

# Dental Business Management with Mark Gaylard

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By listening to Dri's podcasts, you will learn the strategies that successful investors use to become financially independent.

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## **Biography:**

Mark Gaylard is a Director of Business Development for Enterprise Dental Management System (EDMS), and the cofounder of Dental Leadership Organization (DLO). Mark is a man that truly knows a lot about so many aspects of the dental profession, and he shares a great deal of his knowledge here today.

In this episode, Mark discusses the services offered by his firm and the numerous issues that are currently affecting the dental profession, DLO's upcoming inaugural conference, how dentists are reopening after the quarantine including the extra costs involved, and the government benefits that dentists might consider applying for. He also explains how all the business owners need to bridge from today's issues to a better post-virus world, and shares some insights into how he handles his own finances as well.

## **Highlights:**

- EDMS offers dentists three services: the opportunity to capture and analyze the dental practice's data, national coaching for the dentist community, and legacy planning for dentists that are thinking of either buying or selling a dental practice.
- DLO's goal is to create a fraternity that brings all dentists across Canada together, almost like a club.
- When recruiting and training dental staff, focusing on the team and the future and having a real vision that the team buys into is a key strategy.
- Student debt can be in the hundreds of thousands of dollars coming out of dental school.

- There are two avenues for dentists to follow: the associate driven business or private practice/partnership.
- it's actually illegal not to collect the copay.
- Social media is now becoming the number one leading driver and funnel for marketing.
- There are many different formulas on how to come up with what a dental practice is worth.
- Overall, dentists are very comfortable financially, but are less comfortable with their mental health.
- For the most part, dental offices in Ontario are open again.

### **Quotes:**

“It's my job to maintain and make sure all of these engines are speaking together and that we're giving the best quality of service and care to our dental partners.”

“Deliver great content, but deliver it in an environment where there's high energy, lots of movement. I always say emotion creates emotion.”

“In order for us to be successful, sometimes we might have to bite the bullet now and invest.”

“I would take the associate route, wash my hands of the trials and tribulations of the business at the end of the day, do my dentistry, get paid on my production, manage my money and then plan into my future.”

“Start it today how you want it to look in five years and stick to that plan.”

“The most successful dentists in our business work the least and have nothing to do with the fee guide and insurance.”

“You're totally responsible for the results you get out of your business.”

“There's no company that will give you anything more powerful than a happy patient and asking for more of those same patients to join your practice.”

“This is your chance to hit the reset button, to do it the way you want to do it.”

“Plan well and move forward. Keep your head up and know that it is going to get better.”

**Richard Dri:** Hello, it's Richard Dri, and welcome to the Richard Dri Wealth Navigator Podcast where my mission is to motivate business owners and incorporated professionals to become financially literate and to convert their high income into true wealth. With wealth, the business owner can build a practice or a business that is free of financial constraints and can focus on their customers, their family and their health.

Today my guest is Mark Gaylard, a Director of Business Development for Enterprise Dental Management System, which he refers to as EDMS and the cofounder of Dental Leadership Organization or again DLO for short. Mark is a man that knows a lot about the dental profession, and we discuss the services offered by his firm and the numerous issues that are currently affecting the dental profession. EDMS offers dentists three services. One, the opportunity to capture and analyze the dental practice's data; two, national coaching for the dentist community; and, three, legacy planning for dentists that are thinking of either buying or selling a dental practice.

In his spare time, Mark cofounded DLO or Dentist Leadership Organization, and they will hold their inaugural conference on May 27th, 2021, in beautiful Kelowna, BC. The conference will provide useful content for the dental industry, and Mark promises to provide the information in a high-energy format.

Now, Mark's experience in the dental profession makes him highly qualified to offer suggestions concerning some of the difficult issues affecting the dental community today. I asked Mark if he thinks dentists are rich. Mark believes that dentists are comfortable financially, but not necessarily comfortable from a mental health perspective.

He states that dental schools do not teach dentists how to handle the stresses of running an office especially during a pandemic. Many dentists find it difficult to hire or fire employees, deal with suppliers, landlords, attract new patients and deal with either legislation or their college.

We discuss how dentists are reopening after the quarantine, and we talk about how the additional costs such as additional PPEs, extra cleaning, are now facing. We discuss how dentists are reopening after quarantine and how the additional costs such as PPEs and the extra cleaning are now being forced upon the dentists to bear for the time being.

