



The Value of an Excellent Financial Administrator

By: Gordon J. Christensen, DDS, MSD, PhD

For most dentists, financial matters are the most frustrating aspect of their practices. By graduation, the dental schools prepare students for competence in the basic clinical techniques of the moment. However, it is common knowledge that, with a few exceptions, dental schools have not been able to prepare graduates for the immediate financial challenges facing them at graduation. A current notable exception is the University of the Pacific that currently makes significant effort to provide a practice administration program that prepares new graduates for the financial challenges of a practice. As a result of the lack of education on the business aspects of a practice, most new practitioners have a few years of struggling before they decide what to do with the financial portions of their professional lives.

The best advice I can give any dentist having problems with the financial portion of a practice is to hire an experienced financial administrator. Such a person can provide expertise to dental practices that can stabilize and mature the financial portion of the practice and relieve dentists of the anxieties and fears that accompany inadequate knowledge in financial matters.

This article provides my opinions on the characteristics of an excellent financial administrator and supports the importance of this position in a dental practice.

Personal Characteristics Of Financial Administrators

It may be impossible to find all of the following characteristics in one person, but finding a person with most of these personal qualities should be your goal.

Honesty

This characteristic is difficult to evaluate when interviewing a candidate for the position of financial administrator. I suggest calling several references and having candid conversations with previous employers, clergy persons, school references or others who would have information about the honesty of the candidate. In a recently published book, *Employee Embezzlement and Fraud in the Dental Office*, the many ways employees can embezzle funds in dental offices was discussed. This book provides shocking evidence about the prevalence of the problem in dental practices. In continuing education courses, I have asked large groups of dentists how many of them have had at least one occurrence of financial dishonesty in their practices. An amazing 50% say that they have had this problem! Find someone who, after significant investigation, appears to be honest, and watch the person carefully for many months before accepting them into your confidence. Incorporate into your practice a system of checks and balances that help prevent dishonesty. Never completely trust anyone.

Detail Oriented

Financial matters require great detail and completeness. This

characteristic is required for competency as a financial administrator. I am sure you have had persons in your immediate family who forget the amount of checks, forget to pay bills, lose credit card receipts, pay bills twice, or any of many other problems. Such characteristics are not acceptable for a financial administrator. Every detail must have an accounting. This personal characteristic will require many months of observation before you are relatively assured that it is present.

Multitask Ability

Most financial administrators are located at the front desk of the dental office. As a result, they may be interrupted many times during the day. If a person is not able to concentrate on more than one task at a time, the likelihood of competency in this position is reduced, and the chance for errors is ever present. This characteristic must be watched for months to be confirmed.

Empathy

Many patients need oral care, but may not be able to afford it. The financial administrator should have an empathetic attitude toward these patients and should help them find an alternative payment method. It has been my experience that patients who cannot afford the therapy they desire, and who are helped to obtain at least minimal care for an interim period, will often come back when they have found the financial resources to pay for the originally desired treatment. Don't forget—dentistry is a health service. The financial administrator should be as helpful as possible.

Calm, Peaceful Personality

Patients can become highly agitated about financial matters. The financial administrator should be able to listen to occasional tirades and still keep a "cool head." Previous employers can usually provide information about this personal characteristic. Persons with volatile personalities should be avoided in any area of the dental practice.

Good Public Relations Abilities

Many areas of interpersonal relations are more delicate than others. Money matters have the potential to create bad public relations. I have always felt that it is better to allow patients the "benefit of the doubt" relative to money matters. It is easier to redo disputed therapy, refund a fee, or pay another dentist to redo your therapy, than it is to create ill will, or more seriously, a lawsuit. Financial administrators should have excellent public relations skills. They should have outgoing personalities and be able to engage in conversation easily. They should be able to discuss money matters without embarrassment, and they should instill trust in patients.

Collection Abilities

Financial administrators can destroy the financial security of a practice. Many years ago I employed such a person. The accounts

receivable became larger and larger each month. Fortunately, I was able to relieve her of her duties in time to overcome the problem, but it was an expensive learning experience for me. The person responsible for collection of fees should immediately inform the dentist of patients who are not financially responsible. Collections should be nearly 100%, and accounts receivable should be kept as small as possible. Dentists should choose their charity cases; charity cases should not choose their dentists.

Summary

Financial administrators in dental practices are key persons in the success of dental practices. An in-depth examination of the candidates' personal characteristics is necessary before hiring, and several months of very close performance evaluation is necessary for employees in the financial areas of dental practices. More than one employee should check all financial aspects of the practice to provide checks and balances on all financial matters.

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