

ORTHODONTIC OFFICE DESIGN

Transitional Office Design: Attracting an Associate

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Years ago, many orthodontists at the end of their careers chose simply to finish their remaining cases and close their offices. Today, it is much less sensible, from a tax and retirement planning standpoint, to walk away from a practice worth \$500,000 to \$1 million without selling it.¹

Practice valuation experts agree that well-planned associations are generally the most successful for both the seller and buyer, with a minimum of two years required for a smooth transition.¹ Unfortunately, in today's competitive market, most orthodontists will have difficulty selling their practices.² A recent survey of graduating residents showed a strong preference for coastal states, larger cities, or certain medium-size cities, with no interest at all shown in nine states.¹ In other words, considerations other than profitability may ultimately make the sale.³

Nowadays, many orthodontists 10 to 12 years from retirement are investing in new office buildings or condominiums. Although these buildings may eventually be sold or rented to other orthodontists, good property can also be rented to other professionals and thus provide

income as well as retirement savings. Interest rates for borrowing money are currently at a 35-year low.

Transitional Office Design

Doctors who have large, exceptional facilities will have a distinct advantage in attracting prospective buyers. Transition companies often recommend upgrading office furnishings and equipment to increase the value of tangible assets. For example, one orthodontist who practices in a desirable community in New England and has an above-average income was told that his facility prevented him from adding enough operatory chairs and staff to reduce a five-week wait for new examinations. He was also advised to implement a one-appointment-exam technique that required a larger exam/consultation area.

Improper design and a shortage of chairs can limit the options for association (Table 1). Because it is difficult for two doctors to work simultaneously in a small, congested operatory, there is less profitability in such a long-term arrangement. Therefore, a small facility may force the buyer and seller into an immediate transfer, which can prevent an orderly introduction of the new orthodontist to the practice and community.

The floor plan for a new office can be designed to allow some flexibility for secondary working chairs in case an associate is added later (Fig. 1). Any of the following areas may be used:

- A records room near the main operatory
- An exam/consulting area near the main operatory
- The treatment coordinator's office near the



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TABLE 1
EFFECTS OF SQUARE FOOTAGE ON PRACTICE TRANSITIONS

<i>Smaller offices: 2,000 square feet or less</i> <ul style="list-style-type: none">• May be solo practice, leveling out or in decline• Facility does not allow two doctors to work efficiently• Size of practice often not profitable for two doctors• New growth will require expansion or future move of buyer• Quick transfer of ownership often required
<i>Medium-size offices: 2,500-3,500 square feet</i> <ul style="list-style-type: none">• Minimum five to six operator chairs• Must be profitable practice to support two doctors• Good satellite improves profitability during transition and provides possible location for new associate's main office• Well-designed facility will allow two-year transition• Longer association would require sustained or more growth and improved facilities
<i>Larger offices: 4,000 square feet or more</i> <ul style="list-style-type: none">• Minimum six to eight operator chairs, with good office support systems• Satellites may be necessary for continued profitability as feeders for main office• Square footage allows greater flexibility for remodeling to accommodate associate• Well-designed transition facility must be planned five to 10 years before retirement of senior doctor• Minimum two-year transition recommended; longer-term association with buy-out possible

main operator, if it has a dental chair

- Adult treatment rooms or chairs adjacent to the open bay

In a larger office, a transitional floor plan can provide adequate operator chairs for a long-term association or partnership to be developed without remodeling (Fig. 2).

Inefficiency in the operator due to poor design, traffic congestion, or inconsistent chair-side work patterns is sometimes difficult to recognize, but can have severe financial consequences. By taking advantage of modern time-and-motion concepts, you can easily increase the number of patients treated by 10 per day and still reduce stress in the office.⁴ In a busy practice with average fees, this can translate into an additional \$30,000 per year in gross income, which should cover the cost of any upgrades in cabinetry and delivery systems.

Evaluating Your Practice

In the typical life cycle of an orthodontic practice, income hits its peak between 14 and 17 years and then gradually declines until the doctor's retirement.⁵ During this period of decline, there are several ways to revitalize the practice, increase income, and enhance the attractiveness of the practice to a potential buyer. A comprehensive evaluation by a firm specializing in transitions will identify the practice's strengths, as well as areas requiring improvement.

There is no such thing as a perfect office. A new office may be ideal for a particular stage in a practice, but no one should expect a design to hold up for 30 years. Because of the changing nature of our profession and its technology, more than one office may be required during an orthodontic career.

