



i3 Ignite

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Top 3 Tips: Cutting Costs Without Impacting Effectiveness

Restructure at strategic, enduring levels

**TIP
#1**

Strategically review expenses by line item

- Consolidate multiple line items that fit together (Medical/dental supplies, other supplies, implants)
- Look at the combined line item view over the past 3 years, showing the expense as a percent of revenue
- Identify where you spend the most and look at spending trends
 - Has each line item trended up or down?
 - Have costs grown at a faster rate than revenue growth? That's not good
 - Where should spending should be decreased or eliminated?
 - How can you move to a lower cost supplier or renegotiate with your current supplier?





TIP #2

Think about strategic restructuring, not just cost cutting



- Q:** Have labor costs (as a percent of revenue) been high?
 - If yes, re-think roles and organizational structure
- Q:** Does your organizational structure drive cost down and effectiveness up?
 - If not, redefine roles behaviorally and restructure now before you re-hire
- Q:** Is there an opportunity to exit lower performing team members rather than furloughing them?
 - There may be some great folks out there who are looking for new jobs
- Q:** When was the last time you looked at Marketing?
 - What have been the most successful marketing campaigns? How do you know?
- Q:** Are processes helping to decrease costs or not?
 - Or do you need to tighten up compliance to process?

TIP #3

Look at the performance of locations, compensation structure and your payor base

- Take a hard look at under-performing locations that aren't cash neutral
- Re-structure your relationship with Associates to add equity and reduce cash
- Consider accepting more insurance or even Medicare, given unemployment rates



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About i3 Ignite

i3 Ignite is a consulting company that creates clarity and momentum for business leaders challenged with building a platform for scaling location-based services that will deliver repeatable outcomes. Many of i3 Ignite's current clients are entrepreneurial groups that are planning to structure and operate a new, centralized, dental support organization (DSO).

As founding COO for ClearChoice Dental Implant Centers, Margaret McGuckin successfully grew the pioneering DSO to become the implant market leader, opening 31 multi-specialty locations in four years across the United States.

Create Your Recovery Plan | (830) 237-1789 | Margaret@i3ignite.com