

## Inside

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- Expanding your practice
- Incorporating current technology
- Improving practice flow
- Managing change

# Practice Success Series for Dentists

# Growing your Dental Practice

Wells Fargo Practice Finance



**ADA**  
Business  
Resources<sup>SM</sup>



Thank you for contacting

# *Wells Fargo Practice Finance*

*We're here* to help you achieve your financial goals

Wells Fargo offers a wide variety of business products and services to help you through every stage of your practice transition. Let's talk.

All financing is subject to credit approval.

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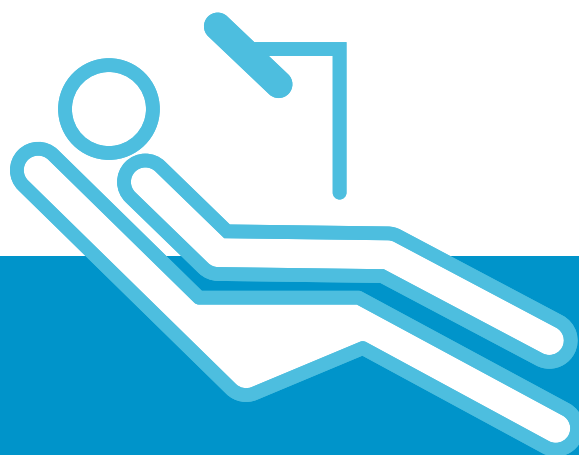
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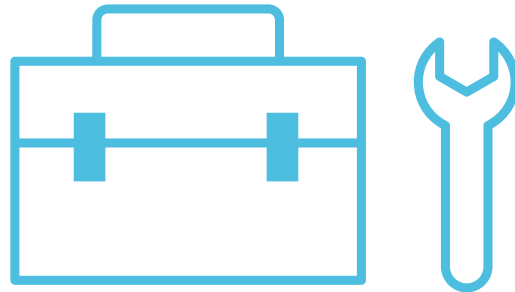
1-888-937-2321





*Thoughtful planning*  
is one of the keys to  
long-term success

# Introduction



*Upgrading, remodeling, or relocating* your practice may be a complex undertaking as you seek to reap the most from your long-term investment. Articulating your short- and long-term goals will help you protect your investment and potentially increase your return on it. This workbook is designed to help you navigate the change process with worksheets and exercises that help you think through and document your plan.

## How we might help



We want you to get the most from your practice.

That's why we've taken our experience working with dentists like you to create tools that guide you through the process of upgrading, remodeling, or relocating your office.

We're also here to help you through every step of your journey. If there's something we can't provide or answer, we'll help connect you with the resource that can.

**Call us. Let's talk about what you need — and figure out how to make it happen.**

***Call 1-888-937-2321 or email  
practicesuccess@wellsfargo.com***

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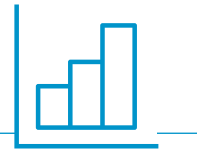




