctors) subtle undercurrent (I am being kind!) to keep patients out of the prime time period.

ACCORDINGLY, tightly focused **proactive mechanisms must be employed to AGGRESSIVELY COUNTERACT this propensity...**& instead, persuade staff to **ENJOYABLY** offer, fill & work these **EXTREMELY** valuable appointments.

Starting around the year 2000...by every way that chrisad can document & measure it...patients have grown to become increasingly less & less likely to take off work or school for their preventative exam/cleaning visits.

This occurs in all walks of life & in all states, provinces & nations where we care for clients...& is especially impactful among the wealthier & better educated who are working or in school.

It has been well documented that...with very few exceptions...**NEW & RETURNING** patients **WILL NOT TAKE OFF WORK OR SCHOOL FOR HYGIENE...BUT WILL** in fact take off work or school for major, **LIFE IMPACTING** restorative care that was **DIAGNOSED DURING** the **HYGIENE** visit.

However, they **WOULD NOT HAVE** taken off work or school for the hygiene visit in the first place.

If no hygiene visit...**THERE WOULD BE NO RESTORATIVE.**

Why? Patients we have interviewed have suggested that “it’s just a cleaning,” that it doesn’t hurt or bleed... so is “not urgent”...or similar.

Pressures at work or school are **SO INCREASINGLY INTENSE & SEVERE** that it is (apparently) not **OFFSET** by what patients view as the discretionary or cosmetic need to have a regular cleaning or checkup...especially when there is no apparent discomfort, problem or **urgent** need.

In essence, the BEST patients want to come in when the staff, doctors & hygienists at the practice do not want to work.

This Three-Month Rolling Average incentive system upgrade **DISPROPORTIONATELY & ONLY** rewards staff for **NEW & returning patients INCREASES ONLY** during **PRIME TIME** periods: It does not make **ANY** sense to incentivize staff for offering & filling midday, mid-week hygiene appointments that are **VERY** unlikely to be accepted...or kept...& if they do, result in lower production.

In effect, as hygiene goes, so go goes the practice.

The practice **culture** must be shifted.

As hygiene growth occurs **ONLY** in prime time...higher producing new & returning wealthier/working patients flow into & back through the practice in **FAR GREATER NUMBERS.**

All incentives & compensation approaches must push all staff in the same direction. The primary intent of this upgrade of our long established three-month rolling average incentive system is to **dissuade staff from (selfishly) pre-appointing returning hygiene patients...as well as new patients...into time slots when the patient MUST work or attend school.**

Moreover, we must reward staff for appointing patients into time slots when they (likely) do not want to work.

This rolling average incentive system upgrade assumes that trying to fill or increase the number of your hygiene appointments during the middle of the day...middle of the week...is **A COMPLETE WASTE OF TIME!**

There are a number of additional incentivization systems & mechanisms that have been used to optimally steer & reward such desirable staff behaviors. We will discuss each below. You may elect to employ one of more of these systems...or perhaps use them all.

In any case, it pays to have all corners of the practice richly rewarded for doing what they really don't want to do.

Again, unless everybody is rowing the boat in the same direction, progress is frequently impeded as the "boat" pinwheels around in circles due to one or more stagnant or (worse) counter rotating "oars"!

Again, please be sure to run profitability calculations for all reasonably foreseeable growth scenarios BEFORE implementing your system & introducing it to staff.

Remember that production amounts per wealthier, working & better insured patient (diagnosed & accepted) in prime time hygiene will be **2-3x higher** than amounts from patients checked during the middle of the day...middle of the week...who are more likely to be retired, unemployed or not have insurance.

Please remember: No amount or quality of our marketing can add more new or returning patients (& thus production) unless more desirable appointments (for them to flow into!) are FIRST proactively added...& offered.

So to repeat, in all cases, the practice must FIRST make the staff's incentive award POSSIBLE by PROACTIVELY, regularly & DISPROPORTIONATELY adding a **MASSIVE abundance** of OPEN & immediately prime time hygiene appointments.

Prime time hygiene must be proactively staffed using what is...for many...a counterintuitive approach.

Many practices erroneously wait until the midday hygiene appointments are 100% full before adding appointments.

However, these midday, mid-week appointments will NEVER, NEVER, NEVER FILL!

Don't fight your patients! Please embrace these new practice realities!

At the time of this writing, we have as clients around 1,500 dental offices in eight nations.

We have never seen a midday, mid-week hygiene schedule that remained full.

ANYWHERE!!

This midday schedule falls apart even more radically as economies improve & more patients are working...or children go back to school.

Increasingly in the U.S./CANADA...& as had been the case for many years in many nations...dental offices have stopped opening for hygiene mid-day, mid-week altogether. Why lose money??

In their evolving &/or struggling world local economies, local patients would NEVER consider missing work, missing a commission call...or upsetting their boss...especially for just a cleaning!

It is important to understand that YOU CAN'T SELL THESE DESIRABLE HYGIENE APPOINTMENTS UNLESS YOU FIRST HAVE THEM AVAILABLE & ON THE SHELF!!

You must proactively ensure the growth of your practice by INVESTING primarily in prime time hygiene.

If you don't add more appointments, it is mathematically impossible for recent new patients to return...or new patient flow to increase...no matter how much or type of marketing you do!

VITALLY IMPORTANT: Failure to regularly add prime time hygiene appointments will NOT allow your staff to receive significant...if any...incentive-based rewards!

Your incentive system will FAIL.

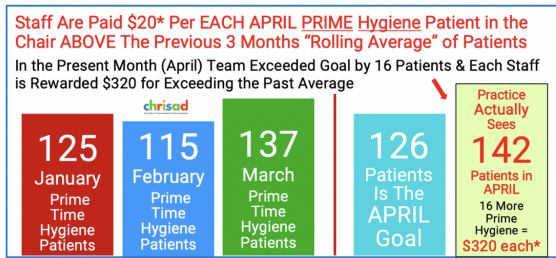
Most incentive systems outlined in this paper rely on increases in new patient & returning patient hygiene

flows. As staff repeatedly fail to meet their bonus...they will likely increasingly become more demoralized.

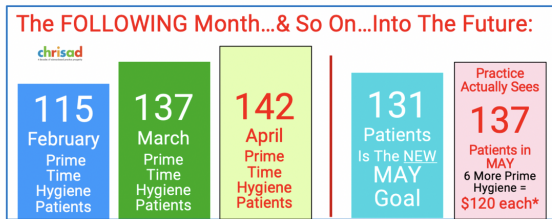
Again, hygiene patient flows cannot sustainably grow...nor can new patient volumes or production...unless prime time hygiene appointments are FIRST added.

If the potential new or existing patient is not enthusiastically offered OVER THE PHONE an abundance of multiple prime time appointments within 24 hours...new patient flows, production & referral have been proven to ALWAYS drastically slip.

Into the future, the cancellation & no-show rates during mid-day, mid-week hygiene will continue to escalate...& THERE IS **NOTHING YOU CAN DO ABOUT IT**...except to give in, ADD & fill prime time hygiene!



Prime Time = STRICTLY Weekend Patients, Weekday Evening (after 5:30 PM) Weekday Morning (leave by 8:30 AM) Patients
 * THE actual INCENTIVE AMOUNT is at the discretion of the practice. **HOWEVER, please don't be cheap!** IT MUST BE SUBSTANTIAL & VERY MEANINGFUL for the staff member that earns it...while not financially damaging the practice. \$20 per "prime time" patient amount above the three month rolling average is merely a suggestion. A selected amount above or below \$20 may be appropriate for your marketplace. Incentive is paid to all staff including assistants...but usually not hygienists & DDS. Office managers usually receive 2x \$3 share.



In fact, a practice must EMBRACE the FACT that a great practice must PROACTIVELY & REGULARLY always add AN ABUNDANCE....or a predictable/calculable amount...of more prime time hygiene appointments in order to recapture the recently new patients from 6, 12, 18, 24 months earlier.

Just do the math. Remember that many come back 2x per year.

Before setting your specific prime time incentivization award amounts, according to chrisad research, it is safe to assume that these new & returning prime time hygiene patients will on average be 2-3x more valuable per hygiene exam.

You will likely find that you can be far more liberal in your incentive compensation amounts during these prime time hygiene periods.

Again, please don't be cheap!

MAKE YOUR BONUSES VERY LUCRATIVE & MEANINGFUL FOR STAFF!

Remember: We are compensating staff in order to disproportionately offset their EXTREME inconvenience tied to working when they don't want to work. We are changing cultures & behavior here!

CAUTION: If one section of the office is being disproportionately incentivized for working prime time hours...& the other NOT...the section that is NOT will often disrupt & sabotage the hours that they do not want to work...& are not receiving increased compensation for.

Without regard to the incentive compensation system(s) you are employing, the larger the amount offered, & the more multi-layered the systems are...pointing ALL staff in the same direction...the more excited, focused & wealthy your staff will be...& the MORE FUN EVERYBODY HAS...as your practice skyrockets.

This newer evolution of our long proven three-month rolling average incentive system influences management & staff to ensure that more prime time hygiene appointments are proactively added...& filled.

This prime time hygiene addition will (preferably) initially occur by cost-efficiently assisting hygiene...particularly during the peak demand prime time periods early & late...& weekends.

This incentive component also rewards staff for optimally, systematically & aggressively taking the initiative of making confirmation & reactivation phone calls with the intent of bringing back more hygiene patients filling the hygiene schedule...particularly those wealthier, working & better insured that will only return during prime time!

Prime Time ONLY INCENTIVE SYSTEM Strengths:

- Pays Staff MORE for Filling Lucrative Prime Hygiene
- Owner/DDS Doesn't Pay Unless OFFICE FIRST Earns MORE \$
- If PRIME TIME FLOWS are negative versus average of prior months, no bonus
- This System NEVER Asks Staff to Accomplish Goals Beyond What They Had Previously Achieved.
- Never Does the "Greedy" Doctor Have Any Say in What The Goal Is...& Can't Screw Around With It!
- This System Is Based on "Top Line"...Rather Than Commonly Manipulated "Bottom Line" Numbers!
- If Numbers DIP...System Automatically Softens the Blow of the Decline & Makes Next Month Easier

CAUSES OF INCENTIVE SYSTEM FAILURE:

- DDS Owner Fails to Invest in Added PRIME HYGIENE Capacities!
- Staff Get Too Wealthy...Thus LAZY!
- DDS Owner Sets Incremental \$ Amounts Too Low
- Staff Doesn't See or Understand Updated Charts.
- Failure to Pay Double/Triple \$ for Managers &/or Lack of Hygiene Coordinators

Please remember to glaringly & conspicuously place your massive & VERY VISIBLE, daily updated chart of “Prime Time ONLY number of hygiene patients seen” INCREASES on your break room (or other) wall for all staff to unavoidably see!

Small printouts or buried computer downloads are easy to miss or avoid!

We want everybody in your office ENGAGED & AWARE every minute of every day...& rowing your boat in the same optimal direction!

Again, it no longer makes ANY sense to incentivize staff for offering & filling **LOW VALUE** midday, mid-week hygiene appointments that are VERY unlikely to be accepted...or kept.

The world's best patients want to come in when the staff, doctors & hygienists at the practice usually do not want to work.

Please use these approaches to influence staff to make a cultural shift, embrace these new realities & enjoyably look forward to filling & working early mornings, later evenings & weekends!

7. Why Your Rolling Average Bonus System Should Be Based on Monthly Production...& Not Collection:

This Rolling Average bonus system will both subtly & overtly cause positive staff behavior that would not have otherwise occurred...but REWARDS must be immediate, exciting & predictable!

Staff must see instant & expected rewards for their action...or commonly the desired behavior will not occur!

Staff do not want to wait many months (especially for insurance payment, etc.) to receive their bonus for action they've taken today. They become uninvolved, disinterested & disconnected!

If the reward doesn't happen for many months, the system doesn't provide a real incentive to work today!

