

Dental Office Business Plan - Honors Capstone

By Marissa Coon & Emily Brande

Section 1 - Executive Summary

Grinnell Street Dental is the dentistry practice of Marissa Coon and Emily Brande. Grinnell Street Dental will offer general and cosmetic dentistry to the citizens of Sheridan, Wyoming. Through the combination of exquisite customer service and care, attainable prices, and state-of-the-art technology, Grinnell Street Dental will quickly gain market share.

We have chosen to create our dental practice in the small town of Sheridan, Wyoming. With Marissa having grown up in Sheridan, and Emily having grown up in Laramie, Wyoming, we both know what it is like to live in a rural town, and the importance of having good dental care for those settling in rural places. Our main goal is to create a successful practice to exceed patients' expectations. Through word-of-mouth referrals, advertising, and marketing strategies, we aim to increase our number of patients by 20% each year. Our plan includes an outline of how we as dentists can create a practice that can eventually survive off of its cash flow. To succeed, we must work hard to meet the patient's needs, exceed their expectations, and keep our prices attainable so our patients continue to come back.

Section 2 - Product or Service Description

Business:

This business will be a general, family practice dental office by the name of Grinnell Street Dental located in Sheridan, Wyoming. This practice will be run by dentists Marissa Coon & Emily Brande. General dentistry consists of cleanings, fillings, teeth whitening, veneers, and crowns.

Importance:

Grinnell Street Dental will be of extreme importance to the rural community of Sheridan, Wyoming. Maintaining oral health while also having a small-town friendly practice for the residents of the community of Sheridan will act to provide accessible care to all members of the community.

Qualifications:

We are both qualified in terms of our background and pre-health experiences. Both having relatives as current, practicing dentists, we know and understand how a dental practice is typically managed and run based on the examples our relatives have provided us as. Both raised in rural towns of Wyoming, we understand the need for better oral healthcare within our state. Additionally, our pre-health experiences such as our degrees in Physiology and Kinesiology & Health Promotion, and our time spent working for local clinics (dental and medical) have prepared us and given us the tools to run a clinic of our own. Our good bedside manner and desire to help those around us is of extreme importance when it comes to qualifications to run our dental practice.

Revenue Streams

Our primary revenue streams will be through our services such as; cavity fillings, crowns, root canals, preventative treatment, Invisalign, and cosmetic dentistry. Oral healthcare will always be an essential field because without taking care of the teeth and mouth, many other health-related problems may occur. We aim to be affordable to our community while also providing the best care possible to our patients.

Section 3 - Company Description

Background:

Grinnell Street Dental was founded 40 years ago in Sheridan Wyoming and has since been providing the town with hospitality, quality, and affordability. Our goal is to take over and continue the legacy of this dental office while adding a new and modern spin to it. The total cost of Grinnell Street Dental from the current owners is \$925,000. We as a practice strive to provide the highest quality general dentistry through the use of state-of-the-art technology and dental expertise. We aim to provide a plethora of services from routine procedures like fillings and crowns; to surgical ones such as extractions, to a variety of patrons.

Mission Statement:

Living in small Wyoming towns such as Sheridan can often pose challenges that big cities don't face regarding the availability of treatment for various dental conditions. Treatment in small towns is often limited and can be quite expensive. Being subject to this ourselves as Wyoming residents, we have made it our mission to provide a wide array of treatment options at a fair price.

Vision Statement:

We as a business desire to become a prominent member of the dental community in Sheridan Wyoming and a standard for other dental offices around the country. We would like to attract patients of all ages, and backgrounds, and give them a pleasant dental experience that they will not only enjoy but remember when it comes to future dental procedures. Building a relationship is a very important aspect of the dental world because if a patient continually comes back it leads to future success.

Current Status:

As stated above, Grinnell Street Dental is currently in practice, however, the owners are planning on retiring within the next foreseeable year. During this time, we plan on purchasing the practice in its entirety including equipment. We plan on having some turnover time to do some rebranding for the business.

Legal Status:

Grinnell Street Dental is currently an S corporation. Due to the nature of our partnership going into this business and the transition of new ownership, we plan on keeping the current legal status of being an S corporation.

Ownership:

We plan on running this business through an equally shared partnership between the two of us. We do not intend to have any outside owners.