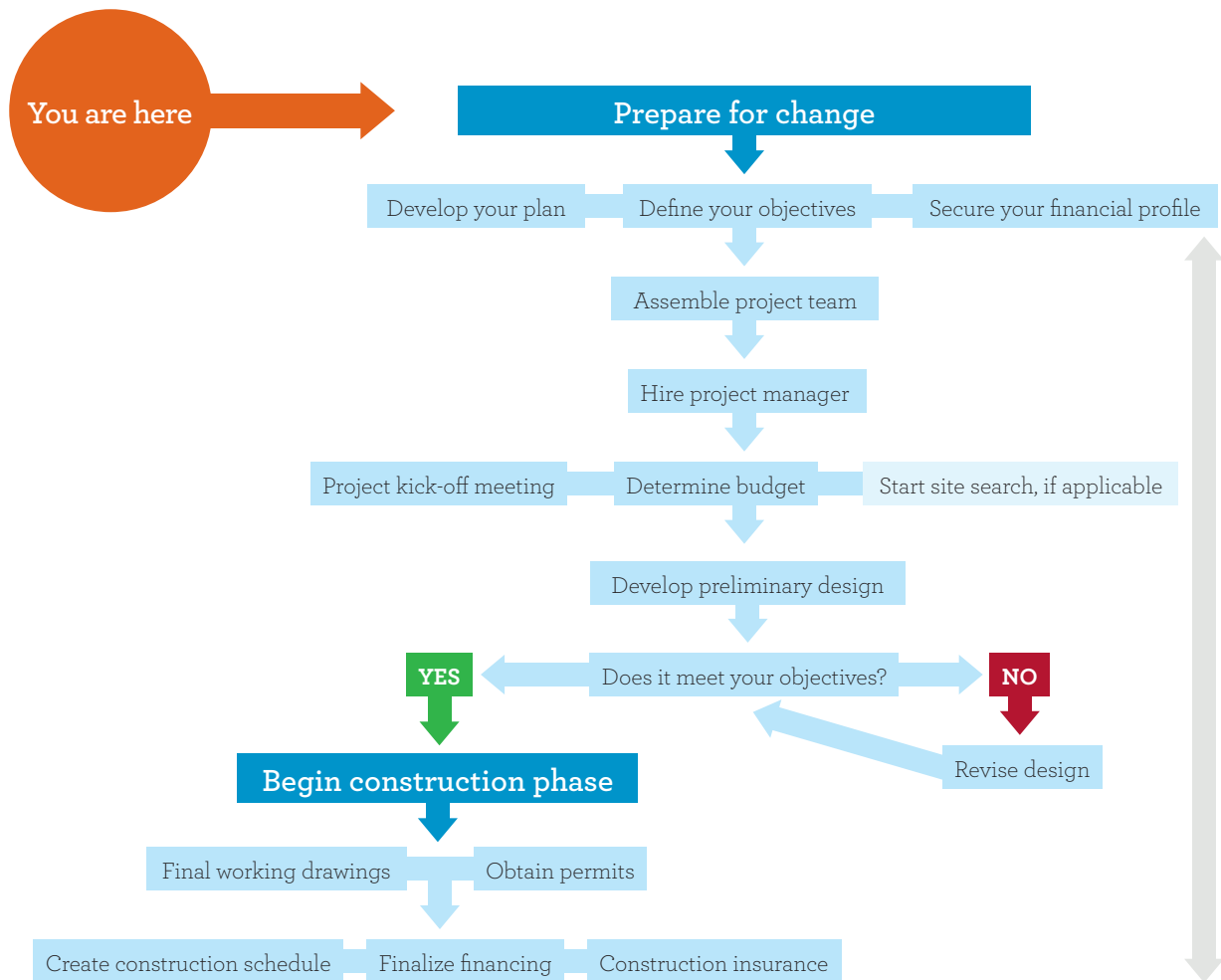
# Developing your plan

Navigating through any kind of practice transition, including a remodel, expansion, or relocation project, may take significant leadership to ensure your business and income remain intact throughout the process. Before embarking on your project, bring your goals into focus with a detailed plan that defines the best strategies, tactics, and resources to achieve your objective. The steps outlined below may help you chart your path and provide support throughout the journey.

## The practice growth process



Whatever your plans, familiarize yourself with the steps ahead so you know what to expect.



# Developing your plan

## Suggested time lines



Project time lines vary based on the scope of work being done. A minor cosmetic upgrade may require a few weeks. Major construction will take several months or up to a year. The time line below is for a moderate to major remodel, and is based on the experiences of dentists like you.

### 6 to 12 months before completion

- \_\_\_\_\_ Review your existing business plan and revise as needed
- \_\_\_\_\_ Prepare project cost projections
- \_\_\_\_\_ Contact your lender about financing
- \_\_\_\_\_ Meet with accountant to review your plans
- \_\_\_\_\_ Select and hire the rest of your project team
- \_\_\_\_\_ Obtain proper licensing and permits from the appropriate experts on your team
- \_\_\_\_\_ Meet with your architect, interior designer, and/or equipment representative to develop practice design
- \_\_\_\_\_ Meet with your equipment representative to begin equipment selection
- \_\_\_\_\_ Write a marketing plan and order materials to promote your reopening or new/expanded services

### 2 to 4 months before completion

- \_\_\_\_\_ Review your finances and refine overhead projections
- \_\_\_\_\_ Obtain additional insurance for property and added personnel, as needed
- \_\_\_\_\_ Finalize and start implementing your marketing plan
  - Create website announcements, print ads, email marketing campaigns
- \_\_\_\_\_ Post a banner announcing your reopening or new location:
  - If your practice remains open during a major remodel, hang a banner thanking your patients for their patience as you work to provide better services
  - If you're relocating your office, hang a "Coming soon!" banner
- \_\_\_\_\_ Meet with your supply representatives to begin developing your initial order
- \_\_\_\_\_ Set up credit card processing if necessary
- \_\_\_\_\_ Network with local business owners if relocating your practice

### 1 month before completion

- \_\_\_\_\_ Review cost projections and refine as necessary
- \_\_\_\_\_ Begin interviewing and hiring additional staff, if applicable
- \_\_\_\_\_ Work with your contractor, equipment representative, interior designer, supply, marketing, and web design experts to finalize details for reopening
- \_\_\_\_\_ Continue implementing your marketing plan

# Developing your plan

## Determining the right time



Decisions about upgrading, expanding, or relocating your facility are among the most important decisions you will make as a practice owner. The financial investment can be substantial, and the logistics must be carefully planned to ensure you achieve a reasonable return.

So how do you know when the time is right to update your practice? Taking the following assessment may help you understand where you are and your path forward.

### Patient capacity and flow

To gauge the production potential of your practice, start by answering the following questions as honestly as you can:

- Is the number of operatories in your practice limiting the number of appointments you or your hygiene staff can manage per week? \_\_\_ Yes \_\_\_ No
- If yes, how many more appointments could your current team incorporate with
  - 1 additional operator: \_\_\_\_\_
  - 2 additional operatories: \_\_\_\_\_
  - 3 additional operatories: \_\_\_\_\_
- Are patients waiting three months or longer to book a routine hygiene appointment? \_\_\_ Yes \_\_\_ No
- Are new patients waiting two weeks or longer to book their first appointment? \_\_\_ Yes \_\_\_ No
- Are patients waiting longer than four weeks for necessary, recommended dental treatment? \_\_\_ Yes \_\_\_ No
- Are patients and staff having to discuss financial arrangements within ear-shot of others? \_\_\_ Yes \_\_\_ No

### Technology

- Have patients and team members expressed frustration with the level of technology in the practice? \_\_\_ Yes \_\_\_ No
- Are your practice technologies and equipment contributing to increased chair time? \_\_\_ Yes \_\_\_ No
- Do you have a list of technology you would like to add or upgrade? \_\_\_ Yes \_\_\_ No
- When was the last time the technology was updated? \_\_\_\_\_

### Aesthetics

- Is your office appearance out-of-sync with your practice philosophy? \_\_\_ Yes \_\_\_ No
- When was the last time the facility was updated? \_\_\_\_\_

If you answered “yes” to three or more of these questions, it may be time to consider a practice expansion or remodel to increase your efficiency and capacity for production.

