



# Why Managing Your Practice Costs you Time and Money

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# **Everything is Broken**

The way we traditionally organize dental practices is completely broken. Gallup says only 32% of staff are fully engaged; nearly 70% are phoning it in. A Harris poll shows that 51% of everyone in your practice is proactively looking for another job, right now. And worse yet, Harris says 81% would take some other job if it fell in their lap.

#### We know it's broken.

A Human Capital Trends recent survey of hundreds of leaders showed that "after years of struggling to drive employee engagement and retention, improve leadership, and build a meaningful culture, 92% of respondents rated redesigning the organization itself as a critical priority". This new organization is "built around highly empowered teams, driven by a new model".

# Will We Fix It?

If any piece of technology like your hygienist's scaling system, only functioned at 32%, would you put up with it? Of course not. Time is money, and you would never put up with the losses from something taking three times as long as it should. What would you do with that machine?

- 1. Find out why. We don't throw out a machine because it's not working well. We do everything we can to find out why it's not working.
- 2. Repair and maintain diligently. Once we fixed the problem, we might find out that our maintenance wasn't what it should be.

  A lot of failure is from lack of regular care and maintenance.

You see where I'm going with this. We would never put up with a machine that functions at 32%, but when it comes to staff functioning that way, we just throw up our hands and say, "What are you going to do? Everybody has the same problem!"

Except not everybody does.

Some offices have 100% engagement, and if someone starts functioning below that, the team either gets them back up to speed (everybody has a bad day or week), or they get somebody else who wants to play at the highest levels. In some offices, deep competence and full engagement reign as the norm, and nothing else is acceptable. For these practices 32% engagement isn't even on their radar. How do they do it?

Spodak Dental Group in Delray Beach, Florida is one of our clients. Craig Spodak, DMD and his team have created a \$12 million single location practice that continues to grow in size and revenue, and most importantly, in legacy and positive impact on the surrounding Delray Beach community.

We have attended their morning huddles. Everybody is participating, sharing kudos with each other, talking about the patients they are going to see that day, reviewing their financial numbers from yesterday and their forecasts for today, talking about special cases coming in that day so everyone can be sensitive. Working together, supporting each other, playing together outside work. There is full engagement, not 32%.

And all of this happens without any managers. At Spodak Dental Group, nobody works for any one individual who can hire, fire or tell people what to do.

The teams hire, the teams fire. And the teams set other goals and objectives that would normally fall to the owner of the practice to set. In general, decisions are made where they are carried out, and the result is highly engaged, fully empowered staff who understand that their future growth, income, and opportunities are all in their hands. The more initiative they take, the more opportunity is theirs going forward.

The practice leader, (not manager – very different – she doesn't tell anyone what to do) Erika Pusillo, started as a dental assistant years ago, and is now leading this amazing practice. And that frees up Dr. Spodak to be fully strategic, not managing the day-to-day, but asking himself and others great questions that guide them into the future. And he's also free to practice exactly as much hands-on dentistry as he wants. He doesn't have to do dentistry. He gets to; whenever he wants, and only the type of treatments he loves doing.

This isn't a dental industry thing. Companies of every size are leaving behind the outdated management practices of the Industrial Age to grow exponentially faster, with fewer staff. They're doing it with what we call a Participation Age culture that results in increased stability, faster growth, more profitability, and much higher staff retention. In short, what is going on in the emerging work world, is a full on mission to rehumanize the workplace by giving everybody their brain back. And the result is 100% engagement and practice leaders who are free to lead, not manage.

#### **How Did We Get Here?**

The way we manage practices was inherited from the Factory System of the Industrial Age. That dehumanizing, top-down culture and those micro-managing business practices still dominate most companies. Dentistry is not an exception. Even though the focus of our company, Crankset Group, is helping dental practices rehumanize, we still get pulled into companies in other industries around the world, and we see it everywhere. Concepts like manager, employee, trading time for money, separating work and play, limited vacation time, an addiction to benefits, and other Industrial Age diseases still plague the business world, suppressing growth, profitability, and longevity.

Imagine a dental office where:

- People require no management, only vision, guidance and training (leadership)
- Staff turnover is exponentially lower
- Staff become committed Stakeholders in Self-Managed Work Teams
- Policy manuals are replaced with a few written Beliefs and Principles
- People make meaning, not just money, and a lot more of both
- Re-Humanizing the workplace is a company-wide practice, not a department

We can point you to more than a few practices who are already there, or actively running in this direction.