Section 4 - Industry & Market Analysis

Industry Description:

As dentists, our job is to diagnose and treat teeth, gums, and related areas of the mouth. We will provide patients with the best possible dental care at an affordable cost within our practice.

Trends:

There is an upward trend in dental care. Now more than ever, people are caring for their smiles and their oral health. As beauty and hygiene standards increase in today's society, teeth bleaching and cleaning have become more popular. Additionally, more and more people are better educated about the effects of oral health on overall health, leading to an increase in patient registration. The trend is also learning more about cosmetic procedures and away from general maintenance. A recent study shows that there is less rampant tooth decay now as compared to ten years ago.

Market Segmentation:

Marketing towards two distinct types of customers:

1. Adults: Younger adults aged 27-39 who come to the dental practice for their appearance. This group is more likely to want cosmetic procedures like veneers, crowns, teeth bleachings, etc.
2. Seniors: Older adults aged 65+ who come to the dental practice for their oral health preventive care and treatment. This group is more likely to want procedures like cavity fillings, root canals, and dentures.

Buyer Behavior:

Buying pattern behaviors are based on referrals from other practitioners and trust. Many people choose a dentist based on a referral, either from their general doctor, family member, or friend. If

a person is new to an area or town, they will likely look up a dentist using Google, Yelp, or something along those lines. Once a new patient enters a practice and forms a relationship built on trust with the dentist, a lasting patient-doctor relationship is formed.

Competitor Analysis:

There are two forms of competitors:

1. The generalist: A dentist with a practice based on general procedures and cosmetics; does not specialize
2. The specialist: A dentist with a practice based on a specialty. This could include periodontal, orthodontal, or endodontic specialties.

In Sheridan specifically, there are 8 general dentists and 5 specializing dentists. Our practice will be a general dentistry practice, with two partners. We will be taking over Grinnell Street Dental, a general dentist practice already existing in Sheridan.

Section 5 - Business Model

Revenue Sources:

Our business model is to provide dental services to local members of the community and the surrounding areas. Because Sheridan is a small community with a population of approximately 18,000 people, and it is 2 hours away from the nearest big city of Billings Montana, it can be hard for community residents to find the best quality dental care. We aim to not only provide services to those in the Sheridan area but also to those in the surrounding areas that may lack proper and affordable dental care. Because of this, we expect our revenue source to range from middle- and upper-class families, to rural ranchers, to students attending Sheridan College. Since we will be dealing with a wide variety of patients, we plan on having a diverse range of costs to accommodate these patrons.

Fixed Costs:

We plan to purchase Grinnell Street Dental in full from the prior owners. In doing this, we plan on purchasing not only the building, but also the equipment, materials, and software rights to Patterson Eagle, which is currently being used by the practice. The cost of the Grinnell Street Dental building will be \$925,000. In addition to funding part of the practice ourselves, we plan to take out a loan from the bank. The payment on this loan will be a fixed monthly cost spanning over a series of years. For more information on this, please refer to section 10. Aside from the upfront cost of the building, we are unsure of how many modifications to the current equipment and building will be necessary before we can reopen the practice, this will play into our variable costs. Along with the practice, and equipment, the materials required to perform dental work will also be included in our fixed costs. This includes things such as fillings, crowns, resin

composites, glass ionomers, ceramics, noble and base metals, denture base resins, and impression materials among others.

Variable Costs:

After purchasing Grinnell Street Dental, our first variable costs will be the additional costs of fixing up the office. This includes the costs for any office repairs, new equipment, and any other necessary turnovers. Once these projects have been taken care of, our variable costs will include mainly both of our salaries, as well as the rate at which we pay our employees. This includes hourly rates paid to hygienists, dental assistants, and office personnel such as receptionists or office managers. There may be additional unforeseen variable costs once we are up and running such as that of extra materials, extra staff due to high patient traffic, or other circumstances. In addition to these variable costs, we also plan to hire a lawyer to help with the startup legal issues we face and act as representation if necessary. We also plan to hire an accountant to advise us on financial decisions and aid in tax returns.

Profit Margin:

We expect more overhead costs in our first year of practice due to the turnover of the office and possible renovation of new equipment. We also expect a lesser profit as we build our clientele over the first year. Because of this, our estimated profit margin for our first year of practice is approximately 35%. In the second year, we plan to grow to at least 40%. As an S corp we plan on paying taxes individually as owners.

