



# Dental Benchmarks:

The Numbers That Matter: Benchmarking Your Dental Practice -The Key Measure for Success

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## HELPING OUR CLIENTS ACHIEVE THEIR GOALS

- Director of Dental Services at Aldrich
- Top 100 CPA Firms
- Serving dentists across the U.S. for nearly four decades
- Access to over 250 team members



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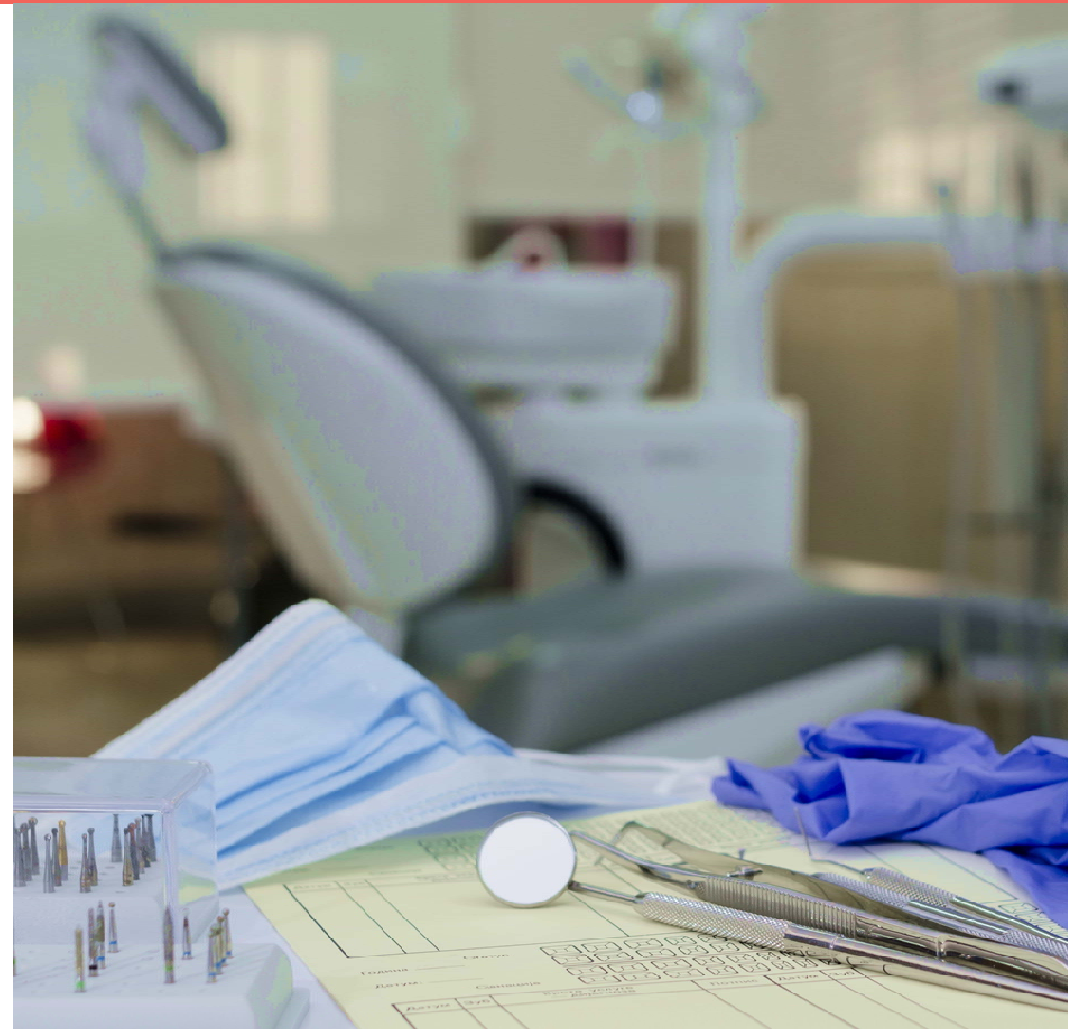
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[aldrichadvisors.com/industries/dental/](http://aldrichadvisors.com/industries/dental/)

**Nobody has a better job.**

<u>2014</u>	<u>2015</u>	<u>2016</u>
#3	#1	#2

Source: US News & World Report, *100 Best Jobs in America*





According to the latest Gallop Poll, asking the public to rate professionals on their honesty and ethical standards:

Dentists Rank

#5

<b>Income/Collections</b>	<b>\$998,088</b>	
<b>Expense Type</b>	<b>Expense Amount</b>	<b>%Income/Collections</b>
Dental Supplies	\$71,498	7.2%
Lab Expense	\$60,850	6.1%
Practice Investment/Development	\$20,278	2.0%
Occupancy Expenses	\$68,458	6.9%
Office/Overhead Expense	\$118,177	11.8%
Staff Compensation	\$314,453	31.5%
Total Deductions	\$653,714	66.3%
<b>Net Operating Income</b>	<b>\$344,374</b>	<b>33.7%</b>
Depreciation/Amortization	(\$61,313)	
<b>Practice Profit</b>	<b>\$283,061</b>	



According to the ADA,  
less than 10% of dentists can  
retire at age 60 and achieve  
the desired standard of living.

Meet Dr. Kevin



# YOUR DENTAL ADVISORS



“I’m not a business man.  
I’m a business, Man” –  
Jay Z

## Your Practice Advisors



	Dr. Kevin	Benchmark
Active patients	1,350	1,800-2,000
Average new patients per month	10	15-20
Retention rate	Unknown	>85%
Patients from internal referrals	Unknown	70%

	Dr. Kevin	Benchmark
Total production	\$1,041,574	>\$1,000,000
Average production per day	\$4,432	>\$4,000
Production per operatory per year	\$260,394	\$250,000
Production per average patient	\$772	\$750
Average case acceptance rate	39%	50-65%

	Dr. Kevin	Benchmark
Total collections	\$999,523	>\$900,000
Collections % of adjusted production	95%	98%
Adjustments	6.89%	<3%*
Aging A/R's over 90 days	36%	5-10%

	Dr. Kevin	Benchmark
Average daily hygiene production	\$1,426	\$1,200-1,500
Percentage of total production	32%	30-40%
Percentage of production from perio procedures	39%	40-60%

	Dr. Kevin	Benchmark
Dental supplies	4.70%	4-6%
Lab	3.9%	7-10%
Rent/Facility	3.6%	8-11%
Marketing	1.5%	2-12%
Payroll w/o benefits & taxes	33%	20-25%
Office supplies	18%	1-2%

	Dr. Kevin	Benchmark
Average percentile	67 <sup>th</sup>	80 <sup>th</sup>

CDT Code	67 <sup>th</sup> Percentile	80 <sup>th</sup> Percentile	Annual Profitability
0120	\$53	\$59	\$9,216
1110	\$99	\$107	\$12,288
0274	\$70	\$76	\$9,216
			<b>\$30,720</b>

### Patient Flow

- Scheduling
- Recare program
- Perio program
- New patients

### Cash Flow

- Overhead
- Accounts receivable
- Financial arrangements
- Fee schedule



- What is a good new patient number goal? And do we consider attrition rates in our practice growth plan?
- When is it time to add a hygienist?
- How often and how much should we raise our fees?