# Developing your plan

## Analyzing your opportunities



To successfully plan your next steps, analyze the opportunities available to you. This will help indicate the viability of taking a step as significant as expanding or relocating your practice. Two classic tools for starting your investigation into next steps are the Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis and Pro/Con ranking worksheet.

### SWOT Analysis

An extremely effective tool for evaluating a practice project or investment is a SWOT Analysis. By identifying Strengths, Weaknesses, Opportunities, and Threats, you can visually identify helpful and harmful influences generated by both internal and external sources.

To complete your own SWOT Analysis, create a four-square grid with "Strengths" in the upper left box and "Weaknesses" in the upper right. "Opportunities" goes in the lower left box, with "Threats" completing the square in the lower right. Complete the box by listing the factors that may affect or be impacted by the project you're considering in the appropriate section. Strengths and Opportunities should outweigh Weaknesses and Threats. If Weaknesses and Threats seem greater, consult with your advisors. You may see things in a new light, or you may need to reconsider this particular project or location. For additional resources or help with your SWOT Analysis, including how to interpret your results, contact us at 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).

## Complimentary analytical tools

For a copy of the SWOT Analysis or Pro/Con ranking worksheet contact us at 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com)



### Weighted Pro/Con ranking worksheet

A weighted Pro/Con ranking worksheet is a useful way to analyze projects, such as an equipment or technology upgrade. What sets this tool apart from an ordinary pro/con list of attributes is the ranking element, which lets you rate how important each "pro" or "con" feature on your list truly is, giving you a more meaningful outcome.

How to use the tool

1. List the decision you have to make at the top of a sheet of paper.
2. Divide the page in half vertically and label one side "Pros" and the other "Cons."
3. List all of the possible positive consequences of the decision in the Pros column, and all the negative effects in the Cons column.
4. It may be obvious what direction you should head at this point. If not, take the next step.
5. Add a point value to each positive consequence and each negative effect. For example a score of +5 may be strongly favorable, while -1 may be mildly unfavorable.
6. Add up the scores in each column and subtract the total cons from the total pros. A positive overall score indicates that you should go ahead with the decision, while a negative one suggests you should change or make a different decision.

# Developing your plan

Let's say you're trying to determine whether purchasing Computer Aided Design and Commuter Aided Manufacturing (CAD/CAM) technology is beneficial to your practice. You might use the Pro/Con ranking worksheet as follows:

Pro	Con	Rank
No need for external lab		+5
Increased revenues		+8
	Expensive	-6
	Training to integrate into practice	-2
		Total: +5

In our example, "Training" has a small negative value of -2 since it takes valuable time to train staff, but the practice has had few problems with this in the past. The "Expensive" value is rated as a high negative of -6. However, the opportunities to increase revenues and avoid referring procedures to others earn positive scores of +8 and +5, respectively. With all scores added together, the final value is +5, a positive result, if not a resounding endorsement, indicating the purchase of this technology might be advantageous for your practice.

## Defining your project plan



Articulating your project objectives, expectations, and strategies will help you get the outcome you ultimately want. Answer the questions below to describe the direction your practice will take.

What are your project objectives? (e.g., create a more modern practice, become more competitive, improve ergonomics, expand service offering, increase operational efficiencies, etc.)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

How do your project objectives support your practice philosophy/mission? (e.g., creates a more comfortable environment for patients, positions us as a cutting edge practice, etc.)

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Ask us about how Wells Fargo can support your practice's business and financial needs.  
1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com)

# Developing your plan

What changes need to be made to achieve your objectives? (e.g., increase square footage for new lab or operatory, make space for new equipment, retrain staff, modify fee schedule, etc.)

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How will this project affect your practice in the long term? Try to define specific goals (e.g., increase profitability by 10% in 2 years).

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What is your budget? \$ \_\_\_\_\_

How do you plan to finance your project? \_\_\_\_\_ % Cash \_\_\_\_\_ % Financing \_\_\_\_\_ % Other: \_\_\_\_\_

What is your timeframe?

Start date: \_\_\_\_\_ Completion date: \_\_\_\_\_

# Assembling your project team

## Selecting your key advisors



Working with professionals who specialize in dental practices can help save you time and money and add lasting value. With the experience they bring, specialized advisors can educate and help to keep you focused on your goals.