We discuss the government benefits that dentists might, if they haven't already, considered applying for such as a rent subsidy, a \$40,000 loan, a wage subsidy, or the \$2000 per month program. Be sure to listen to the end when Mark explains how all the business owners need to bridge from today's issues to a better post-virus world.

And with that introduction, I hope you enjoy my podcast with Mark Gaylard. Welcome, Mark, to the Richard Dri Wealth Navigator Podcast, and thank you for participating.

**Mark Gaylard:** Hey, Richard, thank you. It's great to be here. I'm glad we finally got all our technology straightened out.

**Richard Dri:** Yeah, absolutely. I'm glad you did that. Good. Mark, you work for a company called EDMS, Enterprise Dental Management Systems, and you're the Director of Business

Development there. Can you just tell us a little bit about what you do and what the company does?

## **EDMS and Mark's role there (4:32)**

**Mark Gaylard:** EDMS was founded about seven years ago by a gentleman named Peter Evans, and the base of the company was dental analytics. What they created was a platform that measured all the analytical properties in a clinic, and it was able to marry and speak to all their practice management softwares, which was one thing that didn't exist in our industry. As we know and as in the banking business, numbers are power, and knowing what your metrics are are the key to building blocks and to going for success.

What EDMS started out as was purely analytics and delivering metrics to the doctors and to the group practices so that they could better understand what was going on in the work environment, what the billings were day to day, doing actual doctor payroll and what have you. But then we found out as the company grew, and I've been at arms length with this company as an advisor from the coaching perspective for years as my role as a COO and a number of mid-sized DSOs, was that numbers are great, but if we don't have somebody who's monitoring these numbers and then putting strategic plans behind them, then it's almost like a gym membership. Some people, they get it, and then they forget that they've got it and then it goes void in the background.

There's a second silo within EDMS, which is called Engage, which is a national coaching platform of coaches that we have. Their main function is to monitor the metrics of every one of the clinics in their region, and they have a monthly coaching call with those clinic owners and doctors to discuss the metrics in the clinic. They discuss any red flags they might see, and then they try and normalize the problem, whether that's done on the fly within those calls or we actually parachute coaching to actually work with those teams or work with those distinct anomalies.

What makes the Engage coaching different is that typical consulting usually comes in, I always call it binders and monitors, and they show up, and they've got one way of doing things. What's different about this is it's very unique for each individual need in each practice. Everything is customized to the needs of the individual group or the individual practice. A third silo, which makes the most sense, is legacy planning and brokerage.

I use that word brokerage very gently because it's a term that's probably not the most favorable term in the business, but at the end of the day when you're about to see or buy scale or move on, there's got to be that real estate in the middle of that. That's what we provide. For the doctors who are single clinic owners, the beauty of our legacy planning is we're embedded in your clinic for a number of years prior to sale. So we're helping you grow, we're looking at the market. Do you want to be selling to a DSO and just get out or maybe work for five more years and do a partial retirement? Or do you have a legacy plan where you want to maintain culture, and you want to sell it to a young doctor, maybe a small town person? What we do is we pair the right fit

buyer and seller whether it's to continue practicing or to leave that scene and go out to the next stage of your life.

The engine is the analytics, and these are these two other silos that support everything within EDMS. As a Director of Business Development, it's my job to maintain and make sure all of these engines are speaking together and that we're giving the best quality of service and care to our dental partners. Then I'm always bringing in new business. I'm in charge of, we'll probably talk about later, the DLO, Dental Leadership Organization. All the outbound relationship building that goes on within the company, that falls into my wheelhouse.

**Richard Dri:** How many people work for EDMS at the moment?

**Mark Gaylard:** EDMS? The actual brainchild of EDMS is the heaviest populated because that's all the people and all the programmers and all the real intelligence. There's probably a dozen, maybe 20 programmers now, and that's their job. I affectionately call them the Big Bang Theory. They're a bunch of men and women that are a lot smarter than I'll ever be that run the analytical engine behind EDMS. Within the coaching silos, there's a coach in every region, Atlantic Canada, two in the GTA area, Midwest, Central Midwest and then Western Canada. That coaching goes up there. We also has EDMS USA. So there's EDMS Engage in the states.