We use production rather than collection because only a minority of staff can influence collection...while all will pick up the phone & stay late to boost (reasonably collectable) production!

As is explained in more detail below, it is very important to train, stimulate & very INDEPENDENTLY liberally reward only the person(s) in your office responsible for collection as they exceed recent Rolling Average collection norms!

Please embrace a perspective of prosperity & growth...rather than one of doom & decline!

Remember to look at this as being a glass half full rather than a glass half empty situation! Please do not be guilty of bending down to look for pennies, when \$100 bills are falling out of your pocket!

In a general sense, most practice team members cannot affect collection...but all can positively influence production. Why would we tie an incentive to a practice component that most staff cannot possibly have anything to do with?

Production is a figure that is related to what was purchased or agreed to by the patient today. It is the only figure that can be positively affected if the receptionist picks up the phone at 4:57pm.

Would a collection-based bonus stimulate your assistant to explain how important that implant is to the patient...while you have left the operatory...on the last day of the month?

The excitement, immediacy & predictability of basing your Rolling Average bonus system on production (versus collection) FAR, FAR outweighs the slight uncertainty that the practice may not collect the amount produced.

Remember: Your collection rate can be statistically predicted by examining past collection performance. Simply use this number when determining your incremental bonus dollar amount!

For instance, if you were envisioning paying each staff \$10 for every \$1,000 in increase...but have a 90% collection rate...adjust the incentive amount to \$9!

If you are worried, for instance, about your production vs. collection % dropping because you are focusing too much on production (we haven't seen this), you can place a "side bet" (see later section) incentive ONLY for the collection folks to surpass their statistical norms of collection...or pay THEM a bonus when they surpass a pre-set collection goal.

A number of great practices using the Rolling Average incentive system over the years have predictably tweaked the above recommendations & averaged the production amounts with the collection amounts.

While these modified systems appear to be working well...they would work even better if the goals were more directly tied to the staff's immediate production-based actions...rather than being watered down & defused by the collection averaging calculation!

As wise as this hybrid approach may appear, in the mind of the staff, 50% of the goal is predictable & certain...& the other 50% is tied to the uncertain ability of usually only one person to collect money...usually from the insurance companies! Why allow this area of uncertainty if it tends to leave staff less excited, disinterested & uninvolved?

8. How Do You Determine the Proper Rolling Average Incremental Increase Bonus Dollar Amount?

Determining the proper incremental increase bonus amount is probably the toughest part for most practices. Chrisad cannot tell you the exact bonus amount that will work for you in your specific practice overhead, practice type, marketplace or growth situation.

We CAN tell you that...as a general principle...you need to both make it substantial enough to stimulate your staff...while not breaking your bank.

Don't be cheap! Adopt a perspective of prosperity! Err on the side of offering a larger dollar amount rather than a smaller dollar amount! Make it exciting & attractive!

Remember, bonuses are only paid out AFTER you grow above current growth levels.

If you properly maintain the incentive system, a year from now staff can be shooting for a goal that is 30%...or far higher...than they are today! But without the incentive system...you wouldn't have been growing at the 30% rate!

Avoid a dental school micro-focused tendency of minimalism!

For instance, please don't negatively view paying an Associate Doctor 30%! In fact, you RECEIVE 70% (a lot of money!!) that you **otherwise would not have had!**

What does it matter if you pay out \$25,000 in bonuses if the doctor-owner grows by \$100,000/month...& there was no other way this growth would have occurred? This still represents a net gain of \$75,000!

A ratio of 1:10 is a good place to start. This means for every \$10 of growth that the practice enjoys...the collective staff is paid an extra \$1.

We strongly suggest running the numbers on a number of reasonably foreseeable practice growth scenarios & determining what works best for you, your budget & your sensibilities.

Preliminarily Suggested Incentive Incremental Payment Amounts:

\$5 Per Staff per New Patient New-Patient Inflow
Increases Above 3-Month Average

\$10 Per Staff per \$1,000 increase Production Increases
Above 3-Month Average

\$5 Per Staff per Patient Returning Hygiene-Patients-
Seen Increases

Some of our client practices have three employees...others have 300! You must get out your calculator & a piece of paper ...& run the numbers for your practice to ensure that you are not overpaying...or underpaying...in foreseeable scenarios.

In short, the dollar amount paid as a bonus (per incremental increase) must be looked at in light of all relevant overhead, staffing, local employment & other regional factors.

Please remember, bonuses are almost always subject to state, local & federal taxes!

Again, **avoid hourly or salary increases**...but instead give managers & staff increased bonus incremental amounts.

For instance, if a given employee was receiving \$5 for every new patient above the rolling average...you could raise an exemplary employee's incremental Rolling Average bonus to \$7 for every new patient. Rather than subjective...this would tie the employee's next year's earnings to their performance!

If any aspect of your incentive system eventually becomes inappropriate for your situation, you may wish to modify or otherwise adjust it to better fit your situation. Please note that it pays to clearly communicate this to the staff early on...in writing...as you initiate your bonus plan...or bring on new staff members.

Also, while you can upgrade/modify your incentive system over the years & months as need be, once you initiate it...it will be difficult & demoralizing to remove it entirely.

IMPORTANT: Traditional arbitrary & expected annual hourly or salary raises CAUSE STAGNATION & are in no way exactly tied to performance. Such is ALSO the case with traditional FIXED hourly or salary paid employees! Why work more for the guaranteed same pay???

9. SIDE BONUSES! Examples of Various Specifically Targeted & Focused Incentives Intended to IMMEDIATELY DRIVE Specific Positive Staff Behaviors:

Please remember, the more immediately & directly connected that the incentive or compensation system is to the behavior that we are trying to stimulate...the more likely the desired behavior will occur.

Traveling with new chrisad staff & interns, we will regularly visit our largest & fastest-growing clients...& ask them to describe their current incentive systems. More often than not these successful clients will suggest that in addition to the basic rolling average system...every time they needed to influence staff behaviors...they added a new incentive.

Many have recently suggested that they currently have dozens of incentives in play. Here are a few suggestions of additional targeted incentives you might consider:

1. Use Incentive “SHOCK THERAPY” for Great Results TODAY! Reward Appointment Staff EVERY DAY for Filling THE CURRENT DAY’S Prime Time Hygiene Schedules: This will SHOCK your practice & result in IMMEDIATE GROWTH!

The bottom line is that if your appointment staff are not incentivized for filling Prime Time schedules, these appointments...that WEALTHIER, WORKING & BETTER INSURED SUPER PATIENTS will usually ONLY ACCEPT & FILL... are WAY less likely to be filled.

Again, it is safe to assume that there is no work ethic in your practice. It is also always the case that there is more NEW & RETURNING patient demand than there are appointments filled.

In all cases where chrisad is actively marketing, we are creating an INVISIBLE WALL of MASSIVELY increased new & returning patient demand...the BEST & most of which will ONLY accept hygiene exam appointments that do not require them to take off work or school.

So the trick is simply opening the conduit through which these WORKING & BEST new & returning patients must pass. Making sure they are properly appointed, make it in the chair...& are retained in hygiene 1-2x per year for decades.

Too often, our clients will add these evening & weekend hygiene appointments...but they do not fill.

This does not happen naturally. Demand has been documented to be many fold (perhaps 7x) greater for these evening & weekend appointments that don't force patients to take off work or school.

Almost always...unless properly incentivized...these super valuable appointments are being not offered, emptied out or otherwise BLOCKED!

Sadly, we document this behavior in many hundreds of practices per month.

If not properly incentivized, these super valuable NEW & RETURNING PATIENT appointments are more likely to be quietly blocked, sabotaged or emptied out.

No matter what they say...either openly or quietly...**STAFF typically DO NOT WANT WORK THESE HOURS.** So they quietly shut it down. This behavior is best described as an underground mafia.

More must be done to PROACTIVELY counteract this dangerous propensity.

An immediate solution to this problem...that can be implemented **TODAY**...is to offer all staff a LUCRATIVE fixed dollar amount for every hygiene patient in the chair after 5:30pm & WEEKENDS.

In ADDITION, if ALL chairs are filled, your appointment team receives an even greater bonus.

The award is compiled & paid out on a PER DAY basis.

EXAMPLE:

Each Appointment Staff is awarded \$20 for every hygiene patient in the chair after 5:30pm weekdays or SAT/SUN. This is paid ONLY if the new/returning patient is actually in the chair & has a cleaning/exam. (With this plan, the practice cannot lose.)

If all chairs are filled on that given day...each staff member receives an additional \$100 for the day.

Yes...while not always practical...it is MORE DRAMATICALLY MEMORABLE if the award is paid in CASH at the end of the day.

At a minimum, keep a highly visible scoreboard & ensure that all incentivized staff ARE 100% AWARE what bonus they received that day...& how much BONUS AMOUNT they will additionally be receiving on their next paycheck.

Generally, the reward is offered to any & all staff who are responsible for making appointments & reactivating.

I understand! “John is telling me to pay out a ton of money!
Is he crazy????”

Well maybe...but ABSOLUTELY NOT in this instance. Just
do the MATH!

**This will result in IMMEDIATE INCREASED LEVELS
OF PROSPERITY that otherwise would NOT HAVE
OCCURED!!!**

EXAMPLE:

Your properly incentivized 2x front desk staff fill
20 hygiene appointments after 5:30pm on a
WEDNESDAY, at \$880 per new/returning
patient hygiene check.

(NOTE: U.S. AVERAGE PRODUCTION is
\$880 per hygiene exam)

These 20 patients have a probable VALUE of
\$17,600. NOTE: This is conservative. Evening &
weekend patients have a probable value that is
more than 2x this amount.

The daily prime time fill incentive for each
reception staff is \$400 each. \$800 is the total
cost to the practice.

If ALL chairs are filled, each of the two staff is
paid an additional \$100...or \$200.

Total is \$1,000 paid to the two reception staff
members...\$500 to each of the two receptionists.

**IMPORTANT BOTTOM LINE: In this
example, it costs the practice \$1,000 in front
desk incentives to generate \$17,600 in
production that OTHERWISE would NOT
have occurred.**

All practices have an average per hygiene check value that is higher or lower than the above \$880 example. On the other hand...whatever the average...all practices have production values that are significantly HIGHER when evening & weekend patients are checked in prime time hygiene.

So again, the \$20 per prime time patient in the chair incentive amount is merely an example...but is a good place to start. **Your amount may need to be higher or lower.** As with all bonuses, this amount is like an auction...you do not want to overpay...but if you underpay, staff will show you with their actions that the amount was too low.

This is scalable...up or down...without regard to the size of your office staff or hygiene department. For instance...would you pay \$2,000 a day for four front desk people to fill 40 prime time hygiene appointments that generated 2x the \$17,600, or \$35,200????

This represents a SUPER SIMPLE, emergency level, more urgent approach to incentivization...one that can be applied TODAY...whereas, on the other hand, the long-term, whole practice, self-adjusting three-month rolling average plans discussed elsewhere in this document may take more time to implement.

We don't like making these suggestions...to pay more for staff to do what they are supposed to be doing anyway...any more than you like paying them. However, we need to deal with the world the way it is...not what we want it to be. So please suck it up...& give this a try. It has never NOT worked.

2. Lucrative Awards for Perfect Secret Shoppers: Please consider lucratively rewarding reception staff for perfect

chrisad Secret Shopper grades. Multiple prime time appointments must be offered within a DAY! Chrisad Secret Shopper grading systems are directly tied to key verbiage & communications that have proven to fill prime time hygiene...or if managed improperly...empty it out!

With a perfect Secret Shopper transcript, inherently, insurance, money...& other EXTREMELY volatile/ sensitive areas of conversation that might **dissuade the caller from appointing**...are optimized.

Chrisad studies suggest that the public is generally not aware that prime time appointments are available at ANY dental office...so information as to these appointments' availability must be **proactively** communicated.

In order for the caller to achieve a perfect Secret Shopper grade, the potential new or returning patient must be offered three prime time slots within 24 hours along with all other sensitive communication variables being properly communicated.