Your team should include the following key advisors:



### Lender

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Accountant

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Equipment supplier

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Project manager

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Architect

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### General contractor

Name: \_\_\_\_\_

Company: \_\_\_\_\_

### Interior designer

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Depending on the nature and scope of your project, you may also want to add any of these professionals:

- Lease negotiator
- Local practitioner/mentor
- Practice management consultant
- Marketing consultant

# Assembling your project team

Project team	What they do	Why they're important
Lender	<ul style="list-style-type: none"><li>• Provides financial resources for your practice</li><li>• Services financing agreements</li><li>• May offer planning tools help prepare for your project</li></ul>	<ul style="list-style-type: none"><li>• Helps protect your practice investment by structuring a financing program that fits within your budget</li><li>• Provides support throughout your project</li></ul>
Accountant/CPA	<ul style="list-style-type: none"><li>• Develops tax projections, plans, and estimates</li><li>• Prepares and files tax documents</li><li>• Can help establish financial and collection procedures</li><li>• Advises on tax and accounting implications of business decisions</li></ul>	<ul style="list-style-type: none"><li>• Protects your business by providing accurate practice accounting and filing of tax documents</li><li>• Makes sure your books and accounts are set up to run your business properly and efficiently</li></ul>
Project manager	<ul style="list-style-type: none"><li>• Develops project time lines</li><li>• Provides guidance to complete the project on time</li></ul>	<ul style="list-style-type: none"><li>• Makes sure you stay on budget</li><li>• Allows you to spend time in your practice ensuring good patient care standards</li><li>• Permits you to take yourself out of the management of vendors on the project</li></ul>
Equipment supplier	<ul style="list-style-type: none"><li>• Presents practice equipment and technology recommendations</li><li>• May measure your location to determine best equipment to fit your needs and space</li></ul>	<ul style="list-style-type: none"><li>• Helps assure appropriate selections and integration of equipment and both clinical and business systems</li></ul>
Architect	<ul style="list-style-type: none"><li>• Develops space plan according to your practice vision</li><li>• Provides design for interior architectural elements</li></ul>	<ul style="list-style-type: none"><li>• Helps maximize efficiency of work flow and traffic patterns to help boost productivity</li></ul>
General contractor	<ul style="list-style-type: none"><li>• Builds or expands facility according to your plans</li><li>• Recommends structural changes to optimize practice functionality</li></ul>	<ul style="list-style-type: none"><li>• Protects your physical assets from structural and environmental damage</li><li>• Can advise on transforming the practice location according to your vision</li></ul>
Interior designer	<ul style="list-style-type: none"><li>• Develops concepts for office appearance — color schemes, finishes, décor, furniture, etc.</li></ul>	<ul style="list-style-type: none"><li>• Helps you make choices appropriate for a dental office and your personal taste</li><li>• Helps enhance patients' perception of your practice as a professional operation</li></ul>



# Assembling your project team

## Other specialists to consider, based on project need

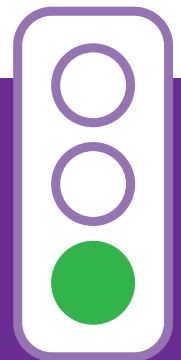
	What they do	Why they're important
Lease negotiator	<ul style="list-style-type: none"><li>• Negotiates lease agreement and renewals</li><li>• Conducts due diligence</li><li>• Helps optimize lease terms and minimize personal guarantees</li></ul>	<ul style="list-style-type: none"><li>• Helps you avoid potential legal entanglements through professional negotiations</li></ul>
Local practitioner/mentor	<ul style="list-style-type: none"><li>• Provides perspective on what to do and what to avoid</li></ul>	<ul style="list-style-type: none"><li>• Understands the local market</li></ul>
Practice management consultant	<ul style="list-style-type: none"><li>• Evaluates strength of practice systems (scheduling, case acceptance, etc.)</li><li>• Identifies potential areas of improvement</li><li>• Works with you to develop a plan for change</li></ul>	<ul style="list-style-type: none"><li>• Can help you increase profitability and decrease stress</li><li>• Lends a critical eye based upon experience</li></ul>
Marketing consultant	<ul style="list-style-type: none"><li>• Helps develop practice brand with consistency in all communications</li><li>• Helps develop marketing calendar and initiatives</li><li>• Can suggest ways to use local media</li></ul>	<ul style="list-style-type: none"><li>• Protects your practice's image</li><li>• Can maximize marketing dollars to help preserve patient base during transition</li><li>• Can help position/advertise practice for sale</li></ul>

## *How do you choose and where do you start?*

You may already have some of these professionals on your team. Fill in where you see opportunities to strengthen it. Where you start is up to you, but be sure to ask for recommendations from trusted professionals.

While there's really no right answer to who the best first advisor is, your greatest success will likely come from those who can introduce you to the most contacts. Ask peers or advisors for recommendations. (Wells Fargo Practice Finance can be a great resource.) Interview them and select whoever feels right.

For professional referrals, contact us at 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).



# Financing your project

The financing process should begin early in your planning. The closer you work with your lender and the better they understand your plan, the more effectively they can support your specific needs.

## Get pre-qualified



Talk to your lender to determine whether your project is financially feasible. Expect to provide two years of personal and corporate tax returns, a current profit and loss statement, and a set of drawings for a preliminary project appraisal.

## Managing your financial profile



Having a healthy financial profile, including good and well-managed credit, will help you secure the financing you need to remodel, expand, or relocate your practice.