My counterpart, Gina Ellis, is the Director of Business involvement from the US component. We do it on a different scale because the DSO market as we all know there is probably at about 40% where here it's maybe three or four.

**Richard Dri:** Okay, let's touch on DLO, which I believe stands for Dental Leadership Organization, and you're a cofounder of that.

**Mark Gaylard:** Yeah.

**Richard Dri:** Tell us what you do there.

## **DLO and its National Summit (9:25)**

**Mark Gaylard:** This is my baby. This is going to tip dentistry on its side I've been affectionately saying for the longest time. I think it happens in all business. We'll go to a conference, and, yeah, there could be great content, but there's a very low level of energy. There's low level of engagement. We all go to these trade shows, whether it's banking or dentistry. I think sports and concerts are the direction where people get motivated, and they get moving. Our biggest thing was, "How do we create this fraternity that brings all dentists across Canada together almost like a club?" That's basically how we're branding it as this is the club that you want to be part of. Deliver great content, but deliver it in an environment where there's high energy, lots of movement. I always say emotion creates emotion.

The Dental Leadership Organization is going to launch tentatively with COVID at our backside May 27th of next year in Kelowna, BC, for a three day event. It's going to be dentists together across the country. I've got some great speakers lined up from the US. I've got some great owners, I'm talking about people like Chris Hatfield and Mike Pinball Clemons to bring a different element of entertainment value and also bring a different element of coaching and knowledge to the table, so it's not just dental centric.

The dialogue will be extreme focus on team building because right now coming out of COVID the cohesiveness of the team is going to be the determining factor whether it moves on and survives or whether it becomes a victim of COVID. Having that strong team and a cohesive team is going to be one of the paramount objectives of the DLO.

Then we're going to add rock and roll and music and pomp and circumstance and red carpet experience that we don't experience at a typical dental event.

**Richard Dri:** It will be like an Anthony Robbins workshop?

**Mark Gaylard:** There you go speaking my language. My coach and mentor Anthony Robbins. It's going to sort of be Anthony Robbins meets rock and roll meets dentistry for three days.

**Richard Dri:** Now, is that your inaugural meeting or have you had them before?

**Mark Gaylard:** This will be the national summit next spring. It will be the inaugural event. The goal is to have regional events over the course of the year, three regional events obviously Atlantic, Canada Central and West. Then we want to create a whole online community that pulls dentistry together. We're continuing to add online. We've got communities that can actually share people who have access to the EDMS Engage coaching and the EDMS engine as well once they realize how that can support their business.

We want to create something that there's touchpoints all year. There will be education all year at the onset. There is no membership fee. We take care of all your food and your alcohol when you get on site, so it will be like having an all-inclusive vacation with great level content and more.

**Richard Dri:** I guess they'll get continued education credits for that too?

**Mark Gaylard:** Yeah.

**Richard Dri:** Well, I'd like to hear more about that as you put it together. Are you allowing nondentists to come there as sponsors?

**Mark Gaylard:** Yeah, we're opening the doors right now to sponsorship and the idea of people outside dentistry are more than welcome because depending upon... I'm talking to the GM right now because that would make perfect sense for them to get back in that environment with that

type of clientele at their disposal. The actual sponsorship enrolment doesn't start until July 15th, and that's only going to go for two or three weeks because at this point just with the teasers that we put out via social media, the level of interest of people coming to us that want to be involved and sponsors that are talking to us for different sponsorship levels has actually been humbling. I'm very excited about what's going to come.

**Richard Dri:** How many people do you expect?

**Mark Gaylard:** We're anticipating anywhere from 700 to 1,000 people for the first day.

**Richard Dri:** Whoa, seven hundred to a thousand people. Very good.

**Mark Gaylard:** And that's where the challenge may lie having it in May in next year. I'm dealing with a venue in Kelowna. Everything is being tentatively booked as though we're going forward. With the caveat that COVID is still an issue, we may have to move it.

**Richard Dri:** Would you do it online or a virtual seminar or presentation?

**Mark Gaylard:** No, you can go a show. This is going to be an experience.

**Richard Dri:** I see. A virtual experience is not going to cut it? Okay.

**Mark Gaylard:** I'm good, I'm not that good, Richard.

**Richard Dri:** You'd be prepared to delay it until whenever?

**Mark Gaylard:** Yeah.

**Richard Dri:** Perfect. Well, Mark, you sure know a lot about dentistry and the dental profession. As I discussed earlier, this podcast deals with the particular issues that business owners and incorporated professionals are facing in their day-to-day life at home or at work. Now we have an additional issue, which is obviously the coronavirus, the COVID-19, and all the issues connected to that.

