

Get Ready For Change

Six years after one of the biggest melt-downs in the financial sector, the likes of which most of us have never seen, many of are wondering if it will ever get back to where it was before.

The economy has seen financial bumps like this, and yes, we have come back, only to hit another bump. There has been financial crisis in many parts of Europe and the shutting down of government in the United States over its debt ceiling. These events have made all of us sit up and take notice.

Both the industry in which we thrive and our personal lives have been affected by these changes and we are left wondering about the future and how we should prepare.

Research from prominent trade journals, keeping connected with financial professionals and keeping up on industry research helps in forming a bigger picture to shed understanding on the evolving economy and how it affects our businesses and our lives.

There are some interesting statistics compelled by LMT in the September 2013 issue that are worth giving a second look:

1. The number of dental labs has declined from 1998 to 2011 by 12.5% to 10, 500 labs today.
2. The number of dentists has increased 17% up to 156, 011 in the same period.
3. Patients over 45 years old to dentist ratio has increased 36% up to 796:1.
4. Dentists plan to work 8-10yrs longer in order to have a comfortable retirement.
5. More than 50% of dental lab owners are 55 or older and 40% plan on retiring in the next 10yrs.
6. The most rapid growth in dental practices are big group practices that will have in-house labs or buy solely on price.
7. Female dentists now make up 24% of the market and tend to work part time and mainly as general dentists.

Between 2006 and 2010, solo dental practitioners decreased from 76% to 69%, while large group practices increased 25%.

So what should we take from these statistics?

The industry is definitely in transition, with the number of laboratories decreasing and the numbers of owners wanting to sell increasing; the number of dentists are increasing and practicing longer; group practices will increasingly become more the status quo and since they have a tendency to buy on price not quality it is important for laboratories to figure out its 1-3 and 3-5 year business plan right now. This is essential to moving forward and staying healthy as a business. Knowing where you will get your clients, what value proposition you will offer them and what part of the price pyramid you will operate in.

As the old saying goes, "people don't plan to fail, they fail to plan." Most business wait until it is too late and cash is too tight to address this. Be proactive and start your planning now. This will save you a lot of stress and anguish in the future.