Credit decisions for practice financing are typically based on an assessment of a practice's cash flow and your ability to repay your loan with enough left over to cover your livelihood and other expenses. The most commonly used predictor of your ability to meet your loan commitments is an evaluation of your personal financial profile – specifically, your personal debt (e.g., outstanding loans, personal credit cards, and lines of credit) and overall credit score. A credit evaluation can vary depending on the lender you choose (see **Selecting your lender**, pg. 15). Generally speaking, however, low debt yields higher credit limit decisions, and high debt results in lower credit limit decisions.

## Consistency is critical

You may not be able to pay off everything at once, but managing cash flow will help you:

- Motivate your team to meet your goals
- Save 10% after your make-break expenses are paid
- Pay down any outstanding balances
- Work with creditors to pay off any debt



If you need additional guidance or tools for managing cash flow, or strategies for reactivating patients, contact us at **1-888-937-2321** or **practicesuccess@wellsfargo.com**.

# Financing your project

## Where do you stand?



How well have you managed your credit history? For each statement below, circle the response that best applies to you:

Yes	No	N/A	I maintain at least two or three revolving credit accounts (credit cards, lines of credit, etc.)
Yes	No	N/A	I do not use all the credit available to me
Yes	No	N/A	I have not applied for credit with multiple lenders within a short timeframe
Yes	No	N/A	I always make on-time monthly payments on credit cards, mortgages, installment loans, and student loans
Yes	No	N/A	I continue to make minimum monthly payments even when I am in dispute with a creditor and working towards a resolution
Yes	No	N/A	I keep copies of all agreements, documents clearing judgments or liens, and letters from creditors clearing incorrect information reported on my loan history
Yes	No	N/A	I notify creditors in writing when my address changes
Yes	No	N/A	I review my personal credit report at least twice a year and inform all credit bureaus in writing of any discrepancies

If you have three or more “No” answers, contact your financial advisor or contact us at 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com) for help with improving your credit profile.

For an excellent financial profile, work to change every “No” answer to a “Yes” over the next several months. List here the steps you will take to improve your financial profile:

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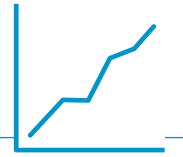
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# Financing your project

## Cash flow projections



Accurate cash flow projections are critical for any major project that requires financing.

A well-constructed cash flow projection helps define your sources of income and how you will achieve profitability with the expanded capabilities of your practice. Along with a detailed project time line, it demonstrates to your lender that you have thought through the growth of your dental practice.

At a minimum, you'll need to know how much financing your project will require, and how much you can personally afford. Usually, for an expansion, remodel or upgrade, a monthly cash flow projection for 12 or 24 months and an annual projection for the first two years are sufficient.

### Cash flow calculation

Use this formula to estimate cash flow. For a detailed cash flow projection, contact us at 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com)

\$ \_\_\_\_\_ Estimated annual revenues  
(\$ \_\_\_\_\_) Minus fixed expenses (rent, insurance)  
(\$ \_\_\_\_\_) Minus variable expenses (dental supplies, lab work)  
(\$ \_\_\_\_\_) Minus staff costs (staff salaries, benefits, and the cost of the debt service)  
\$ \_\_\_\_\_ Equals net cash flow



## Helpful tool

Healthy Ranges are goals for your practice, often used to help established practices grow. They are based upon established dental practices with at least 800 patients. The numbers will vary by specialty and include daily production, office production, hygiene, new patients and more. If you would like more information for your practice call us at 1-888-937-2321 or email [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).

# Financing your project

## Project budget



Budgeting can be as important to your project's success as defining your plan and choosing your team. A well-planned budget helps you set project goals and provides a tool to keep you on track.

Complete the budget below, adding cost categories as needed to reflect your particular project.

Project costs	Estimate (\$)	Final (\$)	Funding source <i>(Lender, out of pocket, landlord, etc.)</i>
Attorney/consulting fees	\$	\$	
Lease acquisition costs	\$	\$	
Design fees	\$	\$	
Engineering fees	\$	\$	
Permit fees	\$	\$	
Construction costs	\$	\$	
Construction contingency	\$	\$	
Cabinetry — custom	\$	\$	
Cabinetry — modular	\$	\$	
Computers/software	\$	\$	
Dental equipment — operator and lab	\$	\$	
Office furniture	\$	\$	
Initial supplies	\$	\$	
Retail inventory	\$	\$	
Signage	\$	\$	
Initial marketing/advertising costs	\$	\$	
Working capital needed at opening	\$	\$	
Miscellaneous (insurance, etc.)	\$	\$	
<b>Total</b>	<b>\$</b>	<b>\$</b>	

Now that you've completed the essential groundwork for your project, call us. We'll customize a financing program and provide additional resources to help you complete your project on time and on budget. We look forward to working with you.

## Helpful tool

To estimate loan payments, use the Business Planning Calculators at the ADA Center for Professional Success. Visit [success.ada.org](http://success.ada.org).