Start-Up Costs:

Our startup cost will be buying the practice and equipment as well as refurbishing or buying replacement equipment. Another startup cost will also be hiring staff personnel as well as a lawyer to aid in startup legalities.

Section 6 - Sales & Marketing Plan

Strategy:

Our marketing strategy will be based on marketing ourselves to prospective patients. Our first marketing strategy is to create a website. This website will include the Doctor's education, interests, and background information. The website will be easily accessible and include new patient forms that are easy to fill out online before an appointment and descriptions of the procedures that are offered at the dental practice. We will create a Facebook Page as well to market our business, where we will post new patient specials, and additional information about Grinnell Street Dental. Our second marketing strategy is to employ marketing through local organizations. We will donate money to local clubs such as 4H, Rotary Club, and the ELKS Foundation. Additionally, we will help sponsor athletics in town such as the Sheridan Troopers Baseball Club, Sheridan Storm Soccer, and Sheridan High School athletics. Finally, through making personal relationships, we will be able to market ourselves as professionals to those we meet within the community, creating a relationship based on trust, professionalism, and compassion.

Sales Strategy:

Our sales strategy will be based on educating the consumer so that they understand they need the procedure, and want the procedure, instead of making it seem like the doctor is forcing a procedure. This method will be effective because it will allow the patient to feel like they arrive at the decision themselves instead of them agreeing to a sales pitch by the doctor. At our practice, the initial consultation for new patients will always be free. During the consultation, the doctor will educate the patient on different procedures and analyze the patient's particular needs. Once the customer is knowledgeable about procedures and needs, they can decide on what they

would like to follow through with it. This is a sales strategy that is geared more towards turning potential patients into long-term patients. In turn, these patients become vocal to their friends and family about the pleasant experience they had at Grinnell Street Dental.

Section 7 - Operations Plan

Location:

As mentioned before, we plan to continue to run Grinnell Street Dental in Sheridan, Wyoming. Sheridan is a beautiful town located halfway between Mount Rushmore and Yellowstone Park. It is inhabited by approximately 17,444 people according to the 2010 United States Census. Sheridan is also the home of Sheridan College, a community college that according to Wallethub is ranked the 5th best community college in the nation.

Facilities and Equipment:



Photo's courtesy of grinnellstreetdental.com

As pictured above, we plan on purchasing Grinnell Street Dental in full from the prior owners. Upon purchasing the practice, we plan to refurbish it as necessary, to fill our specific style and vision. When we purchase this practice we also plan on dedicating time to analyzing equipment to determine what needs to be replaced or added in order to fulfill the needs of the services we plan to offer. Our goal is to have the highest possible quality equipment to meet our patrons' every need.

Software:

Grinnell Street Dental is currently using Patterson Eagle Management Software Solutions. Upon taking over the practice we plan to keep using this state-of-the-art software for our office manager. This software platform offers effective and efficient workflows, scheduling services, X-ray services, and far more. Continuing use of this software system will also prove for an easier transition into taking over Grinnell Street Dental.

Support Services:

In addition to the two of us, we will have a large network of support services in our dental practice. Our primary support systems will come from our receptionists, hygienists, and assistants, who will all be essential in keeping the practice running smoothly and without conflict. Our second line of support will come from the lawyer we plan on hiring who will be able to aid in legal advice especially during startup, as well as an accountant who will help with financial decisions and annual tax returns.

Insurance Plan:

We plan to utilize disability insurance so that we are still able to meet our financial obligations, such as paying bills, covering expenses, etc. in the unlikely event that we are not able to work. Additionally, as business owners we understand that a lot of the day-to-day tasks depend on us.

We will choose to have a good life insurance policy to protect our families, business, business partners, as well as employees in the event of death. Finally, we will have liability insurance to protect us against claims resulting from injuries or damage to others or to property.

Section 8 - Business Team

Leadership:

Our practice will be a partnership, run by both Emily Brande and Marissa Coon both as dentists and leaders for the business.