Obviously, as we mentioned above, the practice must make the incentive possible by regularly...& DISPROPORTIONATELY...adding an abundance of open prime time hygiene appointments. While the amount you elect to award is up to you...in consideration of your local economy, practice overhead, staff salaries & other factors...the amount must be VERY LUCRATIVE & SIGNIFICANT FOR STAFF! Many of our clients award \$50 or even \$100 for perfect Secret Shopper grades.

Remember, the amount of time that it takes the patient to get in the door for an appointment that they want is an **EXTREMELY powerful marketing tool**. The longer they wait to get in...the more likely they are to cancel/no-show...not refer... &/or tell others to stay away.

Get them in within a day for appointments that are convenient for them...& they have been repeatedly documented (as a result) to bring in their entire company!

COMPEL REFERRAL! We have significant amounts of data that suggest that if three or more prime time appointments are enthusiastically offered to the potential new or returning patient WITHIN A DAY, the referral rates of other wealthier, working & well-insured patients SKYROCKETS EVEN FURTHER!!

Again, in order for the staff to be able to receive their bonus, the practice owner **MUST** proactively **FIRST ADD** a massive amount of these **EXTREMELY DESIRABLE** prime time appointments **BEFORE** the receptionist can enthusiastically & abundantly offer them!!!

In addition to offering multiple prime time appointments within 24 hours...recently...due to practice **software manipulation**...office staff have been tricked into asking all sorts of proven-to-be **EXTREMELY DAMAGING** insurance related questions over the phone (asking for date of birth, social security number, “is it a PPO or HMO”...etc.) & even worse, mentioning “paperwork”...or suggesting that paperwork be filled out.

PLEASE DON'T LET THIS HAPPEN! Not only will your team **NOT** receive their A Secret Shopper bonuses...but your practice will suffer **GREATLY** in relation to these shortcomings over the phone!

Also, frequently, practice staff will identify our (not so?) Secret Shopper caller & do whatever it takes to get the rewards for a perfect score. They will tell us what we want to hear...up to & including offering desirable appointments that do not exist. To identify this deception & guide the receptionist & practice ahead, chrisad will perform even

more covert “DEEP DIVE” calls that are less likely to be identified.

Finally, I suspect you are worried about “breaking the bank” with too many perfect Secret Shopper grades. DON’T WORRY! The practice owner can control the number of Secret Shopper calls that are made...&/or control the number of such transcripts staff is aware of...& thus control outlays related to this incentive system.

To be frank...if you are offering a phone/reception profile that optimally invites new patients in & returning patients back...you will be growing so rapidly & earning so much money that the \$100 Secret Shopper bonus (that helped in this growth) will seem like a penny to you!

As optimally managed (not blocked or sabotaged) & ABUNDANTLY OFFERED, it is extremely easy to fill these prime time appointments...& as 100% of these increased number of prime time hygiene patients are checked, practice production will quickly increase in direct proportion.

3. Pay More Per Hour, Time & a Half or Pay Double Time for Working Prime Time: Many practices have been experimenting with paying their (non-clinical) staff \$2/hr. more (for instance)...or time & a half...or even pay double time...for staff to work prime time hours.

In many regions & nations where we are proud to maintain clients, local laws mandate that ANY & ALL employees are paid time & a half or double time for working weekends...& in some cases staying late or coming in early.

IMPORTANT: We are not 100% in favor of using these prime time hourly wage increases alone. **Historically, hourly increases can cause staff to come to work, sit around, get**

paid a LOT MORE...without having to fill appointments, check hygiene or in any way work more!!!

For instance, if an employee is paid more by the hour, they are not directly paid more to properly answer the phones, fill the schedule, reactivate or pre-appoint properly.

We much prefer hygiene fill percentage-based incentives or other incentives that will tend to focus on filling evening & weekend hygiene schedules. If a prime time hourly increase incentive is used...it should be coupled with an increased prime time patient in the chair-related incentive.

While they still are far less than thrilled about it, hourly pay rate incentives clearly appear to decrease the level of staff resistance, sick outs & sabotage of prime time hours.

So if you were considering offering your staff time & a half or even to pay double time, you might want to start with the lower-cost time & a half approach FIRST...& see if it is sufficient to motivate them. (Remember: It is like an auction.) But don't wait too long.

Frequently, this prime time pay increase works pretty well.

A number of our clients were shocked when they found that staff were ALL OF A SUDDEN VERY EAGER to offer, work & appoint prime time hours in exchange for a relatively low increase per hour on their paycheck.

While some have VERY SUCCESSFULLY experimented with amounts as low as \$2 per hour more, your local economic & staffing conditions may require higher amounts...or even allow lower amounts...to be paid!

If this increased hourly approach doesn't work...you must next jump to a prime time fill rate based incentive.

Again, this is all case-by case: It's like an auction!

4. Ensure Associate Doctors are Disproportionately & IMMEDIATELY Rewarded for Working MORE Prime Time Hours. While some systems related to motivating associates are outlined above, we have many cases where by using the following system, associate doctors who were previously thought to be “FROGS” & unproductive...& on the chopping block...have magically turned into high-producing “PRINCES”...overnight!!!

You may think these associates are as smart & aware as you are. But SADLY, please remember, just because they got through dental school, it doesn't mean that they are as astute...or as wise of a businessperson as YOU are...or even begin to understand what you understand!

We have TOO MANY well-documented cases where associate doctors have been aggressively (but usually very subtly!) working against & sabotaging prime time appointments...& thus (inadvertently & unknowingly) REDUCING their OWN INCOME...as well as the practices'!

Associate doctors (particularly younger) are commonly inexperienced in business...having applied 100% of their brain cells to get into & through dental school...& not so many brain cells to the common sense ways of the world.

We have seen them make a massive number of knee jerk & bone head intuitive associate doctor decisions that cost them (& you!!) a lot of money...& frequently their jobs.

The senior doctor/owner must use incentives (plus extensive training/regular oversight) to guide their associate doctor(s) to make the right decisions...& thus make more money for themselves...& the practice.

Lead the horse to water! For much more on this please read our Associates book. We will only touch on some of the key issues related to associate compensation & incentivization herein.

Essentially, associate doctors (& the practice) will make FAR more money...& will have longer careers...by checking a maximum number of wealthier & better insured hygiene patients during prime time...& then appointing them for the diagnosed & accepted restorative care during the middle of the week, middle of the day when hygiene chairs are increasingly left unfilled & open.

However, judging by their actions...corroborated by a number of off the record conversations...associate doctors want to IMMEDIATELY earn the maximum amount of money during prime time to OFFSET THE INCONVENIENCE of working early, late or weekends.

So they do what they were taught to do in dental school or during a GURU conference: They tend to go for the big case or other restorative care where the patient will make a big initial payment...& where the associate expects that they will be IMMEDIATELY receiving 30% of that amount.

Again, the associate seems to like immediate gratification! But please consider...as we noted above...that while the associate doctor is performing that restorative case on a Saturday (for instance), he could have been checking eight hygiene patients...which...based on this doctor's diagnostic performance probability statistics...would have generated 2-3x more money for the associate personally & the practice! The patients would be better cared for as well.

Unless you guide associate doctors, they will naively & intuitively shoot themselves in the foot! Obviously, training & monitoring are key factors here. You CAN influence the

associate doctor to only check hygiene during prime time if you constantly monitor them.

FOLLOW THE MONEY: But if associates are paid MUCH LATER for the amounts that are accepted in prime time hygiene...when the practice (later/eventually) receives the money from insurance...on the basis of collections...**THE MINUTE YOU TURN YOUR BACK**, they will commonly begin to instinctively slip in restorative care during prime time hygiene periods for **IMMEDIATE GRATIFICATION** from the 30-50% of the deposit/copay...or full payment...that is collected that day!

Remember: They usually aren't as business smart as you are (yet!). We even have cases where our clients have monitored associates wasting 20-30% of their day running to the front desk to see what money was collected!

Yes, their spouse is complaining about spending all Saturday at the office...away from the kids & (from their unsophisticated, narrow view perspective) only earning \$1,000 from exams.

When the associate doctor is paid MUCH MORE MONEY...**immediately** upon reasonably collectable acceptance (or by using one of the pioneering new approaches noted herein)... after the patient's restorative agreement, appointment & deposit...**THEY'LL typically eventually BEG TO CHECK PRIME TIME HYGIENE AS MUCH AS THEY CAN!!! Then everybody wins!**

Associate doctors absolutely will follow the money. We have (amazingly) even seen cases where associate doctors **resist checking hygiene** because of the fact they were not paid a percentage on the basis of the exam. But later, when they perform exams...uninterrupted...on ALL hygiene patients, the associate's personal income (along with the

practice's income) doubles from the RESTORATIVE care that was accepted & later produced! Even this paid on acceptance system requires training & random/regular oversight.

However, when the associate doctor is guided to check 50 hygiene patients on a Saturday...& they find on average \$1,000 worth of work on 20 of these checked hygiene patients...the \$6,000 (30% of \$20,000) from one day (practice earns \$14,000!!)...that shows up on their NEXT paycheck usually gets their attention in a Pavlovian sense...& their behavior is changed for good.

That's right, you must guide Associate Doctors to be successful by IMMEDIATELY rewarding them for doing what they intuitively don't want to do.

Finally, I know that you are worried about being the bank & paying the associate upon acceptance. However, this has worked out very well...as long as various safeguards are applied. The practice reserves the right to balance the books every pay period to make sure no one is getting ripped off. If the definition of "acceptance" includes there being a deposit made...& appointment set to produce the accepted restorative care...the collection rate has shown to be within 1-2% of what is expected. The amount that is paid in advance to the associate doctor upon acceptance usually is miniscule...relative to the MASSIVE increases in the associate's...& the practice's income!

5. More ELECTROSHOCK THERAPY! Use Short-Term EMERGENCY Bonuses to Push the Practice Ahead in One or More Areas: Over the years...in many practices...we have experienced what appear to be glass ceilings! By this we mean that one or more areas of the practice are stagnant or

declining...over many months or years...with seemingly no apparent explanation! The practice is in a rut.

Commonly, nobody can figure out why. We increase marketing...but the numbers don't increase in proportion. Here, we need IMMEDIATE "electroshock therapy"! There may be a deep psychological root cause. Are they lazy? Physically tired? Is morale low? Do they burn out at a certain point in the day or month?

We may never know...but we must fix it today! In these cases, the team...or the area of the practice in need of the boost...is brought into a meeting where a goal is set well above the current norm (but not out of reach) & the staff is told that as they hit that goal, everybody will receive (for example) \$1,000.

Furthermore, tell them if they hit it 3 months in a row, not only will they receive the \$1,000 each month...but also at the end of the third month, each will receive \$3,000! Watch what happens! BOOM! You can use this to promptly shock your practice out of a funk in many ways.

For instance: Use it to catapult your practice out of the \$100,000/mo. rut & into the \$130,000 area. In this case, the practice grew by around \$100,000 over three months (+\$400,000/yr.!!!)...& should retain this rate into the future. SO WHAT IF YOU HAVE TO PAY FOUR STAFF MEMBERS \$24,000 over three months to get there...& it otherwise would not have occurred?

If it doesn't occur, you don't pay! WHAT DO YOU HAVE TO LOSE?? You can also use it to propel your new patients inflow rate from the 50 new patient/month rut to the 75-plus new-patient-per-month area! You may be able to calculate that each new patient is worth \$1,000. So if you pay out \$30 to each front-office staff for every new patient above

the 50 level, you won't care if you pay out \$750 one or more months to each reception staff to positively alter their behavior into the future!

While less precisely targeted than the prime time fill incentive previously noted...this more general approach has great value...& can be used in conjunction with all or some incentives outlined herein!

NOW what will happen to that 4:47pm Endo call? Here again, pick dollar amounts that are appropriate for your situation...but make it spectacular for your staff & don't be cheap!

In these cases, staff had commonly been simply physically &/or psychologically burnt out & required incentives to make the changes allowing them to catapult your practice...as a team...to the next level.