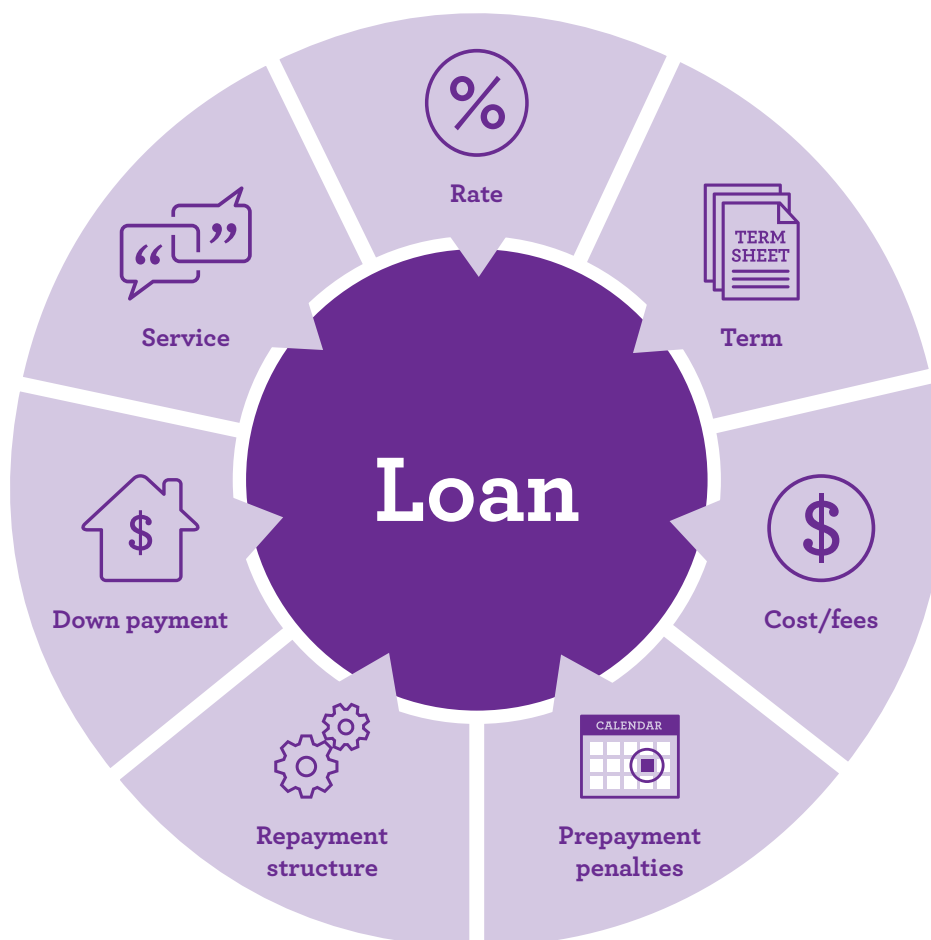


# Financing your project

## The anatomy of a practice loan

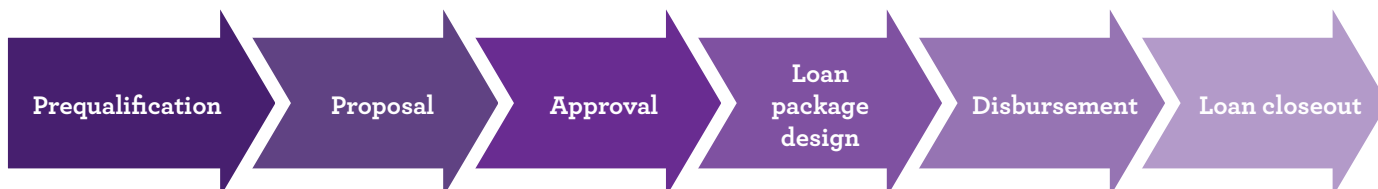


To understand why it's important to carefully consider your choice of lender, take a look at all of the components that factor into a loan.



With multiple elements contributing to the final loan package, understanding how different lenders combine those elements will help you identify the best financing option – and lending relationship – for your needs.

And while the lending process seems pretty straightforward, it's also helpful to understand the sequence of events so you can anticipate and be prepared for each step.



# Financing your project

## Selecting your lender



One of the key differences between types of lenders is the philosophy upon which they base their credit decisions. Generally speaking, you'll find two different lending philosophies:

	Credit decisions based on	Collateral	Example
<b>Collateral-based lender</b>	Personal assets	Personal assets (e.g. home, money market accounts, Certificates of Deposit)	Traditional/local bank
<b>Cash flow lender</b>	Practice financial performance (for upgrades to existing footprint) Projected revenue and cash flow (for expansions, relocations)	Practice and associated assets (e.g. equipment, furniture, A/R)	Specialty lender

## Evaluating your financing options



Unless you use personal funds, you'll need to find a lender to finance your project.

There are several funding sources available for you to consider. To help you make an educated decision about who to work with, the chart below illustrates some of the key features of the most common types of loans\*.

