



# The nuts and bolts of buying state-of-the-art equipment

**B**uying state-of-the-art equipment can be one of the most satisfying practice enhancements you pursue. This is best accomplished through conducting an organized analysis. You'll need to consider the economics, personal impact, effect on patient care, market value and the intangibles afforded by this new equipment or technology. The analysis should be tailored to the specific purchase, patient needs, doctor and practice.

Good economic sense for the advanced equipment is mandatory. The economics of the purchase—how it is financed, tax implications and what you'll need to recoup per use—must be carefully assessed. Factor in your time because use tends to be less at the onset.

When considering any purchase, closely scrutinize your fees. Analyze your fees by procedures, demographics and what other practitioners charge for similar services. Accountants, sales representatives, insurance companies, and outside sources can all be instrumental in the analysis. Evaluate the impact on your overhead, which will directly influence fees and the purchase financing. Small fee increases have more of a positive effect on net profit for the practice with a higher overhead. Therefore, raising your fees have a varied impact on overhead,

often more than you realize.

I am not interested in a new purchase that doesn't raise the level of care for the patient. The personal satisfaction I gain by improving patient care with a new acquisition is the number one factor. Improving patient care does not have to be correlated to increased profit. Profit comes from multiple applications and uses of the new technology.

Sometimes, a common reason for a dentist to obtain new, "state-of-the-art" equipment is the dentist's love affair with "gee whiz" gizmos. While the new stuff may well improve the standard of care and profitability, the

purchase can come down to a dentist's purely emotional "I gotta have it" motive.

The biggest impact on potential profitability is how you market it. Action plans need to be formulated to increase interest in the purchase. New purchases often enable the doctor to improve treatment planning and incorporate additional procedures. Sometimes the boost in confidence and competence helps the doctor perform more happily and profitably. This can be an excellent public relations opportunity for existing and new patients. One should also always stress the positive health benefits.

There are always intangibles and unknowns inherent in any purchase. How does it affect the staff dynamics? How do patients receive it? Did it live up to expectations? What were the unrealized pluses and minuses? As the questions arise, change and implementation are required.

Our practice underwent a similar analysis when we purchased our 3D cone beam CAT scan. Initially we crunched the numbers and felt it was a worthwhile endeavor. We performed a comprehensive fee analysis. We examined different applications of the scan. We evaluated potential market values and additional services that the scan offered. We addressed the intangibles as best we could.

The biggest impact of our CAT scan has been on patient care. We don't know how we practiced effectively without it. It generates significant excitement from our patients, staff and doctors. Anatomy we used to only guess at is now visible. Implant placement, grafting, third molar surgery, pain evaluation and diagnosis of trauma and pathology have been elevated to a new level. Problems are detected earlier. We see latent sinus disease in nearly a third of our scanned patients.

To reiterate, the purchase of state-of-the-art equipment doesn't have to be an overwhelming process. By carefully analyzing the costs, potential for increased revenues, patient benefits, etc., a dentist's next purchase can be a very positive experience. ■

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