

AVOID THE COSTLY MISTAKE OF OVERLOOKING YOUR SUPPLY STRATEGY

With so much to consider when beginning your dental career or opening a new practice, establishing a supply chain strategy often gets lost in the shuffle. **Having a plan for managing your supplies is a critical piece of building and operating a profitable, sustainable independent practice.** To avoid this common, costly mistake and develop an effective supply chain strategy for your practice, you should:

1 JOIN A GPO



Group Purchasing Organization's (GPO's) have been utilized in the medical field for decades, saving the industry billions of dollars each year, but have only recently begun to emerge in dentistry. Dental GPO's, like Independent Dental Solutions (IDS), can help private practices easily manage and reduce their operating expenses and ensure their practice is operating as cost-effectively as possible. GPO's do the leg work for you, so you can concentrate your time and talents on providing patient care. They do this by leveraging the collective buying power of their members to negotiate lower contracted pricing with a variety of vendors. To ensure pricing remains competitive, they also proactively monitor each contract and make adjustments when needed. This eliminates the need for price shopping, which is time consuming and unpredictable.

2 BUILD A STRONG TEAM

Make sure that your leadership team and supply ordering personnel understands and supports your supply chain strategy. Establish a formal process for ordering as well as how you plan to evaluate and bring on new equipment, products or vendors. Be sure to provide training for all staff members involved in the ordering process, to ensure everyone is on the same page as well.



3 ESTABLISH BENCHMARKS



Monitoring specific metrics throughout the year provides direct visibility into the performance of your supply chain and practice profitability. Start by evaluating your overall supply spend. According to national benchmarks, your supply costs (as a percent of income collected) should be 5% or less. Setting a monthly budget for supplies ensures you'll stay within this recommended range. From there, identify goals for your practice and the metrics you can use to track your progress, which may include on-hand inventory levels, shipping charges and order fulfillment and error rates. Periodically checking in on the "health" of your supply chain is imperative to ensure you're on the right track and allows you to make adjustments if needed.

4 REWARD YOUR TEAM

Establishing an incentive program can be an effective way to encourage your team to engage in behaviors that align with and support the overall goals of the practice and not just their individual role. This promotes an environment of teamwork and an opportunity for the whole practice to feel involved and invested in the practice's success.

INCENTIVES



5 PLAN AHEAD



As we have seen in dentistry, and in our personal lives, innovations and new technology are constantly emerging and can increase the efficiencies of daily, repetitive tasks. Replacing or upgrading the equipment and technology used at your practice can be expensive. Keeping a list of future equipment needs helps to better manage and plan for larger purchases for your practice. By planning ahead, you'll be able to make these purchases when it makes the most sense and ensure you receive the best pricing. Investing in new technology and staying informed about new advancements within in the industry can help streamline your practice and maintain a competitive advantage.

Although you may practice independently, it's important to remember that you are not on your own. Participating in a GPO enables you to join forces with other private practitioners and gain access to a wide range of support services as well. **IDS Membership is free, and on average, members save 23% on their supplies compared to the previous year.** To learn how IDS can help your practice establish a strong, cost-effective supply chain, or to join, visit: www.independent-ds.com/join.