	Specialty financing	SBA loan	Conventional bank loan
<b>Structure</b>	<ul style="list-style-type: none"> <li>Fixed rates</li> <li>100% financing</li> <li>10 – 15 year amortization</li> <li>Graduated or deferred payments</li> </ul>	<ul style="list-style-type: none"> <li>Fixed and variable rates</li> <li>Up to 25 year terms</li> <li>Fully amortized</li> </ul>	<ul style="list-style-type: none"> <li>Fixed and variable rates</li> <li>5 – 7 year terms</li> <li>Fully amortized</li> <li>Collateral outside of practice</li> </ul>
<b>Down payment</b>	<ul style="list-style-type: none"> <li>0%</li> </ul>	<ul style="list-style-type: none"> <li>10 – 15%</li> </ul>	<ul style="list-style-type: none"> <li>20 – 30%</li> </ul>
<b>Closing costs</b>	<ul style="list-style-type: none"> <li>Fixed</li> </ul>	<ul style="list-style-type: none"> <li>2.6 – 3.5% (can be financed into the loan)</li> </ul>	<ul style="list-style-type: none"> <li>1% typically</li> </ul>
<b>Strength</b>	<ul style="list-style-type: none"> <li>No collateral outside the practice</li> </ul>	<ul style="list-style-type: none"> <li>Designed to help new businesses get started</li> </ul>	<ul style="list-style-type: none"> <li>Good rates but can be hard to qualify for</li> </ul>
<b>Should have</b>	<ul style="list-style-type: none"> <li>Average to good personal credit</li> <li>Average to good cash flow</li> </ul>	<ul style="list-style-type: none"> <li>Average to good personal credit</li> <li>Average to good cash flow</li> </ul>	<ul style="list-style-type: none"> <li>Average to good personal credit</li> <li>Collateral</li> </ul>

\* All credit decisions are subject to credit and/or SBA approval

# Financing your project

Both types of lenders offer different advantages and you should research your options before making a decision. To better understand the service they can deliver for your project, **ask your prospective lender these questions:**

- Which specific markets do you serve? \_\_\_\_\_
- What kind of experience do you have with dental practices?  
\_\_\_\_\_  
\_\_\_\_\_
- How does the approval process work?  
\_\_\_\_\_  
\_\_\_\_\_
- What are your fees?  
\_\_\_\_\_  
\_\_\_\_\_
- Do you offer fixed and/or variable rates? \_\_\_\_\_
- Who will fund my loan? \_\_\_\_\_
- Who will service my loan? \_\_\_\_\_
- Who do I call if I have questions or need help? \_\_\_\_\_
- How can you help if I experience problems in my practice now or later in my career?  
\_\_\_\_\_  
\_\_\_\_\_
- May I speak with existing dental practice clients? \_\_\_\_\_

To determine whether a lender is the right fit for you, compare the answers you get with how you want to be supported through your project and beyond.



## *The four cornerstones of dental practice design*

- Principles of architectural design
- Clinical function
- Technology integration
- Ergonomic design



# Designing your office

## Five principles of practice design



Successfully upgrading, remodeling, or relocating your dental practice requires careful thought and planning to generate a realistic and functional design. You will work closely with a team of design professionals to make your vision a reality.

To prepare for working with your design team, refer to the five principles used by the judges of the Dental Office Design Competition at [dentalofficedesigncompetition.com](http://dentalofficedesigncompetition.com):

### 1. Meets stated objectives

What is the goal of your project? For example are you looking to solve a functional problem or expand your capabilities? The better you understand your objectives, the better your team can execute your plan.

Write down your project objectives (*for instance, more space to add patients; offer a higher level of technology; create an open, friendly environment*):

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### 2. Achieves functional balance

How does your plan incorporate the four cornerstones of dental practice design? Consider how the elements work together within the scope of your budget to produce a balanced, well-designed office. Try not to cut corners in these areas as functional balance can drive office efficiencies, patient comfort, and employee satisfaction—all key contributions to your overall level of productivity.

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### 3. Utilizes an effective floor plan

A balance between efficient traffic flow and comfortable movement between work zones is essential. To get the most from your floor plan, ensure it also supports your strategy for growth with adequate space for adding equipment or accommodating an increase in patients.

List the top three objectives of your floor plan:

1. 

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2. 

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3. 

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# Designing your office

## 4. Incorporates current equipment and technology

Using up-to-date technology not only improves the overall proficiency of your practice, but also communicates to your patients that they will receive the utmost in care – a critical way of maintaining your competitive advantage.

If your project includes a technology upgrade, list the three most important new equipment purchases you plan to make, in order of priority:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

## 5. Looks professional and appealing

Creating a contemporary and attractive office is often the key motivator for a practice upgrade, as location and ambiance make an initial impression that may reflect on the quality of services you provide. A modern, professional environment may instill greater confidence in patients and help attract new business.

To better identify the design elements that will be important to your new design, describe the first impression you want to give patients. Be as specific as possible.

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## Design checklist



Use this checklist of time-tested dental practice design guidelines to help direct the plan for your office:

- \_\_\_\_\_ Treatment zones and patient consultation areas are truly private and not on public display.
- \_\_\_\_\_ Business area is designed so that private conversations and payment transactions cannot be overheard by those sitting in the reception area.
- \_\_\_\_\_ Business area enables the receptionist to welcome patients, and then turn 90 degrees away from patients to conduct other business.
- \_\_\_\_\_ Private office and break room spaces are situated away from patient activity areas to ensure fee negotiations and other sensitive conversations cannot be overheard.
- \_\_\_\_\_ All treatment rooms are equipped identically to ensure consistent delivery of services.
- \_\_\_\_\_ Technology is integrated throughout treatment areas for easy patient chart and film access, treatment diagnosis, practice management, education, and entertainment during procedures.
- \_\_\_\_\_ Design plans for a new location allow for future expansion of services and technology.
- \_\_\_\_\_ Storage space has been maximized with cabinetry and closets.
- \_\_\_\_\_ Surfaces that are difficult or expensive to change have fairly neutral tones to ensure they do not become dated.
- \_\_\_\_\_ Green technologies have been incorporated where possible to minimize unnecessary waste.