Key Employees:

1. Dentists: Emily & Marissa, DDS will run the practice and be the face of the practice. We will serve in the procedures, both general and cosmetic, for patients of all ages.
2. Dental Assistants: Assistants will help during procedures, x-rays, and patient intake with each patient. The assistants are crucial to helping procedures go faster, and assisting the Doctor with whatever they may need during patient visits.
3. Hygienists: Dental hygienists will provide cleanings, x-rays, and preventative care to patients of all ages.
4. Receptionist/Office Manager: He/She will serve as the coordinator for all of the scheduling needs and consultation visits. Duties include scheduling appointments, collecting payments, greeting patients, helping new patients with paperwork, and working with insurance companies to collect insurance payments.

Hiring Strategy:

We plan to hire hygienists from the local hygiene program at Sheridan College. By offering hygienists jobs in the same town as the school, we hope to keep it local. As for assistants and a receptionist for Grinnell Street Dental, we will work to advertise on our website, Facebook page, and word of mouth that we are hiring. We will conduct interviews and choose the best fit for our business.

Key Stakeholder:

Grinnell Street Dental needs investors and key stakeholders for the first few years until we get up and running. To be successful, we will take out a few necessary loans. Additionally, our parents, Even & Anne Brande, and Justin & Janelle Coon, will invest in Grinnell Street Dental, becoming a partial stakeholder. The rest of the money to create our practice will come from various sources. Additional sources include personal savings and bank loans.

Section 9: Timeline

Pre-first dollar: Timeline will take place over approximately one year

<p>Planning</p>	<p>Stage One: Vision Stage Two: Financing Stage 3: Demographics</p>	<p>Months 1-3</p>
<p>Practice Purchase/Construction</p>	<p>Stage 4: Facility walk-through(s) / review Stage 5: Equipment review and new equipment selection Stage 6: Obtain any required permits Stage 7: Building/Equipment modifications and installment</p>	<p>Months 3-8</p>
<p>Implementation</p>	<p>Stage 8: Final building/equipment modifications and installments Stage 9: Marketing and hiring begin</p>	<p>Months 8-11</p>
<p>Completion</p>	<p>Stage 10: Dress Rehearsal Stage 11: Grand Opening</p>	<p>Month 12</p>

Post-first Dollar: Goals

Goal	Timeline / Notes
Generate clientele	Throughout the entire first year, especially in the first few months and even before opening.
Provide services	As we generate a larger clientele over the first year, we would like to essentially get our name out there as an office with a variety of services and competitive pricing.
Pay employees	Employees including receptionists, hygienists, and dental assistants will be paid monthly at an hourly wage.
Pay loans	While we plan to pay for a decent portion of the Dental office upfront, we will incur loans that need to be paid. We plan on paying these over a few years.

Section 10 - Financials

Funding Needs:

We plan to have multiple sources for our funding needs. Personal savings, investors, and loans will cover the majority of the funding needs we need to start our dental practice. The cost of the practice will be approximately \$925,000. We plan to contribute a total of \$125,000 up front to the practice, as well as asking our investors for an additional \$50,000. We then plan to take out a bank loan for the remaining \$750,000. At an interest rate of 5.00% annually, we plan on making monthly payments of \$4,238.28 or for a total of \$50,859.33 annually, for 25 years.

Plan:

As stated above, we plan to pay what we can upfront and take out loans for the rest. We do not want to get into too much debt right off the bat considering we will have just graduated dental school and already have student loans. Thus, the less money we have to take out to start, the better. We will use the money we already have from sources like investors and personal savings. From there, we will be able to determine how much money we will need from the bank, and take out a business loan for our practice.

Assumptions:

The table below outlines important financial assumptions.

General Assumptions

Plan Month	1	2	3
Current Interest Rate	5.00%	5.00%	5.00%
Long-term Interest Rate	5.00%	5.00%	5.00%
Other	0	0	0

Sale Forecast:

Our first month of opening will be getting the office in order, setting up appointments, and beginning to market Grinnell Street Dental. After that, we should see a steady increase in both patient number and sales.

Please refer to the attached excel spreadsheet which is our three-year forecast. This spreadsheet shows both our projected expenses as well as our expected profits from both general and cosmetic dentistry. From the forecast we expect to become more profitable each year.