# Why is Managing People So Bad?

1) We set managers up to fail - Survey.com says fifteen of the twenty reasons someone will leave your practice are directly related to their manager. Get rid of managers and you eliminate 75% of the reasons people will quit!

It's not the manager's fault. We are asking them to be superhuman: highly relational yet highly detailed, highly strategic yet highly tactical, very patient but with a high sense of urgency, great trainers, mentors, psychologists, etc. It's an impossible job. In Participation Age companies, they split the former manager's duties amongst the team based on who is good at what, and the team functions at a much higher level. Nobody is the manager. Everybody is a leader.

2) The management tax is killing us.

In the Factory System model that most practices still use, we are taught that we need a manager for every seven to ten staff. At a large practice like Spodak Dental Group, they should have six or seven managers, all managed by another high-level manager. They have none.

Managers don't contribute to daily productivity. The tacit assumption is that managers make other people more productive by their presence, and the manager can get paid from some of that increase. But what if people were even more productive without a manager? In practices that have given everyone their brain back, managers are unnecessary, eliminating a huge and unnecessary financial burden on the practice.

3) Managers dehumanize work and create the lack of engagement. The principle is simple. Managers tell, leaders ask. When you "tell", you take away any need for others to make decisions, and that is dehumanizing.

Managers also delegate tasks – put this nut on that bolt. But leaders delegate responsibilities like "create happy patients". When you delegate tasks, you dehumanize people. When you delegate responsibility, you show trust, respect, and honor, and you lift people up to allow and require that they make great decisions as a team (this is all much more organized, safer and less chaotic than traditional management).

I've had a few great meetings with some people from Google who want to learn more about how we approach rehumanizing work-places. They shared that a problem they could run into is that too often, we grade managers by how many decisions they make, and how strongly they can tell other people what to do and get them to do it. That is an Industrial Age artifact.

Leaders don't tell people what to do. They ask hard questions and train others to make decisions, then they get the heck out of the way. Jack Dorsey, founder of Twitter and Square, says, "When I'm making decisions, I am not leading." He's dead on – when he's making decisions for others, he is managing, and in the process is teaching them to be codependent on him forever going forward.

# This Might Work for Others, But...

This isn't a fringe idea or experimental. It's happening in every industry, with companies of every size and shape. Many companies, like W. L. Gore (Goretex, 10,000 people, \$3billion in revenue) have worked this way for up to 65 years. And a growing tidal wave of companies and dental practices are moving in this direction. In a few years, the Participation Age office will be commonplace. Those who embrace the Participation Age will thrive, those who don't will be left behind.

#### Where's the Proof?

That's the fun part. All, and I mean all, of the data is on the side of rehumanizing the workplace, creating self-managed teams, and replacing managers with exponentially fewer leaders. I had a three-month long Twitter discussion with possibly the most famous management consultant of the last thirty years, who challenged every aspect of Participation Age structures and practices. The problem was that all his arguments were all emotional, and all our responses were supported by data. He eventually gave up when a friend of ours who leads a 2,000 person self-managed company chimed in and let him know how much better self-management works.

We're doing this with a growing list of dental practices, and even though we see self-management growing rapidly in every industry, dentistry is possibly one of best industries to adopt the model. That's why we focus on dentistry, along with the fact that so many dentists are so passionate about helping people. A growing number of the Best Places to Work are self-managed, and this is true as well in dentistry.

#### A Trapeze Moment

For 175 years we knew intuitively that reducing people to extensions of machines was a bad idea, but we just didn't know what else to do. The top-down hierarchy, modeled from fiefdoms of the Middle Ages and inherited from our military system, was all we knew. But even the military is rethinking it.

Now we know what else to do. We have options. Real, proven, time-tested, data driven options to rehumanize the workplace and give everyone their brain back. Data that is more than six decades old, with companies or every size in every industry showing great results by eliminating managers and creating self-managed, fully empowered teams.

So, the answer to 32% of engaged staff and 51% actively looking for something else is no longer, "Well, what can you do about it?" The answer is you can do what 92% of survey respondents are only talking about, but probably not doing – you can rehumanize your practice by reorganizing around highly empowered teams. I have a TED talk that can get you started - http://bit.ly/2ujUJae, and a book, "Why Employees Are Always a Bad Idea", to give you more confidence to embrace the emerging work world.

Don't get left behind. Please, come join us in the Participation Age!

Written by Chuck Blakeman

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