# Managing change

## Dental Office Design Competition

The Dental Office Design Competition, sponsored by Wells Fargo Practice Finance, and the American Dental Association, was initiated in 1999 as an inspiration and learning tool for dentists planning to build or remodel their own practices. Since then, over 60 practices across the country – from small solo offices with modest budgets, to large group practices employing multiple doctors – have won the prestigious DODC award for the outstanding execution of their design objectives.

What can you learn from these design winners about creating or updating your own practice? Visit the following sites for more information:

**Dental Office Design Competition website** – Case studies of Dental Office Design Competition winning practices including photos, floor plans, project information, design solutions, and project advice from the practice owners. Available at [dentalofficedesigncompetition.com](http://dentalofficedesigncompetition.com).

**Building or Refreshing Your Dental Practice: A Guide to Dental Office Design** – An American Dental Association publication with sample floor plans, interior design trends, legal considerations, case studies, and more. Available at [ADAcatalog.org](http://ADAcatalog.org).

Owning and operating a practice is rewarding and requires constant diligence in the areas of management and leadership. Implementing new ideas and creating lasting change is a challenge for many owners. To become better at change management, follow these guidelines.

## Change management



### 1. Create a vision

What future are you creating, and what does this change look like? Before you communicate anything to those around you, get clear with what you are trying to accomplish. Are you trying to grow the practice, or improve some aspect of patient care?

My practice vision is: \_\_\_\_\_  
(What is the practice's core purpose? What are we offering to our community?)

Here's what I need to do to achieve that vision:

\_\_\_\_\_

What it will mean for patients or patient care:

\_\_\_\_\_

# Managing change

What it will mean to the staff:

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What it will mean to me:

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## 2. Create a sense of urgency

One of the biggest barriers to creating change is not having a sense of urgency. Want to light a fire? First you'll need to remove these barriers:

- **Complacency:** By helping your team understand the positives around change you can ensure a smooth forward motion in your practice. Encourage the team to look at the value being created and how it will benefit them. Compare a trouble area in the office to how the new area will function for example. **List a few ways you will communicate the value to the team.**

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- **Not tracking numbers:** By sharing your daily and monthly numbers with your staff you can help them feel included in the benefits. Share your action plans at monthly staff huddles. A team that understands the numbers will be more ready to take action. **Make a plan for how you will share your numbers at morning huddles.**

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- **Performance standards:** By giving your team information about the practice's performance as well as the part each one of them plays in the success, you can encourage them to play a more active role in the practice's success. Along with sharing performance for the practice, be sure to implement annual or semi-annual performance reviews for them as individuals. This will help identify how each person can play a role in practice success. **Identify 2 – 3 actions you would like the team to take during the next 6 months.**

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## 3. Collaborate with the right people

Do you have the right team? They need expertise but also should possess a willingness to grow. Many times, offices rely only on highly experienced team members because they don't have any systems in place for training. **What staffing changes do you need to make to ensure success?**

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# Managing change

## 4. Communicate your vision

The most effective way to communicate your vision is to be clear and concise so others can easily understand it. And repeat it frequently so your team absorbs it. As a leader this is your time to walk the walk, and talk the talk. In other words, lead by example.

Having a story to illustrate your vision can help communicate your message, too. For example, if you are trying to improve service levels and move away from marketing that offers discounted services, you might tell the team that you want the office to be an example of high levels of patient care, more like a high end boutique than a low cost convenience market.

**Create a story that will help you communicate your vision.**

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If you'd like a sample huddle agenda for team meetings call us at 1-888-937-2321 or email [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com).

## 5. Celebrate

Celebrate small wins and learn to recognize the team for their efforts. Celebrating builds synergy and momentum. An easy approach to this is in your daily morning huddle. The first item on the agenda might be "Successes from yesterday." This gets the team thinking in a positive way and helps you build habits that lead to positive change.

It is easy to focus on what is not happening, what hasn't been implemented, or the parts of your practice that are still struggling. Take time to celebrate what is going well and build off of that success.

If you become better at managing and implementing change, your practice will continue to grow. There will always be areas to address and having a 5-step process will allow you the ability to tackle any challenge. **How will you celebrate small wins?**

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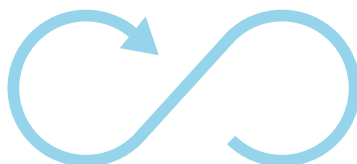
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With your advisors on board, your plan developed, and your financing lined up, its time to start that project you have been dreaming about. Keeping your practice up to date is important to your continued success, and remember, you're not in this alone.

For more information about planning or starting your project, call us. 1-888-937-2321 or [practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com)





# How can we help?

Let's talk

1-888-937-2321

Monday through Friday

7:00 a.m. to 4:30 p.m. Pacific time

[practicesuccess@wellsfargo.com](mailto:practicesuccess@wellsfargo.com)

[wellsfargo.com/dentists](https://wellsfargo.com/dentists)

