

# IMPLANT PRACTICE SUCCESS REPORT

from Thommen Medical and Levin Group



Welcome to ***The Implant Practice Success Report***, a monthly newsletter on implant practice success. Levin Group and Thommen Medical are very pleased to provide business education to you and your team. Each month, ***The Implant Practice Success Report*** will feature leading edge education for managing, marketing, and maintaining a robust and successful implant practice.

In this issue, we focus on creating the right bonus systems for your practice and the importance of timing in decision making.

# Is Your Bonus System Working?

By Roger P. Levin, DDS

Bonuses are a powerful way to focus the entire team and achieve goals. However, there are some pitfalls that need to be avoided that can have the opposite intended effect, which is demoralizing the team and missing goals. Here are several examples to consider:

**Scenario #1:** A specialty practice in Missouri had seven different types of bonuses that the team could achieve. In a meeting with team members, it quickly became apparent that they had basically given up trying to keep track of them and simply waited until the end of each 90-day period to find out what they would get.

The downside: Too many bonuses can cause a team to become overwhelmed and unfocused. Even though the team members felt positively about the seven goals tied to the bonuses, they could not keep track of them and simply reverted to doing their basic jobs. Furthermore, there was no push to achieve goals when they were close because they did not even know where they stood.

**Scenario #2:** A specialty practice in Southern California had an excellent bonus program but it was focused on a certain number of implant cases. The challenge was that most of the team had no role in the referral process or in determining what patients qualified for implants.

The downside: The team was more than happy to support the idea of increasing the number of implant cases; however, since most of the team felt that they had almost no role in this process or achieving the goal, they quickly forgot about it and paid no attention to it. Ironically, several large bonuses were paid to the team, but this did nothing to increase their day-to-day activity around increasing implant cases.

**Scenario #3:** A specialty practice in New Jersey had a bonus based on monthly growth. For the first few months, the team was extremely energized and received bonuses which spurred on-going excitement, but only for a short time. As the monthly production goal kept growing based on the previous months, bonuses became continually harder to achieve and then not achievable at all. The team had discussions about how unfair the bonus was, as they had earlier received it and began to think of it as part of their compensation. This led to negative feelings on the part of the team, with one team member even commenting: "I'm only going to do what I'm paid to do because they have already reduced my salary."

The downside: A bonus, even one that is initially achieved by the team, can become demoralizing if it's not designed in the right

way. Once team members receive bonuses early in a process on a regular basis, they often begin to think of it as part of their regular compensation. When they don't achieve the bonus, it's no longer thought of as extra compensation for achieving a goal as much as loss of income. This bonus was designed poorly in that the team could not push forward to increase monthly production and at some point, the bonus was going to become a negative factor.

**Scenario #4:** A specialty practice in Michigan assigned different bonuses to different team members based on different goals. Some team members would get bonuses and others wouldn't. Some never actually received a bonus at all over the course of the first 12 months. The team members that did not receive bonuses thought of their assigned goals as unfair and unachievable and two of the team members left the practice feeling like they were being cheated.

The downside: The goal of a bonus is to promote teamwork, team cooperation, and team harmony. A bonus that is different for team members has the opposite effect. If a practice wants certain team members to perform at certain levels for certain goals, it should include that as a commission in that team member's annual compensation package and not as a stated bonus that is posted and shared with the rest of the team. When some team members receive bonuses that aren't part of their compensation package, it tends to create team disharmony rather than teamwork.

## Summary

Bonuses can be powerful when designed in the right way. An effective bonus must focus on the exact goals the practice wants to achieve, promotion of teamwork and focusing the team to come together. Finally, the bonus must be consistently achievable so even if it's missed periodically, it remains an incentive and not a demoralizing team scenario.

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## ROGER P. LEVIN, DDS

*Roger P. Levin, DDS is the CEO and Founder of Levin Group, a leading practice management consulting firm that has worked with over 30,000 practices to increase production. A recognized expert on dental practice management and marketing, he has written 67 books and over 4,000 articles and regularly presents seminars in the U.S. and around the world.*

# When is Too Late?

By Roger P. Levin, DDS

Many specialists have had the experience of knowing things they should have done that would have financially benefited them if only they had done them at the original time. A first example could be the stock market or certain stocks. You probably had a sense that it was time to buy or sell, but waited and by the time you did it was too late.

A second example could be real estate. Many people have known that certain areas were about to improve and if only they had bought real estate when it was inexpensive, they could've made a fortune. By the time they felt comfortable and ready, it was already too late.

A third example many specialists have mentioned is that there's a lot of money to be made (or lost) in cryptocurrency, and that they should be buying now. If they aren't and if it turns out to be the next great thing, it will be too late.

These are all understandable positions. I personally suggest to most specialists that they remain conservative and not lose money. Most specialists have worked too hard to accumulate income in savings to risk it on uncertain and highly variable decisions.

Keep in mind that none of this is meant to be financial advice. I just wanted to illustrate that there is one area in specialty practice operations where you don't want to wait too long and find out it's too late to experience success: referral marketing. I have had many specialists who ended up just fine, but lost years of higher production and income by waiting to build better relationships with referring doctors.

Fortunately, unlike stocks, real estate, or cryptocurrency, jumping into referral marketing isn't risky and can only benefit a specialty practice, but you can't wait too long. If you do, you'll have to work harder and spend more to make up the time lost. The good news is that you might be able to make it up, but the bad news is that you have lost potential income and savings during the interim.

At Levin Group, we like the kind of bet where you can almost never lose. In this case, we would suggest that the house odds on referral marketing are that you will win 99% of the time. Short of a negative or catastrophic event, referral marketing is an amazing science that increases referrals gradually over time as well as new referral sources. The question is not whether you should be engaging in referral marketing, but whether you're waiting too long. Marketing is always one of those actions that can be put off, even though everyone would agree it's one of the primary drivers of specialty practice success.

The next time you hear about a great stock or think the stock market is going to rise or fall, take a breath and be careful. The next time you see an area where you know that real estate is going to become more valuable, take a breath and be careful. With all the news, commercials, and excitement around cryptocurrency, take a breath and be careful. With referral marketing, you don't need to take a breath and you don't have to be careful. Just follow the science on referral marketing and the right way to implement a program and you probably have 99% odds of success. If you are in the 1% that is not successful with referral marketing, then you may need to challenge your specialty practice marketing model.

So, will you wait too long?

To contact Dr. Levin or to join the 40,000 dental professionals who receive his Practice Production Tip of the Day,

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