What do you have to lose? These should be used as short-term emergency shocks. After they have been used, the practice should adopt a Rolling Average system to ensure this level of growth is maintained over the long run.

6. SELL MORE INDIVIDUAL DENTAL PLANS! As your team is trained & incentivized, you WILL sell more! It has been our experience that as your staff is properly TRAINED...& **incentivized** to sell these Individual Dental Plans...FAR more IDPs will sell. As with all dental office incentive plans, the IDP sales incentive must be extremely simple...& MONTHLY PROGRESS...with daily updates...must be extremely visible to ALL TEAM in your break room. Unfortunately, (with all chrisad's incentive suggestions) as premiums/copays & staff sizes greatly vary...we cannot suggest an exact dollar amount...or method of IDP sales incentivization. Incentives that are offered to individuals can cause more harm than good as multiple staff argue over

which one more or less influenced the patient to purchase. So these IDP incentives must be offered to THE ENTIRE TEAM...full or part time. In simplistic terms (please alter on a case by case basis)...in a seven-staff office (please include hygienists!!)...with a plan that has a premium per individual of a bit less than \$200, if everyone receives (conservatively) \$10 per new enrollee (PLUS \$2 per spouse & each child), a great many more IDPs will sell. Incentive is paid at the end of each month. The contest starts again at the first of the next month. **This must be good for everyone. The higher the bonus, the more that will sell.** As the more business savvy practitioner runs calculations as to the **probability** of restorative/cosmetic/orthodontic/emergency sales as a result of the enrollee being glued to the practice...& **considers the BIG PICTURE** of many years of premiums received & resulting hygiene exams...he or she might **WISELY** elect to raise the incentive to each team many times higher per enrollee than the conservative \$10 suggested above.

7. Simply hand an employee a check (or preferably cash!!) immediately after they do something extraordinary! This is at the owner or manager's discretion. Make this extremely visible so all employees can see. Yes, I know that we suggested making sure that any & all incentives are objectively measurable, predictable & precise. However, in addition to these incentives, if an employee does something great, reward them with a big splash!

10. How to Ensure That Your Rolling Average System Will Fail:

In the decade + since we last updated this paper, chrisad PGAs have enjoyed around **a quarter million in-office visits** with our clients in every state, most provinces & many nations. In addition, we currently (mid 2023) maintain a growing & active database of nearly 1,500 client offices.

We have found that the most surprising weakness of the rolling average system is that our client's staff had frequently simply **not been trained to understand** what they needed to do in order to attain the goals & increase their monthly income!

Frequently, staff we interview are not aware that they have an incentive system.

While these Rolling Average systems encourage staff ownership of the practice...& fosters a spirit of teamwork & involvement...we must remember that your staff may not understand what YOU naturally & intuitively understand!

In addition to the failure of staff training, if the practice fails to adhere to chrisad-suggested & proven in-office or over-the-phone communication protocol, it will be very difficult for the practice to appreciably grow...great incentives or not...no matter how much or type of marketing we do.

Issues related to money...such as patient's time off work/school & insurance...are **VITALLY important HUGE VARIABLES** in the growth process. However, the patient's pride will rarely allow them to tell you why it is that they are not accepting & returning...or are quietly telling family & friends to stay away!

In the words of Dr. Henry Kissinger: "Trust but verify." Staff must be repeatedly trained as to how to attain practice goals, how

to optimize their communication touchpoints...& their performance must be statistically monitored on a regular basis!

Because the Rolling Average system is designed to make everybody in the office a beneficiary of the overall growth of the practice, one would expect that everybody in the office would be more eager to ROW THE BOAT IN THE SAME DIRECTION, seize on new growth opportunities...or more aggressively identify & correct areas of weakness.

While staff will commonly make suggestions as to how everybody in the practice can more efficiently attain goals, this does not always happen either!

For instance, (as we have mentioned) additional staff (especially hygienists & doctors) & operatories are almost always needed in order for growth to continue...but staff frequently don't proactively suggest these additions!

Why? Usually, we have found that many staff simply cannot understand that in order for practice growth to occur, the practice's new & returning patient productive capacities must first be expanded!

They simply cannot grasp why the practice has leveled off in one or more areas.

In other cases, employees simply do not like change! Change means more work for them! They fail to see the connection between this change & their improved life!

In addition, they are commonly fearful that the newly added person (inherently required in any growing business) will be better than them, make them look bad...&/or work harder!

Even though the Rolling Average systems we are suggesting herein are extremely simple & transparent, some staff are illogically fearful that the addition of new staff (or the cost of

adding a new operator) will negatively affect their personal income levels...or their rolling average incentive amount.

All of the potential shortcomings of this Rolling Average system can be overcome through proper staff selection, regular training...combined with regular open & HONEST discussions...& other interaction with the Doctor-Owner/Manager.

Another potential failure of this system is when the Doctor-Owner/Manager fiddles with this Rolling Average incentive system...the way they have been trained to do when adjusting a crown...& they intuitively...but unknowingly...make a fatal adjustment.

To be honest, there probably are few if any practices in the U.S. that exactly use the Rolling Average outlined herein. Many use one or two of the components. Others make minor (but not fatal) alterations...particularly related to our production basis for compensation.

While most of these in-office alterations have resulted in only minor (if any) negative effects, the only element that should be altered in the Rolling Average plan is the amount that is paid per incremental increase. This dollar amount is inherently tied to the number of employees & economic standards of the local practice market area.

We are dealing with intuitive human behavior. The practice owner/manager typically (erroneously) believes that their practice or market is “different” & therefore the adjustment is warranted. We are dealing with human behavior.

I can assure you that...as relates to dental patients' thinking & behavior...human behavior doesn't change much from Zurich or Guatemala City...to Hamilton, Newark...or Hanford!

Typically the practice owner/manager will hear some speaker, GURU or “EXPERT” at a dental convention (or online!!) who promulgates about how well their bonus system worked. They usually will simply tell you what you want to hear...versus what you NEED to hear!

Most of these “EXPERT’S” practices are GARBAGE by our standards.

However, what the doctor-owner may not understand is that this “GURU” system might have had success in only one practice...or in a very limited number of offices...over a short period of time...& that other economic dynamics may have had a significant impact...or this incentive-related success may have occurred long ago.

For instance, many huge practice successes have occurred in marketplaces that were artificially (*often illegally*) advantaged...such as the Southwest U.S. in the 1990s (particularly Las Vegas), Florida in the 1960s thru early 1980s...& the “oil belt” (Texas, Oklahoma, Colorado, Montana, Alberta) during the 2000–2008 oil boom period.

In these skewed & advantaged marketplaces, even the silliest of approaches would have worked!

But apply these approaches to DEPRESSION ERA Detroit or Phoenix in 2010–2013...& you are dead!

In a broad sense, any & all practice managerial approaches that were successfully utilized in these uniquely advantaged marketplaces can NOT be successfully applied to the rest of the U.S. & Canada!

In recent years, many “EXPERTS” & GURUS are manipulatively (usually very quietly) **owned or controlled by the dental insurance industry**. The insurance industry’s goal is to drive down insurance billing such as to increase their profit!!!

SO WATCH OUT!!!!

BOTTOM LINE: It pays to assume your market is tougher! Use the protocols & approaches that have proven to work in the super tough economic recession (depression?) era regions & no one will be able to touch you in a normal or advantaged marketplace!

So please! We understand your natural inclination to try to tweak this plan. If you do so, please do so very carefully! Call us with your questions or thoughts! Perhaps you will have a new idea we can incorporate into future versions of this document. But it is far more likely that your new idea has already been unsuccessfully attempted...& we can let you know what happened!

11. The Ethical & Business Advantages of Treating Employees With Respect & Ensuring Their Enjoyment With Work.

Having a happy place to work & building a great culture is also a great incentive to come to work, stay at the same job...& perform at higher levels. Properly caring for, training & motivating your employees is part of the oil that allows all incentive systems to move freely.

They gotta be happy.

You can have the best incentive system in the world, however, if staff are treated like rubbish, this great incentive system will have minimal effect...at best!

The old adage of “the customer comes second” comes into play here. We must treat our staff the way that we want them to treat your patients.

In a general sense, if you treat your team with disrespect, they will in fact...in turn...treat patients the same way.

Again, do you know what happens the minute you turn your back or when you are away??

We do.

Yes, even your most trusted employee.

A few years ago I had the opportunity to visit with the world HR manager of one of the largest & most respected luxury hotel brands in the world. I asked him what he did on a day-to-day basis. He replied, “I simply walk around & make sure all employees are happy.”

All staff must be treated with dignity, respect, properly trained & compensated in proportion to their performance.

Aside from the very real ethical issues...**staff are human beings**...with feelings, moms, dads, spouses & children.

They ALL have their own personal challenges...limitations & fears.

While you cannot be taken advantage of by your team...great practice owner/managers must be sensitive & caring in all staff interactions.

My personal experience is that (given the opportunity) any & all staff CAN...over time...be elevated FAR above their current station...& have the opportunity to eventually receive much greater pay.

Everyone in your office must know it.

We must open our eyes to new opportunities! We must not think of employees as being in boxes.

The clinically average hygienist or (prohibited from practicing) foreign dentist can be evolved into a great practice manager.

We have IN FACT seen once entry level (front desk) staff skyrocket to regional multi-practice managers.

In our own company, once unproductive & VERY obnoxious employees...about whom I received constant requests to FIRE...turned into extremely valuable team members with the right training, cultural environment & extremely lucrative & tightly targeted incentive plan.

It is important that all other employees see that these kinds of hire from within opportunities exist in your practice.

This obvious & apparent internal promotion opportunity ALONE provides an incentive for every team member to work harder & stay at your office.

In fact, many huge national companies rarely or never hire from the outside. One U.S. fast food chain's regional manager that we know of...in charge of that company's entire state's operations...started as a french-fry preparer. Never college. Only internal training...over many decades.

However, as we step away from the dental practice world & look at it from above...we must invoke the old adage of "you get what you pay for."

Many dental practice staff didn't even graduate from high school.

This may be penny wise & pound foolish.

Practices start with this handicap...but they can still win.

We are concerned that...while they try to hide it...**some apparently can't read.**

Are we shocked that they perform at lackluster levels?

Your communications with staff...& training methodologies...must take all this into consideration.

Still, these individuals all can be elevated to greater performance & compensation levels. Listen to them. Inspire them. Monitor them. Make them part of your decision making processes. Bring them to meetings with Chris. Respect them. Love them.

A great deal of all this has to do with the individual. We have seen arrogant, “know it all” “big time MBAs” absolutely destroy huge practices...while high school grads are often trained, mentored...& incentivized...to be the best practice managers in the world.

Some practice managers have relied on annual vacations (sometimes to exotic destinations!) & year end/holiday parties ALONE to ensure staff satisfaction & optimal performance.

However, you can't fill your car with gas using party punch!!

There must **ALSO be incentives that pay out REAL money AFTER desired performance occurs.**

If one were to ONLY use vacations or parties as a reward, it would be best if the benefit was awarded only AFTER a certain growth or production goal was achieved.

But on a case-by-case basis, you might consider simply providing vacations or parties for morale or team building...without regard to hitting a certain sales related benchmark.

Nevertheless, the complaints of many clients echo in my mind: “I took them all to Aruba for a week...& paid for their spouses...but still they quit a few months after.”

It pays to elevate individuals at your office into positions at which they will THRIVE!

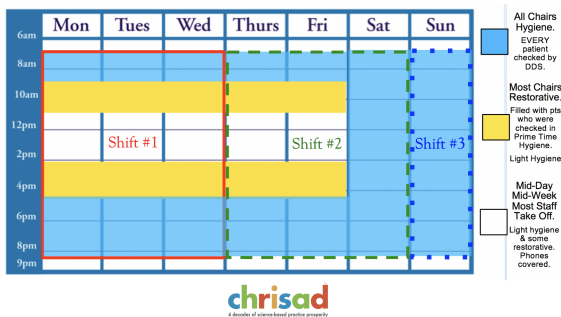
As I write this section, I have just left visiting a major UK luxury brand automotive assembly facility.

