



How do you survive a recession that could last *five more years*?

For more on this topic, go to www.dentaleconomics.com and search using the following key words: *recession, four levels of dentists, creating wealth, Dr. Michael Schuster, The Schuster Center.*

Though **I can't tell you what to do individually**, I can share with you what many of my students are doing to **SURVIVE, CREATE STABILITY, AND EVEN GROW** in these difficult times.

A turbulent, recessionary economy teaches us many things. As I visit with current and past students and dentists around the country, I gain an understanding that I wouldn't if I simply sat behind a desk or stayed in my own practice.

Recessions teach us more about systems. Many dentists want to think and act independently. Yet we discover that no man and no dentist is an island. We are impacted by everything that is outside our small practices, as well as everything going on inside. The only thing you have control over is what you do in your life and practice.

Witness the Japanese economy that has never come back from its earlier spending patterns. The Japanese people buy half the number of automobiles they bought a decade ago. If this recession does last four to five more years (as many knowledgeable economists are predicting), the spending patterns of Americans will be changed forever.

Regardless of your political affiliation or your beliefs about debt, Americans are drowning in it. We have sacrificed our futures for the present. Each American has currently accrued an average personal debt of *\$90,000, and that's just in this decade.* Every child born in 2010 will be born with a debt responsibility to the U.S. Government of over \$100,000, and we certainly aren't done turning our failures over to the government to pretend to solve for us. There is just no easy way out.

Every single one of us is impacted by the climate in which we live. For several decades, we have been warned of this impending economic situation. I don't pretend to know how to solve it, but it is *essential that you understand* how it impacts both you and your patients.

We are all affected by emotions. When things are good, we feel secure, happy, engaged, and even euphoric. When things become negative, our emotions turn to fear, indecision, doubt, and procrastination. Of the six basic fears

listed in Napoleon Hill's classic book, "Think and Grow Rich," fear of poverty tops the list and has the most power over people.

A deep, lasting recession impacts individuals and a society to its very core. Not a totally bad thing, unless you are overleveraged. My parents experienced the great depression. My mother's parents had vast land holdings and lost all of them in the depression. This made an indelible mark on my parent's psyche. They couldn't handle any level of financial risk. When I invested or expanded my practice, my mother cautioned me about what "might" lay ahead. While not always bad, this thinking can paralyze people.



The keys to your survival and ability to thrive (imagine that!) are the skills you have as a practicing dentist.

All growth, and thus all opportunity, is the result of the innate human ability to develop new skills and capabilities. All human progress is dependent on the never-ending development of new skills and capabilities. Thus, all of your progress as a dentist is dependent on your motivation and your desire and willingness to develop new skills and capabilities that you can transfer for the direct benefit of your patients.

We interact with FOUR LEVELS OF DENTISTS at the Schuster Center

LEVEL I DENTISTS have dental school technical knowledge and understanding and little to no advanced technical, communication, organization, sales, or marketing skills. Level I dentists are mostly PPO, HMO, and commodity dentists. They understand little about how their services create value for their patients. In three words, they are *available, affable, and affordable*. All dentists graduate this way, but 50% stay this way. The ADA is very concerned about these traditional dentists. Frankly, they are in the most trouble. Patients in Level I practices want things fixed cheaply, with little concern about future consequences. Patients who seek this level of dentistry want only remedial treatment.

LEVEL II DENTISTS have more advanced technical training. These may be cosmetic dentists or implant dentists who generally are not “comprehensive or complete care” dentists, have often built large practices, large facilities, and have a matching lifestyle with the attending costs of maintaining both the practice and lifestyle.

Many of these dentists suffer the most because they focus their practice on discretionary dollars and spending, much of which is financed by second mortgages, etc. A plastic surgeon in Scottsdale told me recently that his practice income plummeted from \$4 million to \$1.5 million in 12 months. These practices usually deliver higher quality technical care than the Level I dentists, but they are still focused on production, money, and quick and high-dollar procedures.

I believe the Level I and II groups are at the most risk in terms of survival, not only today, but also in the foreseeable future. This is what I have witnessed because I am privileged to work with dentists from every region of the country, at every level and specialty.

LEVEL III DENTISTS have completed advanced training with Dr. Pete Dawson, Dr. Frank Spear, Dr. John Kois, and others. These dentists have a more comprehensive picture of what dentistry is and what it can do for their patients. Dentists who stay with their technical mentors gain insight, appreciation, and value for the dentistry they provide. Notice I said *stay* with their mentors. This group of dentists has different values than those in Levels I and II. Mentors *do* make a difference.

Dentists who are prospering have developed the skills and capabilities to form significant relationships with their patients. They form these relationships based on “core values.” This smaller group of dentists forms relationships with their patients not to sell them or manipulate them, but to truly help them and make a significant difference in their lives.

Level III dentists do a *discovery, diagnosis, and design* (*MasterPlan* for prevention and treatment starting with

periodontium first, teeth second, and occlusion, esthetics, or restoration third). They are as concerned about the *health* of their patients as they are with the treatment they are rendering. Health, it turns out, is something only patients can give themselves. Creating health is an interdependent partnership, and to create health requires that patients believe that their dentists are working towards their best interest.

The health-centered and relationship-centered dentists I know are not only surviving, they are thriving. It takes a dedicated professional to strive to develop all the skills to become a true Level III dentist. Level II dentists have the technical skills to become a Level III dentist, but they may or may not have the heart, soul, or desire of a Level III dentist.

I personally believe every dentist has unlimited potential for growth and development, and that when provided with correct information and the right support, any worthwhile purpose can be accomplished, provided it is properly planned and thoroughly sequenced.

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LEVEL IV DENTISTS: The Level IV practice is the single most difficult practice in which to make a living. Complex cases require a great deal of time for planning, preparation, and execution. This practice requires the greatest technical, communication, and organizational abilities, along with a highly trained, motivated, engaged, and involved team.

In working one-on-one with dentists since my assignment as a cadre at the Pankey Institute in 1973, I can count very few who have managed to create a Level IV practice and maintain any sanity, balance, or joy in their lives.

I've said for years that the place to be, the most recession-proof practice, is a Level III practice. **DE**

A practicing dentist, Dr. Michael Schuster founded the Schuster Center in 1978. Guiding over 3,500 graduates to achieve wealth and freedom, the Schuster Center is the first business school created exclusively for dentists. It celebrated 30 years in 2008. Dr. Schuster is a cadre and former director at the Pankey Institute, adjunct faculty at the Dawson Center, OBI, and LSU Cosmetic Continuum. Michael Schuster can be reached at www.schustercenter.com or drmikeschuster@msn.com.