In this particular podcast, I'd like to deal specifically with the challenges that are facing the dental community here in Ontario and I would imagine across Canada, maybe even across the US. Let's start, and in no particular order. I don't know which is worse or which is better. Let's start. I'll sort of use my own experience of when I go to the dentist and how I interact with them and what my feelings actually create when I go through or the feelings that I actually have when I go through the dental process starting from the appointment all the way through to the very end when I pay for it and then eventually rebook another appointment.

Again, no particular order, but based on my experience I find that my own dentist, which I had by the way for quite a few years, he has a knack of finding very good talent, whether it be the

front desk, the dental hygienist, younger dentists. They seem very good. Now, I know from my own practice that that's not an easy thing to do, finding the right people, training them, engaging with them, compensating them, creating a career path for them. How does a dentist who maybe doesn't have that skill, and that's not an insult, but how do they do that? How do they train properly?

## **Recruiting and training quality dental staff (16:12)**

**Mark Gaylard:** You hit the nail on the head especially right now coming out of COVID, and I alluded to this earlier that the strength of your team is going to determine the level of your success post COVID. There are a number of really reputable recruiting groups out there that are dental specific. Basically, it's almost like a dating service if you will for dentists because they talk about your culture first. They're looking for the level of expertise. What are you trying to deliver? Are you rural? Are you urban? Are you in downtown Toronto? What type of people are in your clinic? What's the type and style of dentistry that you're delivering?

What comes to mind was inspired dental partners. That's exactly what they do. They qualify the potential candidate with the clinic and vice versa. They do a lot of that leg work to make sure that they're getting correct batch. What's beautiful about that is they'll stand by their word once they place somebody, and if it doesn't work out, my understanding is they will find the right fit for you again in the future. That's one venue because in the course of the day everybody in dentistry is busy doing dentistry.

And a lot of the times people I've noticed, and this is more of an old way that things were done, but you just move up that chain in a dental office because of your tenure. Oh, Sally or Dave's been here for eight years. He's now the office manager. It doesn't make him a leader. It doesn't guarantee that he has the skills to hold that role, and yet that's the old way of doing things.

Right now, focusing on team and focusing on the future and having a real vision and having team buy into that is going to be a key strategy. In order for us to be successful, sometimes we might have to bite the bullet now and invest, and if it's about creating strong team and having strong leadership, that will definitely be an investment that will pay off huge dividends down the road.

**Richard Dri:** One of the biggest issues that I have with my professional clients whether they're incorporated or not, many of them come out of school with a tremendous amount of debt, student debt. I have heard from my dental client, dentist clients, that they did also come out of dental school whether it be in Ontario or who knows, maybe even in a US school.

They're coming out with hundreds of thousands of dollars of student debt. How do they pay that off?

## **Dental professionals and their student debt (18:38)**

**Mark Gaylard:** Well, if we took a step back 10 or 20 years ago, the natural evolution of a dentist was to go through dental school, go to your local big five bank, and they would give you, whatever, a million dollars, no questions asked. You're a dentist, hang your placard up and your shingle on a door, and away you went. You made business. It's not like that anymore as we all know.

Things have dramatically changed even with the banking rules and what's going forward as you could probably speak to better. People coming out of school right now, that big dream or that million dollar practice, may be something in the future and something to move towards and build towards into the future. But coming on as an associate and honing your skills, learning these leadership skills that we're talking about that will be paramount for success in the future and working for a proven clinic in a right fit clinic and then really budgeting, it comes right down to budgeting and money maintenance to alleviate some of this debt and some of these loans. And at that point you may want to take a deeper dive into investing a million, two million dollars in your own clinic.

**Richard Dri:** Any idea of what the averages are in Canada or in Ontario of student debt that the dentist carries when they first go into practice?

**Mark Gaylard:** Yeah, they can be in the hundreds of thousands of dollars coming out of dental school or if there was schooling prior to that, a lot of debts. I know a couple of dentists that were engineers prior to becoming dentists and went from one location to the next. Those numbers add up very quickly.