Gottlieb suggests that all orthodontists

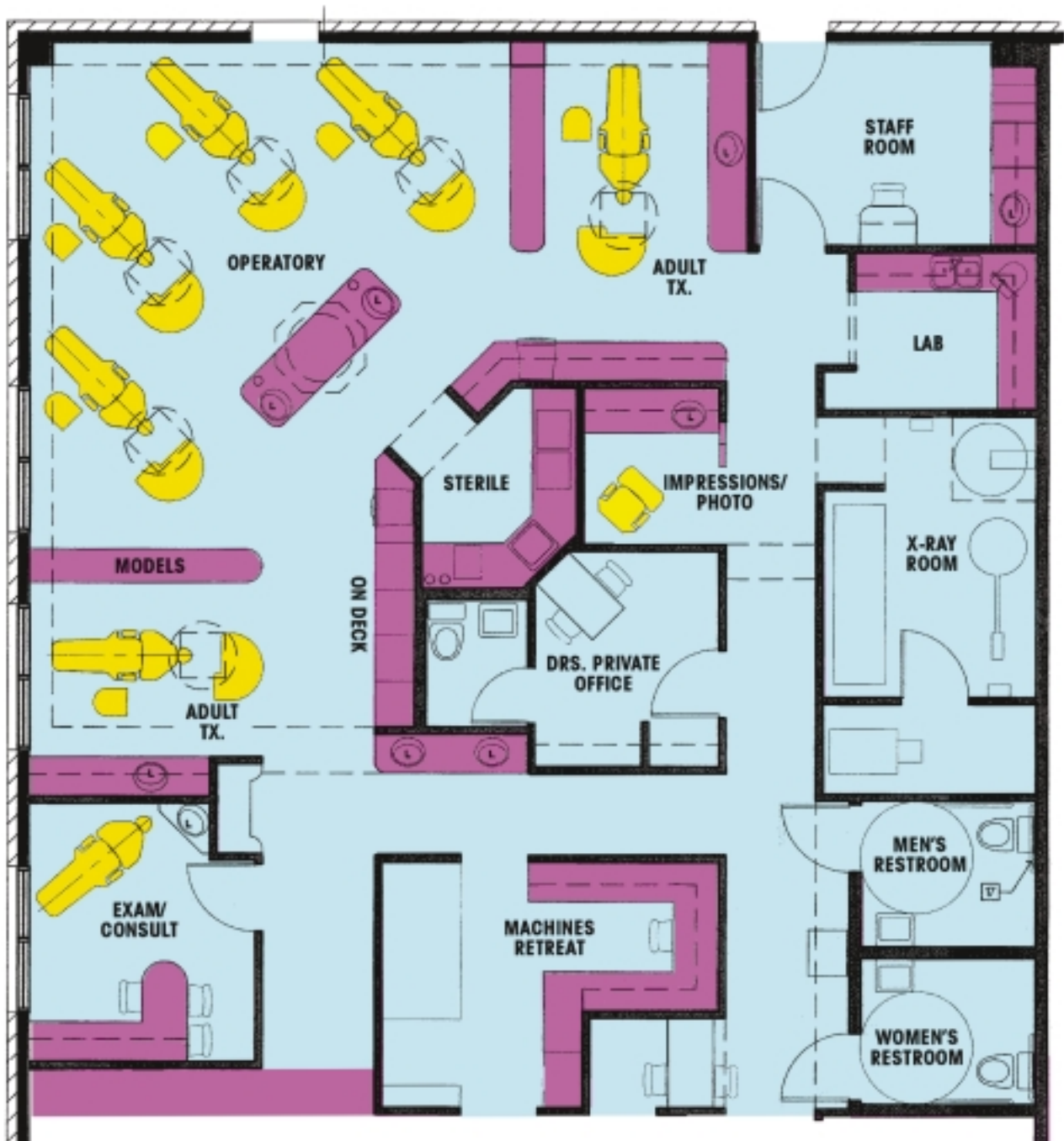


Fig. 1 Transitional office design for Dr. Harry Bussa, Katy, TX (2,900 square feet). Three secondary chairs in records room and treatment coordinator's office were added to six operatory chairs. Another secondary chair could be gained by remodeling large x-ray room.

