THE TEAM TRAINING INSTITUTE

EBITDA AND EFFICIENCY

EBITDA: Earnings before Interest, Taxes, Depreciation, Amortization

GAAP: Generally Accepted Accounting Principles

Uses for EBITDA:

- Performance Comparison
- Investment Analysis
- Debt Service Capability
- Valuation

How would calculating EBITDA for your practice be of benefit to you?_____

3 Levers of Profitability:

- Increase Production
- Improve Collections
- Reduce Overhead

Next Dollar Phenomenon

- The next dollar that you produce is a lot more profitable than the last dollar
- Economists call this Marginal Profit
- There is a lot of fixed expense in the dental practice
- With more visits and more production, overhead as a percentage goes down and profits go up

4 Strategies to Immediately Improve Profitability

1. Production: Visits - Fix Your Phones with Phone Training and Analytics
2. Production: PPV - Raise Your Fees
3. Collections: Drop Your Worst PPO
    a. Number of Patients
    b. Difficulty Getting Paid
    c. Lowest Reimbursement
    d. Offer In-House Plan
4. Reduce Overhead: Stop Wasted Payroll
    a. Set the Clock-In and Clock-Out Times
    b. No Unexpected Overtime
    c. List of "Free Time" Duties

Which of these strategies will you implement first? _____