



Perfecting Your Practice podcast

EPISODE 32: Survey Says...Results of BHG's National Dentist Study

- Chris P.: Welcome to Perfecting Your Practice, where we believe in a 360-degree approach to your success as a healthcare professional. I'm your host, Chris Panebianco, Chief Marketing Officer at Bankers Healthcare Group.
- Chris P.: Welcome to the show. Today we're talking dentists. The field of dentistry has experienced a lot of change over the years, and BHG has been hand in hand with dental practitioners since 2001. One thing we've noticed, as I mentioned, it's an ever evolving practice. And what we decided is that we needed to get smarter. So BHG brought on Melody Williams, who is our guest today. We brought her on to run our Market Research Department. She's got years of experience at a much larger research firm. And she came on and first thing she sat down and said is, "what do we want to know?" So as we all stared across the table at each other, trying to figure out what we wanted to know, Melody was very good in crafting our strategy and really making BHG smarter. So Melody, welcome to the show.
- Melody Williams: Thank you. Thank you very much.
- Chris P.: So, BHG has worked with healthcare professionals of all specialties since 2001, and we've done a lot of business. We've done over \$4 billion in financial solutions. And along the way, we've surveyed our customers about their experience with BHG. We've attended industry seminars, and we've had great partnerships within the dental industry, within the medical industry, from associations to vendors to large DSOs. And we've learned something along the way. But when you came onboard, it brought something to light, that we really didn't understand the ins and outs of what the modern dental practitioner was going through, whether they owned a practice or not. So your methodology and your experience lent very well to what we were trying to understand.
- Chris P.: Can you explain for our listeners the whole why behind market research and kind of tell us a little bit about your background and your experience going out and researching industries and then your experience coming into BHG and taking on this tall task?
- Melody Williams: Yeah, absolutely. So my background is with a research vendor. I was with a vendor for about five years. And that gave me the opportunity to work with a large variety of different clients, from major telecom providers to healthcare and nonprofit, different technologies, different industries. And really the work that I did there spanned B2B, B2C, everything you could think of. But it's so inspiring because you really get the chance to ask those unfiltered, unbiased



questions to the audience that you want to learn from. And that's exactly what we did with the dentist research.

Melody Williams: So the dentist research gave us the opportunity to go to dentists without the name overhead, without any motives or objectives other than just learning. So we started this off with a series of focus groups where we gathered dentists, dentists who owned practices versus not, in small rooms and just opened up about what it is that's on their mind. Why did they become a dentist? What inspires them? What are the things that are on their minds, their concerns? What are their plans for the future?

Melody Williams: And then we took that information. We really learned as much as we could from a breadth perspective, and really diving deep into what makes dentists' tick. And then we moved into the second phase of our study, which was a large national survey of 413 dentists representative of practice ownership, age, gender, specialty, years experience, so we could start to put some numbers behind this and really get a quantifiable view of what are the top concerns, what are the things that are most prominent with these dentists? What plans are really rising to the top for things that we should expect to see from our dentists in the next few years.

Chris P.: Can you explain for our audience the difference between qualitative and quantitative? They are two very big buzzwords that people will say whenever you talk research.

Melody Williams: Yes, absolutely. So qualitative, we can relate that to any conversation that you have. It's not structured beyond maybe an intended outline. You just open up and you have a conversation, you follow any topics that come up and learn from that conversation. Whereas quantitative is like a survey. So you have a question that is asked the same way, in the same order to every individual, so there's no bias involved, there's nothing leading. It's much more structured so that you can say confidently x percent of people responded this way to this exact question.

Chris P.: And to my understanding, we took the qualitative feedback to shape what we asked in the quantitative survey.

Melody Williams: Yeah, absolutely. So it's very common for us to start any study with a qualitative beginning, whether it's focus groups, telephone interviews, in-person interviews. So you can start to really understand what questions do you need to be asking in the first place and what's on their minds. And then you take that and you structure it into a shorter, condensed question format that you can then poll a larger audience with.

Chris P.: It's not as easy as you might think. So, Melody, what were the big takeaways? I think people are dying to know. As my dentist, when I told them what we were



doing, they were very interested in not so much the mechanics, but they want to know the results. Can I get a copy, oh you know, what'd you guys find out? So what were the big takeaways that you saw?

Melody Williams: Yeah. So we thought that by and large, dentists are getting into the field because they love their patients. They love the relationships that they're building. They love to see how they can help their patients. But with that comes a whole slew of concerns. There's days that are extremely challenging for them. Things have been getting more and more complicated as the years have gone by. They are seeing increased concerns with the reimbursement rates that they're getting with the healthcare programs as things tighten up. They're concerned about how that's going to impact their revenue. So with the declining reimbursement rates, they are working just as hard to earn fewer dollars or having to work even harder to earn the same amount. And how does that impact patient care, and how can they continue to give the care that they want to give to a patient while running a business and staying afloat and following all these guidelines that they have to follow.

Chris P.: I noticed too that collections has become a big word. These are dentists, not collections professionals. Can you talk me through that?