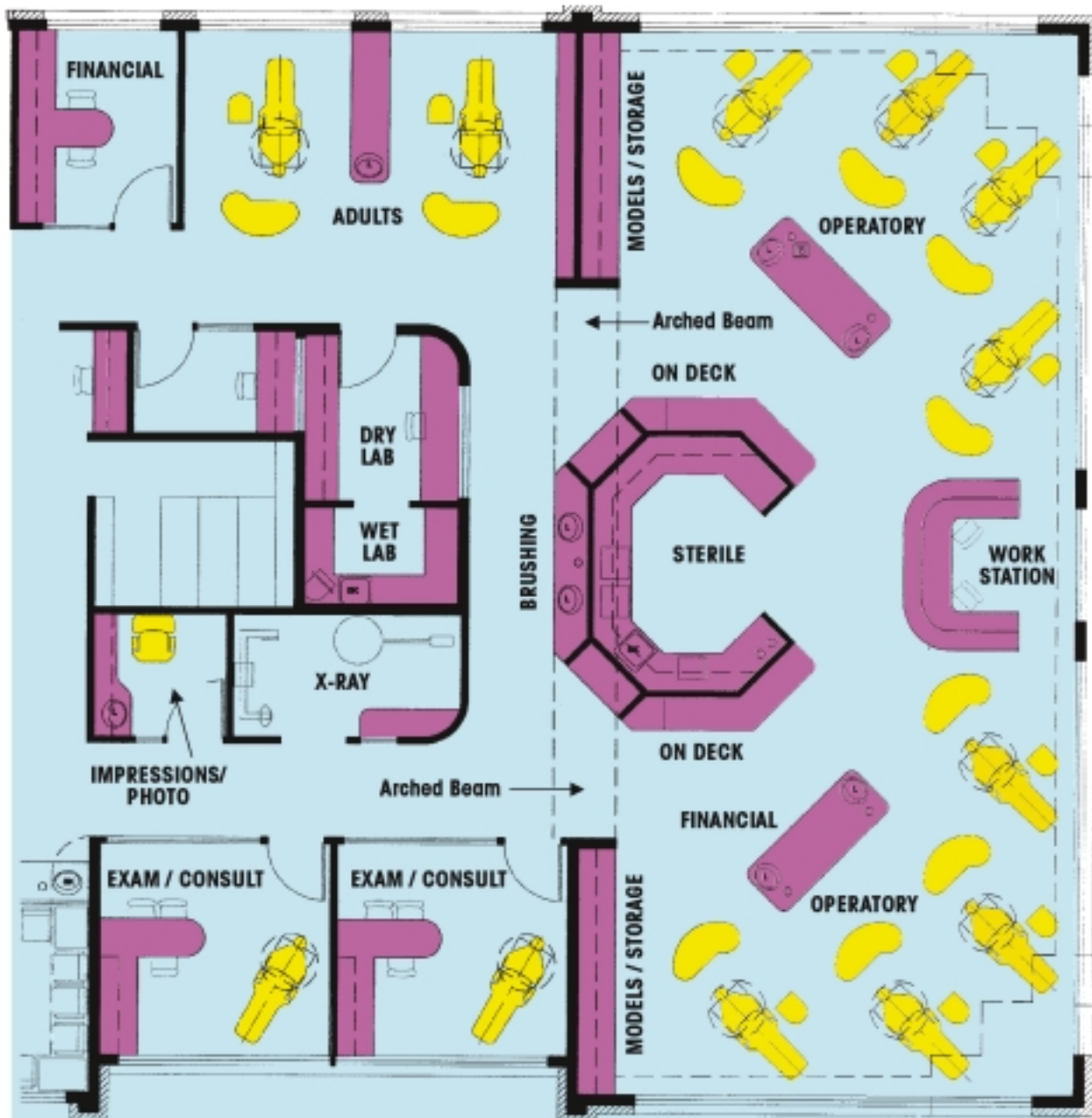


Fig. 2 Transitional office design for Dr. George Adams, Plano, TX (4,000+ square feet). Ten operator chairs are available, with ample room in remainder of office for efficient support system.

examine their practices as if they were potential buyers.⁶ Grade your office from A to F on each of the following characteristics often associated with exceptional practices, keeping in mind that the internal factors are more under your control than the external factors.