**Richard Dri:** You're recommending that they become an associate within an established practice and then eventually move on potentially and get their own practice thereafter?

**Mark Gaylard:** It's a recommendation, but there's two funnels. You're automatically going to pick one of two in dentistry. There's going to be the associate driven business or you're going to enter in private practice or in a partnership. From an economic standpoint, if it was myself, I would take the associate route, wash my hands of the trials and tribulations of the business at the end of the day, do my dentistry, get paid on my production, manage my money and then plan into my future.

**Richard Dri:** Another area of the dental appointment that really gets me interested is when I punch out or leave, they ask me for my insurance coverage, which I give them. They plug it in. I guess they're communicating electronically with the supplier, and then they say fine, you owe us another \$25.

**Mark Gaylard:** The copay.

**Richard Dri:** Yeah, the copay. How do they do that? Is that difficult? I would imagine it's difficult because there's so many insurance companies, so many different payers. Is that an issue or is that something that technology has corrected?

## **'Copay' and payment options (21:24)**

**Mark Gaylard:** Well, it's only an issue if you've never done it and you start doing it because you've set an expectation. So however you start your business. I always tell people, "Don't start it today how you want it to look tomorrow. Start it today how you want it to look in five years and stick to that plan." Of course, there will always be variances in that road, but it's actually illegal not to collect the copay believe it or not.

**Richard Dri:** Illegal or legal?

**Mark Gaylard:** Illegal.

**Richard Dri:** Illegal.

**Mark Gaylard:** Illegal to not collect the copay. Insurance companies do monitor this type of copay and send them a note. You could be in front of the College, and never a pretty sight for mom and dad to come down on you. The copay is just a natural part of the dental experience. With proper communication between patient and the team, that understanding has always been we're not here to treat your insurance company. I always look at it as it's kind of like having a coupon. Once you've used your 50-80% off, you still pay the difference.

**Richard Dri:** Now, how does a dentist collect from people that are not covered by a dental policy? Let's say I went into a dental office, I needed some work, it came out to \$1,000. Then I have to write a check for that. Are payables an issue for dentists?

**Mark Gaylard:** What's interesting, and you may find this because it's counterintuitive, but the most successful dentists in our business work the least and have nothing to do with the fee guide and insurance. They work the least, and they often charge higher than the fee guide, not because they're gouging but because of years of expertise, continuing education, the old saying of knowing where to hammer. Those are the success stories of dentistry.

In the instance that you're referring to, a lot of offices have different payment options, payment plans. They'll do an informed consent prior to any treatment, so you know going into the treatment approximately within very few dollars what that cost is going to be, and it's up to you to determine whether or not that's something you want to follow through with and how those arrangements are made, and they're different in every office.

**Richard Dri:**

Does a dentist have a payables person that continues to call and ensures it gets collected?

**Mark Gaylard:** Depending on the size of the office, a lot of the corporate DSOs, they'll have people and that's all they do. I work for a group in Brampton, Ontario, and they have a call room of people, and that was their job. Their task was to follow up on accounts receivable.

**Richard Dri:** You mentioned a very interesting type of dentist practice. You said someone who works the least makes the most. I like that. What does that mean? Can you expand on that?

**Mark Gaylard:** I don't want to categorize them as a smart dentist, but when you try to become all things to all people, these people that think if they're open seven days a week and they're open until midnight, they very quickly forget that the skillsets are diluted, the staff gets beaten up or beaten down, the level of quality sometimes goes questioned, and the cost of doing business in between those hours is a lot higher.

When you have a greater number of utilities, a greater number of staff overhead costs, the dentists that I see that are doing the best, and I know one in particular I'm thinking of, I know exactly how she operates. She works Monday to Thursday. She didn't even know Friday and Saturday existed. She's out of her office every day by 5:00, but she has a niche, and she's built it over years. This doesn't happen turnkey. But she's built it over years, and she said, "I'm not going to be an insurance driven practice. I'm going to charge different than the fee guide. Here's what we offer. Here's why we offer it. Here's the level of expertise." Although technically you can't differentiate yourself in the industry as being better. But as we know there are people who take more core competency courses, more CE, more hands-on courses, which, again, lifts the level of dentistry.

Is it for everybody? No. But these are the people that are doing the best in their industry and they sleep the best. Yet, they still have all the same problems with staffing and what have you, which they mitigate through huge, huge, huge infusion of time, training and leadership into their business.