We had the time to speak with some of their managers & chat with them about how they work with their employees. One divisional manager suggested that he regularly (lovingly) oversees his employees both objectively & subjectively...& tries to place them in positions within the company that would be best suited for their propensities & talents...thus leading to a happier & productive worker...& work environment.

Yes, it is ethically correct & managerially vital to build a wonderful & enjoyable workplace environment. However, all of this must be viewed as part of the overall incentive system...& coupled with financially rewarding incentives that are tightly focused & immediately **PAID** such as to drive performance & sales increases.

12. Viewing NEW & INNOVATIVE Employee & Patient Friendly Schedule Configurations as an Incentive:

\$1+ Million Per Chair, Per Year:
A Flexible, Productive Schedule That Staff LOVE!



In a broad & general sense, the hours that dental practice staff WANT to work are the **exact opposite** from the hours that your best patients will **ONLY** come in for.

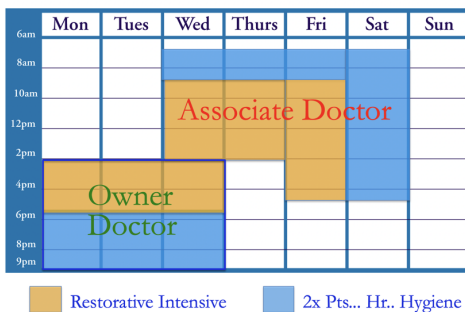
In most dental practices, most appointments (around 75-80%) are discretionary & preventative (cleanings).

Except for the retired & unemployed minority...& those on vacation...the vast majority of locals...especially the wealthy, working **BEST PATIENTS**...will **ONLY COME IN** for discretionary preventive care when it does not interfere with work or school.

So the trick is to configure practice opening hours that keep both patients & staff happy...while infusing into the practice the very best of local patients!

A number of our brilliant clients have successfully experimented with a number of schedule configurations that make working early, late or weekends something for staff to look forward to.

\$3.3 Million/Yr.. 21 Hrs. a Week!



In general, these involve fewer DAYS worked per week...with more days off...but longer hours worked per day...usually with breaks in the middle of the day. Many shut down (lower/no profit) mid-day, mid-week hygiene.

Schedules where fewer days are worked...but longer shifts...are increasingly common. Staff love these as they can get four days off with three days per week working.

If they take the early shift (EXAMPLE: Monday, Tuesday & Wednesday) the first week...& the later shift (EXAMPLE: Thursday, Friday & Saturday) the second week...they can get SEVEN DAYS OFF in between working!

Not a bad deal!

Staff love it.

The configuration of the schedule becomes a powerful incentive.

\$400,000/Mo. - 3 Days a Week

2nd Week - 6 Days Off!

	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
6am							
8am							
10am							
12pm							
2pm							
4pm							
6pm							
8pm							
9pm							

	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
6am							
8am							
10am							
12pm							
2pm							
4pm							
6pm							
8pm							
9pm							

Restorative Intensive
 2x Pts... Hr.. Hygiene
 Restorative Intensive
 2x Pts... Hr.. Hygiene

It is wonderful & respectful to empower staff to create their own schedule to fit into their lifestyle & personal scheduling demands. A small...but growing...number of practices are adopting extremely flexible hospital, restaurant, hotel & airline type schedules.

With these seemingly progressive & somewhat experimental...but long-proven in other industries...all management cares about is that the shift is filled with competent workers.

Adding Associate Shift Sequence Step 3

	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
6am							
8am							
10am							
12pm							
2pm							
4pm							
6pm							
8pm							
9pm							

Restorative Intensive
 2x Pts... Hr.. Hygiene

The more senior the staff is...the more they have the opportunity (higher priority) to choose better shifts.

But they only get paid for the hours that they work.

Want a vacation? Take 2-3 weeks off...but just make sure your shift is covered.

Wanna save up for a new house down payment? Work all shifts for multiple weeks if you want.

13. The Documented Advantages of Paying Hygienists by the Patient

Unfortunately, we have long documented that even the most ethical individuals will perform **even better** when incentivized to do so. Sadly, after 43 years of overseeing & documenting the behaviors of tens of thousands of dental office staff...as well as teams of many other companies worldwide...it has become **irrefutably certain** that when it comes to behavior, we must always follow the money.

Regarding Hygienist's method of compensation, we've documented for years that DANGEROUS PERIO/STM diagnosis SOARS when the hygienist is paid as a percentage of production/sales...& the number of patients seen for hygiene & EXAMS SLUMPS as they are paid by the hour.

So what is a better approach?

The majority of our great forward-thinking clients understand that hygienists (justifiably) wanted the security of hourly pay...but would be happy to see MORE than one patient per hour if they were compensated in relationship with their extra effort.

Experiments where the hygienist is guaranteed a reasonable local pay level (example: \$50)...or around 80% of that wage (example: \$40-plus) per patient seen...whichever is higher...have been EXTREMELY SUCCESSFUL!

So in this example, the hygienists would be paid \$90/hr. when they saw two patients per hour...\$130 hr. if they see three!

In a general sense, the more hygiene patients that the doctor checks...the more restorative & other major work that will be found & the more patient referral that will occur.

The wealthier that these patients are...working...& with better insurance...the more likely they are to accept more. These **WAY BETTER** patients will refer more like them.

Please never forget that hygiene is the backbone of the practice growth system!

As hygiene goes...so goes the practice.

So **OBVIOUSLY**, the key is to influence hygienists to see more patients during prime time hygiene.

Again, we know that if we pay the hygienist a dollar percentage commission...they are more likely to diagnose (time efficient) period/STM. This leads to the loss of the patient & negative referral...at best.

The most efficient approaches that we have seen will pay the hygienist per patient seen...per shift.

Usually a guarantee of local daily rate is offered (for their emotional security)...or an **ADDITIONAL**, slightly lower per patient amount...whatever is higher.

We want hygienists to look forward to seeing 2-3 patients or more per hour (why not add 10 minutes of pedo to fill out the schedule?)...with a **DEDICATED** assistant.

We want hygienists to earn \$150,000 a year (particularly if they are working early, late & weekends!)...just as long as the owner doctor makes 10x-20x more money as a result.

Please read our "Hygiene" book for more details in this regard.

With regard to influencing the hygienist to work more prime time hours...the owner doctor & the practice management team usually need to lead the horse to water.

Guide them to success.

Often manipulated, self-serving (& mentally distorted) dental industry & practice folklore may suggest that prime time patients are horrible, no good (especially those “horrible” weekend hygiene patients), cancel all the time & so forth.

While these prime time periods are never perfect...the public clearly wants them FAR, FAR more!

Once the hygienist sees that they can fill & keep their prime time hygiene schedule WAY more easily filled with now very profitable patients...& make more money for doing so...they usually begin to enjoy their prime time hygiene periods a great deal more.

Again, ever notice that there are STILL holes in your FUTURE hygiene schedule...even though those holes were apparent many days or weeks earlier?

Particularly appointments during PRIME TIME!

If you have not noticed these...please look more closely!

Staff want these appointments...when they don't want to work...to DISAPPEAR!!!

SELFISHLY, they want you to think those hours don't work here or, “Around here, people don't want evening or weekend hygiene appointments” or “This market is different!”

BULL CRAP. (I am being polite!)

As we mentioned above, providing staff with properly configured incentives to fill the MOST VALUABLE appointments always helps.

Clients have experimented with offering all receptionists & schedulers \$200 for a 100% filled Saturday hygiene schedule.

Maybe \$150 for a 90%-plus filled schedule.

This all works in theory. HOWEVER, almost amazingly, these are occasionally not filled...particularly if some staff (doctors &/or Hygienists) are not properly paid/compensated/incentivized or motivated to be there!!! Remember: Think MAFIA!

YES...unless **properly compensated/incentivized** to offset their inconvenience for working prime time...associate doctors (& even partners!!) & Hygienists will (subtly) screw up the prime time schedule! **SABOTAGE!!!**

So AGAIN...please remember that ALL staff must be disproportionately incentivized to offset their inconvenience for working when they don't want to.

If some staff are NOT, we suggest offering all staff...perhaps even including hygienists & doctors...(for example) \$200 each for a filled 10-hour, 50-patient Saturday schedule.

This can apply for evening & mornings as well.

Follow the money: It is not the world the way it should be...by any & all ethical standards.

It is...HOWEVER...the world the way it IS!

We must influence staff to make a shift, embrace these new realities & enjoyably look forward to working early mornings, later evenings & weekends!

It **ABSOLUTELY** no longer makes ANY sense to IN ANY WAY to incentivize staff for offering & filling mid-day, mid-week hygiene appointments that are VERY unlikely to be accepted...or kept...& if they are kept, produce 1/3 per exam!!!!

Remember: We are compensating staff in order to disproportionately **offset** their EXTREME inconvenience tied to working when they don't want to work.

As everyone in the practice rows the boat in the same direction...& receives the same lucrative rewards that offset the inconvenience tied to coming in when they don't want to...everybody wins...especially the patient!

Proven Advantages of Paying Hygienists By the Patient:

It is impossible to push a rope uphill. Compensating the hygienist by the patient incentivizes the hygienist to PROPERLY pre-appoint, reactivate & fill THEIR schedule. We are thrilled to pay our hygienists \$150/hr. (\$50 per patient) if it means our doctors will be checking three more patients per hour (particularly prime time!) at an average U.S. production level of around \$800 per hygiene exam! Moreover, ask yourself, would you pay \$150 to receive \$2,400 that otherwise would not have occurred???

Disadvantages of Paying on the Basis of a Percentage of Production:

Generally, paying hygienists as a percentage of production has stimulated the diagnosis & presentation of PERIO/STM!! In particular, the diagnosis of STM (period) soars. STM is usually a lower workload but higher-priced procedure. Chrisad's extensive audits & analysis of traditional STM diagnosis suggests that patients DEFECT at high 90%-plus levels after PERIO diagnosis. Our researchers mined 100,000 online conversations to find that PERIO/STM was the No. 1 complaint. While STM must be performed when appropriate,

when greed is involved & tied to hygienist's production-based pay increases, far more HARM results than GOOD!

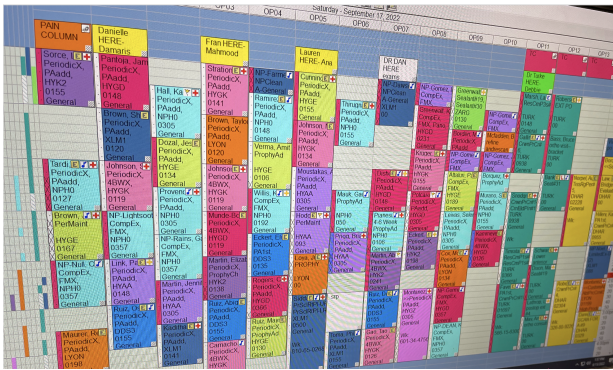
Disadvantages of Paying Hygienists On an Hourly Basis:

Paying the hygienist by the hour...even if at a WAY higher HOURLY RATE rate than other local hygienists receive...will generally result in **complacency**. In effect, the hygienist is paid to sit around & play **Facebook**. Why would they reactivate or SEE PATIENTS (or properly pre-appoint) if it means that they would work harder for the same pay?

It isn't the world the way we want it to be...HOWEVER, it is the way that it is. Sadly, finding a work ethic in today's employees is very rare. It must be directed & stimulated...by **showing them the money!**

14. Innovative NEW Compensation Approaches Toward Radically Improving Any Associate Doctor's Performance:

Decades of chrisad research, direct from practice DATA & experience points to the fact that INCREASINGLY...the BY FAR most valuable **SUPER PATIENTS**...with the most money & best insurance...will (essentially) **ONLY** come in for hygiene visits



One of many hundreds of examples of an ALL chair, ALL hygiene Saturday or Sunday schedule.

before or after work (or school) on weekdays...& all day Saturdays & Sundays.