External Features

1. Community demographics

- ___ Favorable trends in age mixture
- ___ Moderate to high average income level
- ___ Proximity to high-growth areas
- ___ Proximity to schools
- ___ Proximity to shopping centers, hospitals, referring dentists

2. Attractiveness of office building

- ___ Inviting curb appeal (Fig. 3)
- ___ Visibility to drive-by traffic
- ___ Pleasant, well-kept landscaping
- ___ Adequate, convenient parking
- ___ Sidewalk heating pads in cold climates

3. Signage

- ___ Personal sign instead of common marquee
- ___ High-quality design (Fig. 4)
- ___ Easily observed, at right angle to passing traffic

Internal Features

1. Reception/secretarial area

- ___ Warm, friendly decor; incandescent lighting
- ___ Generous seating, fully visible to secretary, at reasonable distance from appointment desk
- ___ Computerized patient sign-in to reduce front-desk bottlenecks
- ___ Imaginative soffits, mood lighting, varying ceiling heights (Fig. 5)
- ___ Other design options including coffee/juice bar, children's/game room, "hostess concept"⁷

2. Office design that creates feeling of space⁸

- ___ Wide hallways for smooth traffic flow
- ___ Abundance of windows and skylights
- ___ Liberal use of glass panels and windows between work zones



Fig. 3 Attractive office building of Dr. Carey Noorda, Henderson, NV, has curb appeal, excellent visibility, and well-kept landscaping.



Fig. 4 High-quality, easily visible sign of Dr. Terry Thames, Carrollton, TX, contains usual information plus website address.



Fig. 5 Imaginative reception room decor with varying ceiling heights, soffits, and mood lighting in office of Dr. Richard Jones, Indianapolis.

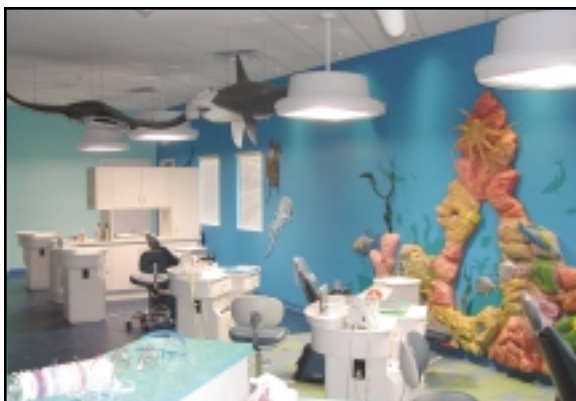


Fig. 6 “Underwater” operatory design with free and uncongested traffic flow in office of Dr. Richard Jones, Indianapolis.

- ___ Pastel and monochromatic wall treatments to magnify small areas
- ___ Partitions instead of doors if privacy is not required
- ___ Curved and angulated walls and cabinetry

3. Operatory that demonstrates “excellent service is performed here”

- ___ Exceptional atmosphere in open bay (Fig. 6)
- ___ Exciting exterior view (if possible) or interesting wall treatments
- ___ Free and uncongested traffic flow throughout
- ___ Up-to-date, well-organized equipment
- ___ Digital patient records that allow convenient access to treatment history without paper charts

4. Stand-up consultation areas⁹ that:

- ___ Eliminate operatory congestion by allowing chair preparation for next patient
- ___ Provide computer access to digital patient education programs
- ___ Can serve as additional consultation rooms
- ___ Allow semiprivate patient instructions or communication with parents (easier to conclude conversations when standing)
- ___ Double as “good-bye mirrors”

5. Consultation exam room that serves as extra treatment/consultation room if large enough to hold dental chair

- ___ Convenient or adjacent to operatory and x-ray room
- ___ “Statement room” with window if possible
- ___ Digital photography, computer, and audiovisual capabilities
- ___ Consultation-style desk with ample seating

6. Excellent staff amenities to promote longevity

- ___ Latest in office equipment
- ___ Staff lounge with view if possible; if large enough, doubles as conference room for staff meetings or “lunch and learn” sessions with referring dentists and staffs
- ___ Kitchenette, private restroom, lockers
- ___ Changing area with optional washer/dryer

Conclusion

If you are considering selling your practice and your office has low grades in any of these areas, you should make every effort to improve them to As as soon as possible. Even if you have no immediate plans to sell the practice, why not aim for straight As anyway? Such an investment in the practice has many other rewards, including greater patient acceptance, improved efficiency, and better staff morale.

Making changes in your office is temporarily disruptive, but improving your working environment provides both monetary and intangible returns daily. The best long-term reward may be that it will be a strong factor in attracting a potential associate and making a future sale of your practice.

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