Melody Williams: Yeah, absolutely. So in our survey we actually had ... that was the most widespread concern was patient's ability to pay. We had 88% of dentists say that this is a concern for them, and it is becoming more and more challenging. We're seeing patient responsibilities increasing year over year significant amounts. And that's becoming challenging for dentists to collect. They didn't come into the industry to be business people or debt collectors. They came in to treat, and now they're having to do more and more and more to get reimbursed for the treatment that they're giving.

Chris P.: Sounds to me like managing your practice as a business is a big concern. There's a lot more to that than just collections. Can you walk us through other things you've found?

Melody Williams: Yeah, yeah. So in the beginning of their careers, dentists are going to dental school, they're paying all this money to get this education to get them started, and they're feeling a lot of times like they're not getting the business side that's needed. This business side of a dental practice has become something that's grown to be more prominent in more recent years. And it's a trend that's evolving in the industry. This need to learn about how to run a business, what things to prioritize, we're seeing it become more common with our younger dentists, especially focusing on marketing plans. We saw 30% of dentists who are actually already investing in expanding their marketing, with another half who have plans to do that in the next couple of years.



Melody Williams: It's a trend that's on their mind a lot. How do I compete? There's a saturation of the industry in many cities with many, many practices and DSOs opening up, corporate dentistry. And they need to find ways to differentiate themselves to keep their patients coming back to the same practice. We even heard mentioned in our focus group discussions about patients shopping around even. You know, it used to be that you went back every six months to your same dentist, you brought your kids, your kids brought their kids. It was a multi-generational thing. Now it seems with the newer millennial generation, if you will, that's very tech-focused, it's time for a cleaning, they go, they look online, they pick whoever's available they're in, they're out. And the same cycle starts again the following six months. So they're thinking about ways that they can combat that.

Chris P.: And reviews online aren't helping any.

Melody Williams: Right. So the online presence is something that has been coming up and another area where dentists are feeling a little under armed, by and large. They don't know what reviews they should be responding to, how they manage that, how they ask patients to give a good review so that they can start to build that reputation.

Chris P.: Along with managing their practice, you touched on competitions in DSOs. Can you explain to the listeners that don't know what a DSO is what is a DSO, and secondly, what is the concern?

Melody Williams: All right, so a DSO is a dental service organization who manages ... the dental service organization manages the kind of the business side of things for a large group of practices. You often see it similar to a franchise. You'll see that large brand name. You can go from city to city and see the same experiences. You have dentists who work there, you get your same cleanings and treatments that you're looking for at a dentist. But at the end of the day, that dentist will just focus on the dental side, and the business administration is handled by the larger organization.

Melody Williams: So the concerns that we heard from the dentists that we interviewed was that they want to make sure that as you kind of turn this dental practice into a business, that patient needs are being met. That there are overbearing regulations in trying to turn a profit that are going to prevent proper treatment from occurring. They want their patients to be cared for the way that they care for patients, not just a number in the books. But it also becomes very hard to compete when you're managing just an individual practice that isn't able to get the same efficiencies as such a large organization can.

Chris P.: Melody, let's walk a little bit through ... So we have different generational gaps here, and within the data and within the qualitative interviews, the focus



groups, were there any themes you saw for people, for dentists coming out of school or maybe in their first few years with the aspiration to own a practice versus those that are more established or towards the end of their careers that are looking for an exit strategy?

Melody Williams: Yeah, so what we saw was that among the younger generation, there is a strong desire to actually still own practices. Among those that are under the age of 50, we saw that it's still above 50% who would like to own a practice one day. They are taking steps to get there. But the biggest barrier to that for them is the financial implications of it. They're leaving med school or dental school with high levels of debt, sometimes upwards of half a million dollars. And so as they think about owning a practice, cost is the number one thing that they're working on figuring out. But even with that, 53% are planning on owning a practice within the next five years.

Melody Williams: It balances nicely though with the older generation of dentists who have been working a long time and are ready to look towards the next phase of their life. We saw a lot of dentists who are already thinking about retirement, and they have kind of paired the two generations together nicely with a very common transition model. So we found that this associate-to-ownership transition model was really, really common. And what that is, is an independent dentist will start on at a private practice with an agreement that after so many years of service at that practice, they would start to transition ownership. This can happen all at once. It can happen in smaller phases. But it allows that slow transition from one dentist to another. So the younger dentists can take on a little bit at a time as they can afford to, as they can manage it, whereas the older dentist can let go a little bit at a time. So that was one of the most surprising things that we started to learn about was this unique model that these dentists have found to meet their goals.

Chris P.: That's really something common that we're seeing too. There's a wide range with BHG, with who they work with, from the newer practitioner looking for that start-up, the business development, setting up their practice, redoing a practice that they took over, to the healthcare practitioner or dentist that is towards the end of their career, but again, they're going out to set up the next wave or the succession plan, and they need capital to do that. They need to make the improvements and market their services to get a practice that would be attractive to that associate. So we've seen a lot of it. And it's really interesting to combine what you found out in the field from being in three completely different cities across the country, doing these in-person interviews, to the national survey. So, Melody, this is all excellent, excellent information. I can't thank you enough for joining us today.

Melody Williams: Thank you very much, Chris.



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