However, associate doctors (at least initially!) rarely understand the extraordinary

value of seamlessly checking all chairs...all hygiene...filled with these BEST PATIENTS...weekday mornings, evenings & weekends.

These SUPER PATIENTS will ABSOLUTELY NOT take off work for hygiene...but WILL take off work for restorative care diagnosed during hygiene exams.

We must lead the horse to water. We need to influence & incentivize associates to do things that they may not understand & might object to. However, as they complete these COUNTERINTUITIVE tasks, the associate's personal income...& the income of the practice...will SKYROCKET!

As a long-standing general managerial rule, the more immediately compensation is paid for behavior that we are trying to stimulate...the more likely the desired behavior will occur.

Many...if not MOST... associate doctors tend to INTUITIVELY...BUT in fact DESTRUCTIVELY...perform TOO MUCH RESTORATIVE CARE during prime time periods.

They intuitively view this prime time restorative work as providing immediate compensation to offset the inconvenience tied to working during prime time when they want to be off work...& their spouses, families & friends might want them around. They incorrectly believe that these patients will not come back mid-day, mid-week for their critically important clinical care...so they perform restorative immediately.

HOWEVER...REALLY...by performing restorative during prime time, THESE ASSOCIATES & THE PRACTICE ARE LOSING A TON OF MONEY!

All of this is, unfortunately, confusing & counterintuitive to most associates doctors...(& even some practice owners!!). So they must be trained (conditioned in a PAVLOVIAN SENSE) to be successful.

Again, a well-established fact of dentistry is that wealthier working (or students) patients will NOT take off work for “just a cleaning”...but WILL take off work for the urgent restorative care diagnosed DURING the cleaning.

So cleaning EXAMs come FIRST. Without cleaning exams, there can be little or no restorative, cosmetic or larger cases. So to perform restorative during the same time when the best patients will ONLY come in for their cleanings & exams CLOGS THE SCHEDULE & CHAIRS...thus reducing the amount of restorative diagnosed.

The MATH: Associate Doctors...at first...unwisely tend to want to perform a crown prep during prime time. This occupies a chair for 60-90 minutes...& uses around 30-40 minutes of the associate's time. Let's just say (for example) that this crown is worth \$1,000 to the practice...& \$300 to the associate.

HOWEVER, performing this restorative during prime time ROBS THE ASSOCIATE DOCTOR of the opportunity to check scores of Prime Time BEST PATIENTS!

While this associate is performing the \$1,000 crown prep (net to associate \$300)...he/she SHOULD have been spending that same hour or so performing exams on 4 or 5 -plus cleaning patients that have an average (U.S. average) value of around \$800 each....or \$3,200-\$4,000 (net to the associate \$960-\$1,200...or more!)

Plus, for the associate to jump back & forth from exam to restorative reduces the efficiency & competence of each function...& the physically ABUSED doctor may end up in the hospital with a bad back...or worse!

How to Break Associate Doctors of This INTUITIVE HABIT:

Obviously, associates (at least at first) strain to understand the connection between their personal income tripling...& checking huge, uninterrupted streams of the **best Prime Time SUPER PATIENTS!**

Strict rules, repeated mathematical explanations & tedious micromanagement...& other “reasons WHY” ...can influence the associate to check hygiene patients all mornings, evenings & weekends.

At least for a while.

But how are you, the practice owner or manager...going to micromanage while you are away from the office, relaxing in the BAHAMAS?

FOLLOW THE MONEY: While it's useful to explain "WHY" ...however to get the job done, it usually pays to ALSO throw money into the equation. **We must lead the horse to water! Train associates to be successful.**

We wanted you to be aware of some of the new approaches that many of our **ADVANCED** practices are employing to more rapidly grow their practices while guiding the associate to a **FAR** more productive career.

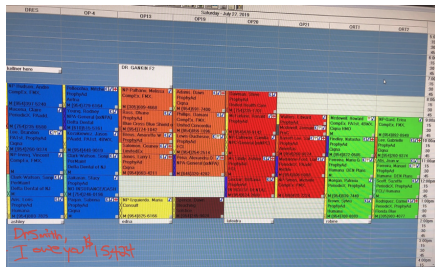
Most of these were invented & pioneered during chrisad's many intensive **SELECT ACADEMY** courses...with most being the ideas of our **BRILLIANT CLIENTS!** (thanks!)

a. PAY THE ASSOCIATE \$50 per each Prime Time Hygiene exam!

With each **PRIME TIME** hygiene exam being worth a much **HIGHER** (appx.) \$1,200 on average...why not pay a

comparatively small amount to ensure that more **Prime Time** exams are actually being

done? Early adapting practices are **VERY** successful with this approach...a few **growing** by **nearly \$2 million a year**. Dollar amounts that practices are using vary from market to market. **\$35 per exam is common**. But like all incentives, they are like an auction: You can only tell that



This brilliant client writes an "IOU" to associate doctor for work accepted, deposit paid & appointment made. See note written on bottom left of the schedule!

the dollar amount you offer is enough if the desirable action is actually stimulated...or not!

- b. **PROVIDE THE ASSOCIATE WITH AN “I.O.U.” at the end of their Prime Time shift!** Here, as the treatment recommendation has been accepted, appointed & deposit paid, the patient is **statistically virtually certain** to complete treatment & pay fully. However to ensure that the associate doctor understands the amount that they will be receiving as a result of all those prime time hygiene checks...& to ensure that they look forward to doing many more...a few leading-edge practices are handing the associate doctor a statement (slip of paper) of how much they will be receiving on their next paycheck as a result of their hygiene exams & case presentations that day. Others write the amount on the bottom of the computer screen (see photo at left). One such practice recently reached the **\$1 million/month** level...on just 12 chairs.
- c. **PAY THE ASSOCIATE THE AMOUNT THEY ARE OWED AT THE END OF THE SHIFT:** Many resist this approach because it is at once unorthodox & somewhat costly/logistically cumbersome to achieve. Still, the more immediate that the compensation is to the behavior that we are trying to stimulate...the more likely the desired behavior will occur. Cash in hand is a pretty big motivator...so this may be worth the hassle. Remember, if an associate checks 30 patients at a (lower than normal) rate of \$500 per exam, this means \$15,000 to the practice & \$4,500 to the associate doctor. While this approach has not yet been proven in practice...**what wouldn't you pay** to regularly

achieve this level of production with one...or even many dozens of associates?

As a general rule, **an associate that is paid MORE will be happier, more productive & stay longer.** Recruitment costs & the costs of downtime costs without associates must be considered. **SAFETY NET:** In all compensation approaches...for associate or other practice staff...if all or some of the projected amounts that are expected to be received do NOT occur, there must be an eventual adjustment made to the associate's paycheck.

PLEASE REMEMBER: We must base our practice future on probabilities...NOT rare exceptions. This is why the majority of practices have learned to NOT make associates wait months for their rewards...& NOT pay associates on the basis of collections...but more immediately, on the basis of production completed.

15. Associates Will Usually Produce at Higher Tiered Levels If Incentivized to Do So:

We Suggest That You Pay Associates a Bigger % The More They Produce...

Make It a GAME!

Update each ASSOCIATE'S PROGRESS DAILY ON A SCOREBOARD!

RANK THEM AGAINST ONE ANOTHER!

IT'S PAVLOVIAN: Like a Bartender or Waitress/Waiter...associates will soon figure out they will earn increasingly more money if they produce more!

Suggested Tiered Associate Pay:

\$0-\$45,000/mo. @ 30% (AVERAGE ASSOCIATE)

\$45,000-\$60,000/mo. @ 33% (only for \$ within this tier)

\$60,000-\$90,000/mo. @ 37% (only for \$ within this tier)

\$90,000 +/mo. @ 50% (only for \$ within this tier)

EXAMPLE: Tiered Pay: (ASSOCIATE's Pay if production is \$100,000 mo.)

\$ 45,000 @ 30% = \$ 15,000.00

\$ 15,000 @ 33% = \$ 4,950.00

\$ 30,000 @ 37% = \$ 11,000.00

\$ 10,000 @ 50% = \$ 5,500.00

▪

\$100,000 \$ 36,450/Month

16. Consider the Extraordinary Cost of Staff Turnover:

What does it REALLY cost to attract, interview & fully train a new employee before they are capable of performing daily tasks at an acceptable level?

How much does staff & doctor turnover distract the owner/doctor(s) from their productive goals? What about the stress & emotional disruption of a short-staffed office? What impression does this leave on the patients? How does this atmosphere affect acceptance, referral & retention?

What about the new employee that ends up not working out that you have to get rid of a week later...then start the hiring process all over?

Do you pay finder's fees to Dental Staffing companies? What does it cost in terms of recruitment marketing & related media to locate new employee leads?

Wouldn't it make more sense to (in the first place) provide an environment where all staff benefit by improving their job skills or performing them at a higher level so they won't quit or get canned?

Why not reward employees more for more optimally adhering to practice protocol...rather than making them work harder for the same pay?

While it is impossible to calculate the accurate average cost for new-employee acquisition & training, I am certain that the TRUE COSTS associated with the hiring & training process FAR exceed the amount paid out by even the most outlandishly lucrative of practice-staff bonus systems!

17. You Should Be Aware of Our Private Chats With Your Staff:

As with most of your patients & the general public... **money is a huge issue** with your staff, but almost always, they **are too proud to admit it**. As we have suggested, our marketing/advertising industry has documented for over a century that...particularly when it comes to money or financial subjects...it is wise to not pay much attention to what individuals say...but to very closely monitor, document & study what they do.

Commonly we'll encounter the snooty & financially independent receptionist or office manager who suggests they are so wealthy & financially secure that a bonus would mean nothing to them.

HOWEVER, when offered such an incentive, these same people work far more diligently than the rest of the staff! Document what they DO. Downplay what they SAY!

When we talk with your staff...in private...with our agreement to keep the discussions anonymous & private...they frequently **angrily** question **why they should work harder to make the “rich doctors” more money...when they don't make a cent more.**

A number of years ago, I recall visiting an office in Texas that was in the process of being purchased by one of our clients. The receptionist didn't know who I was...or what I did. After a few minutes of small talk, I asked her how many new patients the practice had brought in last month. She said, “Last month we brought in seven new patients...but the month before was even better...we added only five.”

These non-incentivized staff commonly don't smile & they don't seem to care. **Accepting new patients is commonly an unwelcome chore for them.**

While they will put on a big show for their employer, in their mind, more new patients & practice growth simply means **more work for the same pay!**

What if your staff received a few extra bucks if they worked a little harder to pick up that phone & appoint at the end of the day...or fill evening or weekend hygiene?

Everybody in the practice must row the boat in the same direction, speak with the same optimal voice...with the same goal in mind...& proportionately benefit when they reach or exceed the practices' growth goals.

Don't worry about picking up pennies while \$1,000 bills fall out of your pocket!

So what if each of your five staff receives a \$1,000 bonus (\$5,000 total) if they worked together to grow the practice by \$30,000+ a month? Isn't that a net \$25,000+ in your pocket that otherwise would not have occurred?

In fact, when we talk with staff in private about bonuses & incentives, **ALMOST ALWAYS**, their eyes light up.

Change is never easy...but a great incentive system can ease the pain! Our marketing approaches usually ask our clients' staff to make a great many necessary...but unpopular & uncomfortable changes.

A great incentive system can grease the wheels of practice success!

For example, before & after work or weekend hours allow the wealthiest local patients to flood into your office & accept care without the extreme expense & inconvenience of taking off work.

On the other hand, this leads to a number of staff personal inconveniences.

They will tell us in private (for instance) about how their spouse is now unemployed & they have trouble getting their child to school if they come in to work earlier than 9am.

As these once inconvenient changes are seen as leading to a greater bonus...the evolutionary process occurs with much less resistance.