Section 11 - Appendices

The Growing Importance of Dental Services in Rural America

Harrison, Jeffrey P. PhD, MBA, MHA, FACHE; Daniel, Randolph C. DDS, MBA; Nemecek, Victoria BSHA

[Author Information](#) 

The Health Care Manager: January 2007 - Volume 26 - Issue 1 - p 34-42

BUY

Abstract

As the science of medicine progresses, associations between good oral health and improved health status are being documented. However, the data would suggest that individuals in America's rural communities are experiencing dramatic health problems because they are not receiving dental treatment. This article addresses the importance of dental services in rural communities and highlights the importance of cooperation among hospitals, individual clinical providers, community health care organizations, and governmental entities. It will also discuss why there is a shortage in these rural areas and how the shortage is affecting rural communities and will address some strategies for solving this crisis. This research on the availability of dental care in rural communities will provide a framework for community leaders, elected officials, and health care providers to collect and analyze data to support future decision making in response to community health care needs. Such decisions increase the quality and efficiency of health care services, thereby safeguarding the health status of the population. This study found that the capability for hospital-based dental care services is greater in urban communities, whereas rural communities have significantly less capability for hospital dental care. This would support the premise that the availability of dental services is inconsistent across the United States and that dental care resources could be allocated to provide a consistent level of services across the population. It also emphasizes the importance of building innovative partnerships among local, state, and national organizations to ensure that an appropriate level of dental care is available in rural America. The study has managerial implications on meeting the demand for dental care in rural communities and policy implications on future resource allocation.

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Improving Dental Care Access in Rural America | The Pew Charitable Trusts

Stateline

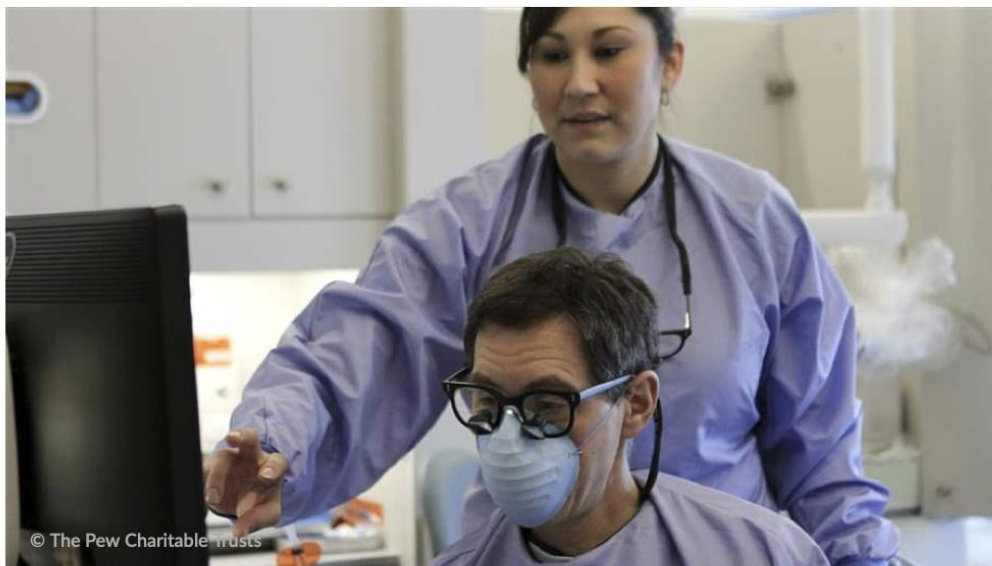
Improving Dental Care Access in Rural America

STATELINE ANALYSIS

November 18, 2015

By: Rebecca Singer Cohen & Julie Stitzel

Projects: [Dental Campaign](#)



Dental health aide therapist Rochelle Ferry consults with supervising dentist Dr. Mark Kelso at the [Norton Sound Health Corporation \(NSHC\) dental clinic](#) in Nome, Alaska (population nearly 3,800). Norton Sound Health Corporation's hub houses a hospital and a dental clinic, and offers a range of outpatient services. NSHC also has satellite clinics in 15 surrounding villages, ranging in size from 150 to 750 residents.

This piece was updated Nov. 19, 2015, to correct the number of Medicaid patients served.

Julie Stitzel directs Pew's children's dental policy program, leading research and advocacy efforts to improve access to dental care for children.

Rebecca Singer Cohen, a senior associate at The Pew Charitable Trusts, oversees oral health policy research projects.