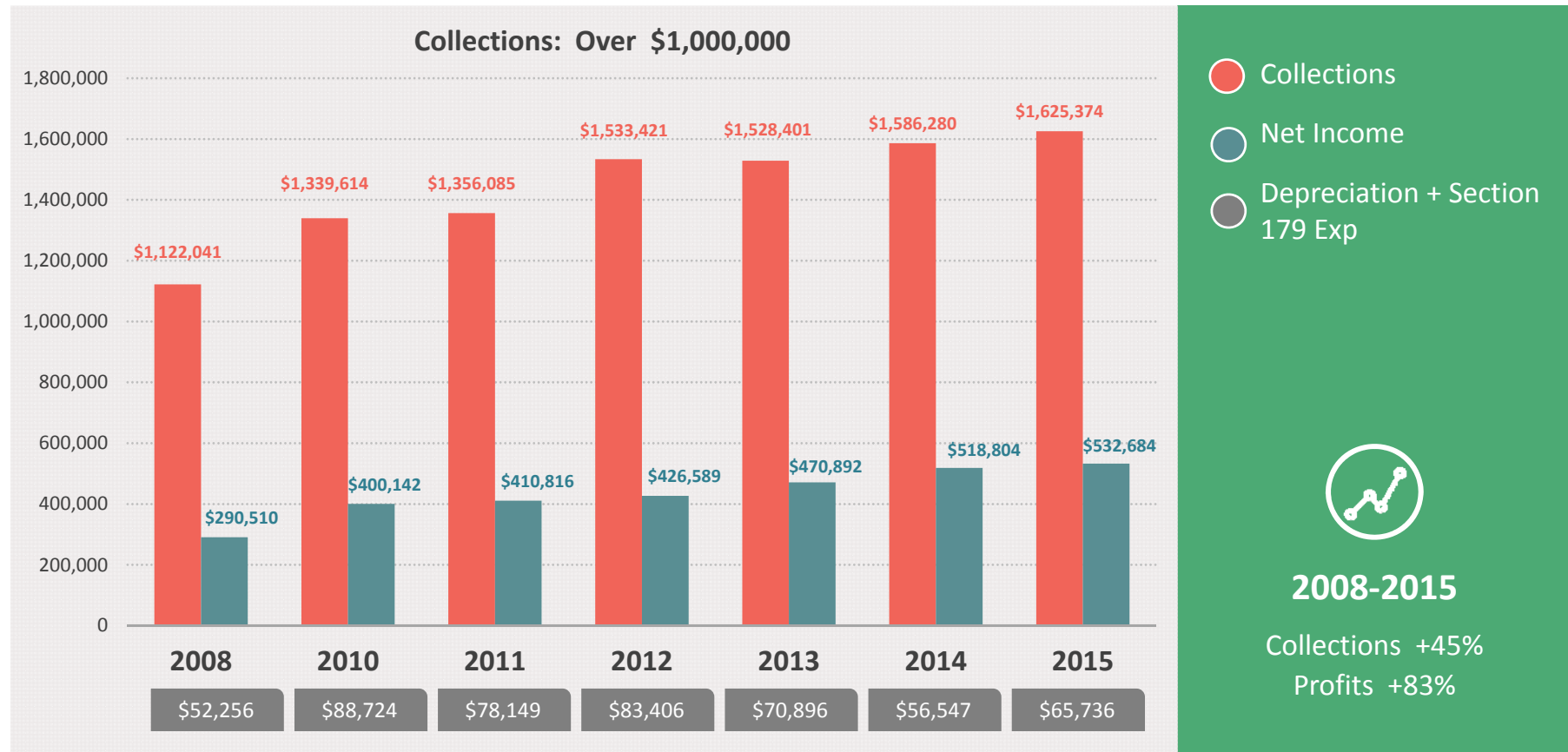


	Average	Benchmark
Daily Hygiene Production	\$ 1,000	\$ 1,500
Staff Overhead	31%	20%
Dental Supplies	7%	5%
Lab Supplies	6%	10%
New Patients	13 per month	15-20 per month

- New patients
- Scheduling
- Perio program/hygiene production
- Staff overhead



	Once a Day	48 Times per Year
Two surface posterior composite treatment planned and completed	\$ 250	\$ 48,000
One prophy accurately billed as perio maintenance	\$ 50	\$ 9,600
One hygiene appointment (exam, bitewings, prophy) kept	\$ 225	\$ 43,200
Amount of profitability recovered	\$ 525 per day	\$ 100,800 per year



## Before & After Purchase of Digital Imaging

### NET COLLECTION

<u>Practice</u>	<u>Before Purchase</u>	<u>After Purchase</u>	<u>% Increase</u>
A	\$1,295,000	\$1,633,000	28%
B	\$982,000	\$1,885,000	92%
C	\$3,204,000	\$3,076,000	-4%
D	\$1,999,000	\$2,593,000	30%

## Before & After Purchase of Digital Imaging

### NET INCOME

<u>Practice</u>	<u>Before Purchase</u>	<u>After Purchase</u>	<u>% Increase</u>
A	\$476,000	\$850,000	79%
B	\$266,000	\$465,000	75%
C	\$520,000	\$780,000	50%
D	\$598,000	\$908,000	52%

“ Whether you think you can,  
or you think you can't –  
You're right.

- Henry Ford



You Can Manage  
and Grow Your  
Practice

You  
Deserve It!



# Thank you!

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