In another example, we frequently ask staff to suggest to the patient how great the patient's insurance is...when the staff member may in fact **absolutely hate insurance companies**. This great incentive system helps facilitate these optimal communication upgrades.

The likelihood of staff burnout is significantly reduced when staff are proportionately rewarded for effort & hard work.

It is like a ray of sunshine! Almost always, the numbers go up...& the staff's smiles come back...as they (along with the practice owner) become the financial beneficiaries of their enhanced focus, dedication & hard work.

18. The Patient-Perception Dangers of Your Incentive System:

We must work to avoid the patient's perception of money focus!

There is absolute danger in a practice that is perceived by patients to be money-focused, using high-pressure sales approaches...for instance! There is a very real risk that a bonus system can cause in-practice divisiveness.

Our remedy? Repeatedly train staff in the principle that most financial gains don't come from a money focus...but rather are a direct result of a patient-care focus.

Remember that hygiene fill level-based incentives are not sales incentives. They just reward staff for getting the best patients in the chair...NOT SELLING THEM CLINICAL PROCEDURES!

19. This Above Great Rolling Average Incentive Systems & Other Incentives Are Perhaps the Best Practice Manager!

Your bonus system should be a great management instrument...as well as an outstanding staff-stimulation device! In addition to stimulating the staff toward more positive, focused action, the properly configured incentive system provides a strong backbone for immediate & accurate practice statistical analysis...from your office computer...or while sitting in the Bahamas.

It is no coincidence that the three elements providing the backbone for this viable Rolling Average incentive plan are also the most important statistical indices that management & doctors must use to optimally manage their practice!

In essence, the better your bonus system is...the less you have to manage! It is also the case that the stronger the bonus system is, the less reliance the practice has on a general manager or office manager.

The more your bonus/incentive structure stimulates key, fundamental growth & security components, the more you can rest assured that your staff is doing what it takes to achieve your common practice-growth goals.

If your staff stimulates 30% growth this year, you should feel very good about paying them a healthy percentage of that growth! This

Rolling Average system automatically rewards them...& automatically raises the bar.

But remember, without this incentive, the growth probably would not have occurred! If it doesn't occur, you don't have to pay them!

Your office becomes focused, invigorated & self-directed...& you will have a greater level of peace of mind while you are away from the practice for a day, week or year.

With this strong Rolling Average bonus/incentive system, staff needs to be managed less, will automatically focus on the same goals as you have, & will achieve established common goals without you (or an office manager) needing to babysit & watch staff every day!

In short, everybody in the office is on the same page...& works together as more of a team. They all row the boat in the same direction! When you win...they win! When they win...you win! It's only fair!

20. USE DRAMA to Your Advantage! Make Sure Doctors, Hygienists & Staff KNOW They Received Their BONUS!

As we have mentioned above, another problem with incentives is that, when buried in a confusing & complex paycheck, deserving employees don't know that they have earned & been paid their incentive!!!

If employees don't realize they have received a reward, how can we expect that reward to drive positive behavior???

Many practices have taken extra steps to ensure that employees understand how much of a bonus they have received. It pays to be a bit dramatic. Some pay the bonus in CASH! (of course they paid all necessary taxes & so forth!!).

Others insert a note in the paycheck envelope outlining the amount paid & why! Others hand out checks by hand directly to the deserving employee during company meetings.

MAKE SURE THEY KNOW they received their bonus!!!!!!!

21. Examples of When You Need an Incentive System

The most common & urgent situation when an incentive system is needed is where a practice (or part thereof) is stagnant or declining...& morale is low...without regard to the management systems or marketing being initiated...& has a significant turnover problem.

The simple & proven viable Rolling Average bonus system outlined in this paper can very predictably JOLT a stagnant or complacent practice out of its slumber!

In these cases, the practice (or part of a practice) has simply run out of gas or has fallen into a rut & simply needs a jump-start to get out of the production, new-patient or hygiene-retention (or other) level they are at.

In many practices over the years, we have experienced what appears to be glass ceilings of practice stagnation! By this we mean that one or more areas of the practice new-patient or production growth levels are immobile or declining...over months or years...with no seemingly apparent explanation. As this Rolling Average system is installed in your practice, the staff usually promptly breaks through the glass ceiling.

The Doctor-Owner...& even staff...usually never determine what the glass ceiling or impediment was. However, it really doesn't matter as long as the incentive system keeps the (likely) sub-psychological roadblock from reoccurring!

The Rolling Average system is also integral to a situation where the senior doctor-owner (for instance) is intending to step away from the practice more. It creates an environment where the practice tends to better manage itself without daily managerial oversight.

Also, frequently the staff is simply physically &/or psychologically burnt out & requires improved focus & related incentives to make the changes that will allow them to catapult your practice...as a team...to the next level. Your Rolling Average incentive system will help! What do you have to lose?

Problems That Can Be Fixed With Optimal Incentive Systems:

- Staff that Block or empty out prime time hygiene
- Front desk that fail to offer open after work or weekend appointments
- Associate doctors who tend to want to perform restorative during prime time hygiene periods
- Hygienists that tend to sit around & seemingly don't care when there are no patients in the schedule
- Staff that manipulate the schedule so that they can leave early weekends & evenings
- & MUCH MORE!

22. Why Pay Your Entire Staff This Bonus?

Bonuses that are only paid to certain individuals or departments could be divisive & should be used with caution. We want everybody to row the boat in the same direction!

For instance, if the front office only gets a new-patient bonus, what incentive does the assistant staff have to pick up the phone & appoint the potential new patient calling in? Without a bonus flowing to them for a particular action, some staff may feel slighted...& in fact, not care to act!

In fact, they may view picking up the phone as more work for no more PAY!

For that reason, the entire staff should be rewarded using either of the whole practice Rolling Average bonus systems described above.

A hygiene-recall (or fill level) bonus that includes assistants, front desk & other staff members will stimulate those key staff members to properly pre appoint (100% pre-appointed...80% of these into prime time) reinforce how important it is for the new patient to come back at six months & tell them how much they are looking forward to seeing them.

Yes, you can establish side bonuses in specific areas that need attention...& there are some practices that confidentially pay some departments or individuals a higher amount for the same overall accomplishment...but the main thrust of the best system must be to keep everybody on the same page & have a common bonus...& row the boat in the same direction toward a higher goal!

DANGER: What About Employees Who Work Part-Time?

Watch out for nickel & diming employees!! **This is the area where so many incentive plans fall apart as a result of overly complex formulas!** So how do you ethically account for some of your staff who are part-time or who have been on vacation?

While a number of complex formulas exactly allocate the bonus in proportion to the amount of hours worked during the given pay period, if your staff does not understand the computation...or the effect it will have on their pay at the end of the month...it cannot possibly excite, stimulate or motivate them toward the desired result! **THEY WILL FAIL!!**

RECOMMENDATION: The solution is to keep it simple & not worry about the pennies!

Remember, we must take good care of our staff & keep them happy! Aside from ethical considerations, your staff interacts perhaps 20 times more frequently with patients than most doctor-owners! Treat them the same way you want your patients treated when you leave the room!

These Rolling Average incentive systems will stimulate & reward a positive change in staff behavior that without the system...would not have occurred.

Remember, it is only paid AFTER the practice grows...& the total of all bonuses paid usually will not exceed 10% or so of only the increased amount (not total production)!

Keep it simple! Here too, we must make it easy on the staff...so that they will make it easy on you! Many suggest paying 50% of the incremental bonus to employees who normally work 50% of the full pay period or less...& 100% of the bonus to those who work 50% of the normal pay period or more!

That's fine...not too complex. But I would err on the side of less complexity & tentatively simply suck it up & pay part-time

employees the same bonus as full-time employees. I would want to motivate part timers to do a better job!

HOWEVER, if this resulted in too much whining by full timers...I'd move to the above 50% or less part time method of compensation.

If they go on a normal vacation, they should receive 100% of the incentive. If for some reason they are on an extended leave, you may...at your discretion...want to suspend the bonus. Here & in all cases suggested in this paper, be sure to check with local human resources laws...particularly in the case of maternity leave.

Please remember to err on the side of paying out more in bonuses rather than less! Don't be cheap! It will ruin morale & cost you 100x more than the pennies you think you are saving!

You may want to adjust the 50% definition of full-time...versus part-time...employees slightly on a case-by-case basis. But make a rule, make it fair...& apply it across the board!

23. The Acid Test for an Ineffective Incentive Plan:

As we have touched on, your staff needs to understand your incentive system...& know how they stand in the game...each & every day...if they are going to play to win! They must understand what is going on & know what the score is every minute of the game so that they know where & when to place the emphasis!

They all must be rowing the boat toward the same goals...& as a result regularly receive their bonuses! Here's how to determine if your current incentive system is in need of the upgrades we are suggesting in this paper:

Ask Staff to Explain the Bonus Plan in a Nutshell! Ask a random staff member to briefly explain their practice bonus system to you. If they can't do so...or can't explain it to you in a sentence or two, your system is probably too complex & needs to be simplified. If they don't understand it, they cannot possibly get behind it...nor be adequately stimulated by it.

Randomly Ask Staff How They Are Progressing Toward Their Monthly Bonus Goal. Ask a random staff member how the practice is progressing toward its incentive-based goals for the month. Perform this at a place in the office where the person being questioned cannot see any bonus/progress charts. If they cannot tell you generally how they are doing toward their month-end goal, they cannot possibly be working toward the goal or be stimulated by it! This means that the current system is either too complex & not easily understood, the data is unavailable/not visible...or you have a (very rare) wealthy or terminally stupid staff member who simply doesn't care! You need to make sure that daily progress is visible...usually via a large & simple (hourly or daily updated) video screen or chart in the lunchroom. (Remember: in the case where you have staff that doesn't care, they are usually spat out by other team players.)

Staff Must Receive a Bonus at Least Once Within the Past Three Months! If your staff hasn't received their bonus during at least one of the past three months, the goals are inherently too high...or the staff was not properly trained as to how to achieve the bonus. Or, as is commonly the case, the practice owner failed to add the sufficient patient processing staff needed to achieve the bonus. All this can be very demoralizing & actually VERY counterproductive!

If your current plan fails in one of the three above areas, it could be doing more harm than good! Get rid of it & upgrade it in accord with the Rolling Average recommendations outlined herein!

The beauty of the Rolling Average system that we are suggesting in this paper is that it is always inherently attainable...while it cushions the positive or negative impact of each month's goal. Because it averages the periodic highs & lows of the practice, it never sets a goal that is drastic, unreasonable or unattainable!

Staff is inherently never asked to exceed a goal that has not been attained in the recent past...over the previous three months!

Finally, the "greedy" doctor-owner is not involved in the goal-setting process: The goal is determined by the past actions of the staff!

24. Is It a Bad Seed Employee...or the Same Employee Who, If Compensated OPTIMALLY, Would Be Your Star?

Please open your mind to a new way of thinking! **Employee behavior can be TRANSITIONAL.** They can behave BETTER if trained & incentivized to do so. If managed & compensated differently, how many weak employees could be cultivated & transformed into happy & productive, long-term team members? Is the problem with the teacher...or with the student?

Unfortunately, too many of our clients tend to hire the employee at the lowest compensation rate possible...work them to death...& are surprised when they leave.

The process can become like a hamster wheel of repeated heartache & disruption. They unwisely expect there to be a work ethic!

The doctor-owner or manager will typically complain about this individual staff person's behavior in the weeks before they leave

⌘ will frequently define them as a loser or similar. But what if the bad seed knew they would receive ever-increasing pay if they helped the practice grow? Would the outcome have been different?

What about your trusted ⌘ wonderful long-term office manager or receptionist who has (likely deceptively) been keeping your office relatively stable for the past decade? She wears nice clothes, has good manners, comes from a respected local family...⌘ the patients love her! She too may have also suggested she is financially set.

But isn't it also the case that your office attracted 600 new patients last year...which should have required your adding another full-time hygienist THIS YEAR...but in fact your hygiene hours this year are the same...or fewer?

