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The Three Phases of Practice Growth

A dental practice's
lifecycle journey



The Three Phases of Practice Growth: A dental practice's lifecycle journey

Everyone starts their business with the idea that it will become a big success.

Nobody starts a business thinking it will hit a plateau or start to slide backward over time.

But the reality is that many businesses do just that. They might start strong but then begin to flounder or peak in terms of their success.

In the dental arena, this pattern of unsteady growth is common.

Even though there is a constant need for dental treatment, that doesn't mean all dental practices will see consistent success.

In fact, most dental practice owners end up stuck in a cycle of working long hours without knowing whether they're even making any progress.

Growth happens in phases

Here's something you might not know: all dental practices experience a similar pattern of growth.

When you boil it down, there are only three phases of growth that any dental office goes through.


Some dental practices won't get past phase one, while some grow and evolve consistently until they are profitable and easy to run.

Each growth phase has specific characteristics and priorities that the owner should ideally focus on to achieve growth and stability.




The Three Phases of Growth

As a rule, every dentist who runs a practice will go through three phases of growth on their way to building a successful business. They are:




NEW PRACTICE

0-3 YEARS



GROWING PRACTICE

3-5 YEARS



ESTABLISHED PRACTICE

5+ YEARS



0-3 YEARS

New Practice



FOCUSED ON

Survival and getting to profitability



PATIENT BASE

Priority is to build its patient base



METRICS

Systems are new and still being tested



DENTISTS

Typically a solo dentist/clinician doing all treatment and recalls



TEAM

Team members are still learning to work together



New patient growth and patient retention are equally important



Spending more money on advertising and marketing to gain new patients

The early days are about growth

The first few years of a dental practice must be focused on growth and developing systems to support that growth.

It's normal to feel like you are winging it for the first year or two of running your business. There is so much more to do than simply taking care of the patient's clinical needs. You are also investing more money and time into the business than you'd like to. But that investment will pay off as the growth becomes more consistent and steady.

Perhaps the most crucial aspect in the early days is to focus on patient retention. It's great to

have new patients arriving (either through marketing or referral), but if you don't keep those patients, you are just running on a treadmill.

All true practice growth happens when the number of active patients (those who come back consistently over 18 months) begin to grow beyond 1000. Up until that point, you will be scrambling to fill appointments or leverage any growth.

Keep a strong focus on growth and building systems early on, and you will feel the stress starting to lower as you gain ground.

3-5 YEARS

Growing Practice



FOCUSED ON
Profitability and stability



PATIENT BASE
Active patient base of more than 1000 patients



METRICS
Uses basic metrics to track results and keep business running



DENTISTS
Typically 1-2 dentists and one hygienist



TEAM
Team and systems are working, but still some inefficiencies



Developing a specialty in the practice



Owner is busy running the business day-to-day

The growth years are about stability

Any business owner should ideally have the goal of working less and earning more. As your practice begins to grow consistently, the focus must again shift to create stability.

In these years, typically between the 3rd and 5th year, you can solidify your systems and hand over the day-to-day operations to your team members. You might also look at expanding your roster of clinicians to start gaining some financial leverage.

During this growth years, it is crucial that you begin to 'fly by the instruments'. This term comes from the aviation world, where pilots trust their dashboard instruments over their visual cues.

If they ignore the numbers on their dials and gauges, they risk losing control of the plane.

In the same way, a dentist who doesn't review their financial metrics and patient growth metrics each month will risk their business stagnating or starting to deteriorate.

The 'trap' of the growing practice is that the dentist tries to keep working in the business instead of on the business. However, once you have a base of 1000 or more active patients, you know that you can step back a little from the day-to-day clinical work. You may also want to focus on a clinical specialty that has higher profit potential.

5+ YEARS

Established Practice



FOCUSED ON

Leveraged income and high profitability



PATIENT BASE

Active patient based of 1800 (or more) patients per dentist



METRICS

Using metrics to track leveraged growth



DENTISTS

1-2 hygienists per dentist



TEAM

Team are well-trained, and systems are effective and efficient



Owner works on improving the business rather than working as a clinician

The established years are about leverage

After more than five years of running your practice, you should ideally be moving into the 'established' phase. This phase is when you have a skilled team, clear systems, and know your numbers.

Most importantly, an owner of an established practice should be doing less work and letting the business run itself. They may still practice a few days a week, but the overall focus should be on letting others do the work and measuring the results.

Working less in the practice can also give dental practice owners the chance to expand

to new locations and begin to build a group of practices. In this way, you are expanding your profit potential even further.

Leadership skills are crucial in the established phase of a dental practice. If you can't lead your team with a clear vision and give them room to run the business, you will limit your success.

An established practice is one that runs smoothly, consistently, and is very much self-sustained—generating profit without direct effort from the practice owner. Creating this type of dental practice is not simple or easy, but the time and effort are well worth it.

Let go of comparing

Once you know which phase of practice growth you're currently in, you can gain clarity around your reality. You can take better control of your future and understand what is most important to focus on at this phase.

You can also stop comparing yourself to other dentists who might be at a different phase and focus on creating your own success.

This way of thinking can be a big trap that many dental practice owners fall into, especially in a similar location. Let go of the idea that you are somehow 'behind' another dental practice; you are simply growing at your own pace.

Best of all, once you understand the priorities for your specific phase, you can propel your business forward in your own unique way.





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