

Easing the Burden of Cash Flow Challenges

Situation:

- A pediatric practice with 2 practicing dentists
- 100% owned by elder practitioner nearing retirement
- Comprised of a unique team of experienced and highly paid staff
- Approximately 50% of revenue from Medicaid

Challenges:

- A need to move locations because of various outside factors
- A need to increase treatment rooms and update certain equipment
- A desire to transition ownership from elder to younger with plans for elder to “cash-out”
- Daily cash flow challenges with a 38% collection posture relative to Medicaid
- A desire to meet the daily cash flow challenges without changes to current highly-paid efficient staff

Actions & Results:

- Determined appropriate location to which they should relocate. We performed a very detailed demographic and location feasibility analysis to help pinpoint the precise location suitable for the best future practice growth.
- Designed a comprehensive plan to simultaneously move, transition from elder to younger, and expand and upgrade their equipment. The plan was implemented by coordinating the needs of the dentists and their practice with the financial, legal, and tax consequences of this plan. We orchestrated the implementation of a successful practice move, practice transition, and equipment expansion.
- Developed and implemented a short term plan to address daily cash flow challenges. The practice successfully implemented the short term plan that addressed their daily cash flow challenges and eased the daily strain on the business.
- Designed a long term strategy to ensure future cash flow challenges are eliminated, or at least minimal, yet able to retain the unique staff which most dentists desire. The practice adopted the use of a comprehensive planning tool which Veros designed that allows the practice to set monthly, quarterly, and annual goals and consequently see the impact of these goals on their future cash flow. Veros trained and assisted in implementing the use of the tool and oversaw goal setting for the two years.
- Suggested marketing strategies and approaches to supplement the long term strategy. Veros created a prioritized marketing plan and identified appropriate vendors to assist in implementing areas of the plan that require specialized skills, such as web development and search engine optimization.