What if she were paid more as the hygiene portion of the practice fluidly grew in terms of hygiene appointments added ⌘ filled? Would she need to be constantly reminded to call patients you haven't seen in a while to fill hygiene?

As we have suggested, (unfortunately) the key to practice success has very little to do with relative clinical superiority...⌘ a huge amount to do with how the practice is managed for success. Please remember, you can assume that your staff is commonly embarrassed...or afraid to lose their job...if they suggest that they want...or need...more money!

There are a number of key ⌘ fundamental components to managerial excellence. Chrisad ⌘ various academics have promulgated each...ad nauseum:

Treat Your Employees With Courtesy ⌘ Respect: Please treat your staff the same way you want them to treat your patients. Your combined staff usually has more than 20x the

contact with patients than you...the doctor-owner! Again, treat employees the way that you want your patients treated!

Measure Key Practice Stats: If you can't statistically measure it...you really can't manage it! Don't guess! Get to the heart of the key components of your practice by collecting true & objective numbers. Again, to quote Henry Kissinger, "Trust but verify!" **Trust what staff says is occurring in your practice...but always verify statistically that it is in fact occurring!**

Pay Staff in Proportion to Their Causing the Practice to Grow: Initiate & utilize an easily understandable, performance-based staff Rolling Average bonus system that rewards everybody in the office...but only as they help the practice grow & prosper beyond recent levels.

The point here is that if you are rotten to your employees & are a generally bad manager (particularly in the area of statistics)...your new incentive system might help...but not as much as it would if the practice were optimally managed!

Please remember that, similarly, even chrisad marketing cannot surmount what the patient-consumer views as a closed door...or a "rat" on the operatory floor!

If you are churning through 2-3 hygienists or other staff per year, new-patient flow is stuck at about the same level from year to year...or you have the same number of hygienists (or fewer!) this year as you had three years ago...the bonus system outlined for you in this paper will likely help solve the problem.

Remember, employee turnover is extremely disruptive & is very, very expensive! Staff will rarely openly beg you to give them an incentive system. But when this incentive variable is inserted into the practice, it is like a switch is being turned on in your practice.

You'll care for more patients more enjoyably...while the staff will personally prosper in direct proportion to their dedication to the growth & welfare of the patients...& the practice!

Will your bad seed employee be transformed? The answer is likely a resounding "yes"...but the only way to find out is to adhere to our suggestions & implement the incentive system in your practice right away!

25. An Excellent, Long-Proven Manager's Incentive...Proven at chrisad...& in Many Client Offices

Everyone in the office must row the boat in the same direction...& managers must be even more aggressively & lucratively rewarded for ensuring that the boat stays the course & avoids rough waters.

With this long-proven managerial incentive system, the manager is ensured a raise into the future for every annualized percentage of growth that the business/practice achieves. This goes on forever...and it doesn't matter if the manager is paid (for example) \$400,000 if he or she drove your practice to \$20 million a year.

Please remember, this would likely not have occurred had it not been for the incentive system!

The amount paid is up to you. Again. It's like an auction! It needs to be meaningful & juicy...& foreseeable for the manager. It can't break your bank. Every practice situation is different.

The example agreement below is from chrisad. It has been used successfully by us for 25 years. It is also used by a number of

clients. It is at least partially (probably more) responsible for chrisad's 3-4x growth over the past couple decades.

As with ALL incentive systems, the only REAL flaw is when the manager is paid TOO MUCH (the amount varies by individual) that they get TOO FAT & HAPPY...& would rather sit around the country club drinking MINT JULEPS all day than driving your practice ahead!

SEE OPTIMAL MANAGER's INCENTIVE SYSTEM:



Confidential chrisad Manager's Annualized "Tiered" Base Pay Compensation Increases Based on chrisad Percentage of Growth

manager name: _____ effective date: _____

version 4 5-17-23

author: john christensen

The overall intent of this document is to provide ethical & equitable chrisad Manager's compensation & enhanced prosperity in direct proportion to the impact that the designated Manager has made on the company by WORKING TOGETHER...ALONG WITH other managers. The simplest & best...albeit not perfect...basis by which to provide this compensation is on the basis of overall gross cash receipt INCREASES from ALL chrisad companies in all nations...versus the same period a year earlier.

This plan is designed to reward Managers for working together as a team with others at chrisad, taking initiative, continually learning, innovating, improving & upgrading their approaches & methodologies...& generally doing "*whatever it takes*" to work together to help our clients & our company grow.

This will also replace any & all past or *future* traditional & arbitrary "*percentage raises*" given the manager on an annual basis & if applicable the Manager's past quarterly growth bonus plan.

Specifically, the plan is intended to provide chrisad Managers with base pay raises in proportion to the increase of % gross cash receipts collected by the company over a given 12 month period. While the Manager's monthly compensation will be assigned & paid on the basis of the full previous month's most recent rate of growth...the annual rate of pay increase will be compiled & adjusted into perpetuity at the anniversary of January for each year.

IMPORTANT: All managers must pay **VERY** close attention to net profit in the company. The following compensation amounts assume that chrisad maintains 10% or greater net profit level fiscal year to date. This is within the general range where chrisad has been operating. Net Profit is defined as total revenues minus the cost of goods sold & overhead expenses. Should profitability drop below these levels, (at the discretion of owners) there will be no (\$0) incentive paid for that month & this \$0 will be included in the year-end annualized compilation. In these calculations, Michael Gilbert CPA will be the final arbiter.

Please note that in the case that chrisad's total gross receipts declines versus previous month & year, there will be negative monthly adjustments to manager's compensation.

As is the case with all incentives, while this system has been in broad use for over 2 decades...this is still somewhat experimental & as such may not yet be perfect. And please understand that while no such upgrade is intended or foreseeable, at owner's discretion, this plan can be modified or be withdrawn at any time & for any reason.

This plan is PAID 1/12 MONTHLY & is governed by the following MONTHLY company year over year growth tiers:

- Tier 1 (1-5% GROWTH) = \$2,000.00 per 1% of annualized growth paid monthly
- Tier 2 (5.01-10% GROWTH) = \$4,000.00 per 1% of annualized growth paid monthly
- Tier 3 (10.01+% GROWTH) = \$8,000.00 per 1% of annualized growth paid monthly

- Tier 4 (.01%-3% DECLINE) = - \$2,000 deducted from base pay per 1% of annualized decline
- Tier 5 (3.01-5% DECLINE) = \$4,000 deducted from base pay per 1% of annualized decline
- Tier 6 (5.01+ DECLINE) = \$8,000 deducted from base pay per 1% of annualized decline

For all amounts above, the compensation is paid at the rate noted for amounts with the given tier. For instance, if growth is 9%, only the 4% above the 5% are paid at the \$4,000 level.

Example GROWTH REWARD Scenario: Compensation Assuming Year 1 BASE Salary of \$100,000/Year:

- EXAMPLE: One-Month Rate of chrisad Growth (During Previous Month): 7%
- Manager's Year 1 Full Month Base Paycheck is : \$8,333.33/month @ \$100,000 per year.
(Example number is without taxes deducted. Equates to 1/12 of \$100,000 annual base salary).
- With 7% monthly growth, manager receives \$10,000 for 1-5% tier. (5% @ \$2,000 per 1%)
- Here, 2% of the growth is within the \$4,000 tier... so manager receives \$8,000 (\$4,000 per 1%)
- So the total paid the following month is 1/12 of \$18,000.
- To calculate monthly incentive payment, the total incentive amount of \$18,000 is divided by 12 mos. to equate to \$1,500 monthly incentive payments paid during the month after the growth occurred.
- Manager's Monthly Paycheck Including Previous Month's Incentive Payment: \$9,833.33
(\$8,333.33/month base salary PLUS monthly incentive payment of \$1,500).

IMPORTANT NOTES: Annualized base salary will be adjusted effective January 1 of each year based upon previous year's annual growth performance. This past year's total amount paid (BASE PLUS INCENTIVES) will form the basis for the FOLLWING YEAR'S NEW BASE PAY!

Amounts will be calculated within two decimal places. For example, if the average growth rate equated to 7% during Year 1, then NEW annual base salary for Year 2 would be increased to from \$100,000 to \$118,000. Any of the above growth tiers achieved in year 2 will be paid ON TOP OF the new base of \$118,000.

manager's year #1 annual base bay: \$ _____

I have read and understand this Agreement:

manager's signature _____ date _____

26. If Your Incentive System Falters, Please Don't Give Up...Fix It!

There is a tendency for practices to simply give up on bonus/incentive systems if they don't work out during the first try. Please don't give up so easily! Fix the problem! Get rid of the bug! If you are stuck, PLEASE give us a call! As always, we'll do whatever it takes to help.

Again, please trust us when we tell you that nothing worth having ever comes easy. There is no free lunch! Nothing is perfect...nor ever will be. However, having a viable practice bonus system in place is certainly a goal worth striving for.

A workable incentive system is an integral part of the largest & most successful businesses in the world. It is a permanent & essential part of any successful dental practice.

As you implement & achieve your Rolling Average or other bonus system, much of the management responsibility will be taken off your back & placed where it belongs...with the people in your office who can make the elements related to production happen.

Please view managing & continually fine-tuning your incentive system as a long-term process! While the above Rolling Average incentive systems are currently the best known & most extensively proven approaches...you may need to modify & upgrade your system as time goes on...or as various practice dynamics or marketplace evolutionary situations dictate!

Yes, your staff will try to defeat the intent of your system by manipulating the system to trigger more money for them. They are only human!

While we have uncovered & defeated dozens of these manipulations through the years...& while these simple &

transparent Rolling Average systems have not been compromised...there may be future staff manipulations we have not yet neutralized!

Don't get mad...but do take prompt action! Simply modify the system so the rip-off never occurs again! Again, this is an opportunity to use money as an ethical & positive motivation tool in order to achieve un-envisioned practice growth & security.

Remember, with this bonus system that **pays only on the basis of increases**, unless you really screw it up, the money will be paid out as a small portion of an increase that you would not have otherwise enjoyed!

It is worth the work! For you as the owner, it means less management, less stress & more production...whether you are there or not!

While no incentive system is perfect, this approach should slow the alarming number of self-serving staff that will break practice rules & unilaterally adjust practice protocol just to make life easy for them.

Remember: We've documented hundreds of cases where staff will tell patients the office is closed...when the doctor believed it was open! Could something far more subtle be happening in your office? Do you ever wonder what happens to your end-of-day endo calls? But what if they made more money for following the practice rules?

Please beware! As we mentioned above, one huge surprise & disappointment we've encountered over the past decade or so is this: Management must continually monitor & measure staff & general practice-growth progress. Doctor-owners (& chrisad) must train & re-train to ensure they are doing what it takes to allow staff to earn a significantly larger paycheck!

Once this great Rolling Average incentive system is in place, it can stall out due to lack of staff training...but more commonly, the doctor-owner's failure to add hygiene, staff, doctor or operatory capacity that would have allowed the practice to continue to grow...with all staff continuously receiving bonuses.

Also, if chrisad-recommended patient-communication touch points are not optimal (as indicated by poor Secret Shopper calls), the system will similarly falter.

The great Rolling Average incentive system is an ethically correct way of stimulating & rewarding positive staff behavior...when the manager or doctor-owner is away!

If everybody in your office fails to row the boat in the same direction, it is less likely that you will grow much larger! In the absence of a strong incentive system, typically you'll end up rowing your boat around in circles...& go nowhere!

Please remember, your great staff incentive system must be so simple that everybody in your office understands it, can explain it in a sentence or two...& all staff know exactly where they stand regarding their upcoming bonus on a daily basis.

It must be instantly understandable via break room charts (updated daily!) so that staff can immediately predict & project exactly how much more they'll make at the end of the month!

This Rolling Average system passes or exceeds all of the above tests! Please begin implementing this outstanding system in your practice right away! It is the right thing to do...& will stimulate enjoyable & "automatic" growth...as well unimagined prosperity...that otherwise likely would not have occurred. jc