**Richard Dri:** Are you saying that they only do a portion of the work like there might be cavities or crowns? They don't have a general practice where they'll do all of the work?

**Mark Gaylard:** No. There will always be the so-called drill and fill, the bread and butter dentistry, but then there's other competencies. Are they doing comprehensive dentists? Are we doing upper arch, full arch, full mouth reconstruction, crowns, bridges. There's people that they call the crown a month club, and then you'll go into offices that are doing quadrant dentistry all day long.

**Richard Dri:** You focus in on one or two or a few very specialized dental practices, and then you become very good at it?

**Mark Gaylard:** You become very good at it, and that's what you become known for. Again, as much as you're training your staff, you're also training your patients because you own them, and you're responsible for how they respond to you. I always say that when people say, "Oh, so and so is like this," I'll say, "Well, how did you treat them? How long have you be in business?" You're totally responsible for the results you get out of your business.

**Richard Dri:** This leads me to probably the most interesting question that I have when I go into a dental office, and that is, how do they market? How do they get people to come in the door? I went to my dentist because he was a friend that I met in, basically, university, became a dentist, and then we hooked up. I would imagine some of them are like that. But the majority aren't relying on people that you went to school with. You have to get out there and market. These are clearly marketing oriented people.

Again, not an insult. How do you get a dentist... Let's take a young dentist. He or she opens up her practice from scratch, and then you bring in patients?

## **Marketing and building a practice in Dentistry (27:23)**

**Mark Gaylard:** New patients. There's a laundry list of ways to do it. I'm going to actually speak to it backwards from the existing practice. Your number one marketing is the expertise you delivered in the time that that patient was in the chair and in your office. The old cliché, "word of mouth," there is no marketing tool out there, there's no company that will give you anything more powerful than a happy patient and asking for more of those same patients to join your practice.

I've told dentists during this whole COVID, your success is basically going to be a huge reflection on how you treated not your patients after COVID, but how you treated them before. What's going to be their level of engagement to come back? What do they remember? What are their fears? Did they feel safe and secure leading up to this pandemic? That's going to be a huge reflection on the other side of it.

For the new dentists when we flatten the curve, and we just open the doors, it's really, really tough. Social media is now becoming the number one leading driver and funnel for marketing. What better platform than something that's free, you can do yourself, you can have fun with your team? I 100% believe that some people hate to hear this, but paper marketing is dead. It's over. Flyers and postcards are just extremely expensive recycling. Social media and being involved in the community whether it's outbound and being involved in your community or being involved in online communities and just putting the word out there that you're here to help and you're new, and you're welcoming new patients.

**Richard Dri:** How long does it take to build a practice that is able to sustain a family? Obviously not a year, but is it three years? Five years? Ten years? What do you think?

**Mark Gaylard:** That's a really tough question because the market now is more saturated now than it's ever been. There's more dentists coming out of school. There's more foreign trained dentists coming into Canada than ever before. I always say you're only in competition with yourself. Your number one meter for success is how you run your own practice. It can take anywhere from a year, you can be up and very successful. It depends how engaged you are with your community and how much work you want to put in to being successful. I've seen some practices that have lingered on for three and four years with 200 to 300 patients tops, and that's frightening.

**Richard Dri:** Okay. So you have an interesting point there. How many do you need in order to be profitable? How many patients do you need?

**Mark Gaylard:** A strong one doctor, maybe two, three hygienist practice is anywhere from 1,200 to 1,500 consistent patients. People and consultants have different ways of measuring that. Some call a patient somebody who has been in your office in the last 18 to 24 months. My definition of an existing patient if I'm a great dentist giving a great experience is somebody who's been in my chair at least once in the last year.

**Richard Dri:** You mentioned that part of the services that EDMS provides is the valuation or the legacy option. I'm a dentist, I want to retire, how do you value a dental practice today?

## **Financial and mental health of dentists (30:35)**

**Mark Gaylard:** Right. If you go to two different schools of thought right now, banks, some of the brokers, some are multiples of EBIDTA, some are goodwill in charts, so there's two different ways of looking at it. Basically right now the complete value of a clinic is based on cash flow. They're looking at cash flow. They're looking obviously of goodwill in charts. A lot of it will have to do with the assets within the organization. There's a million different formulas on how to come up with what a dental practice is worth.

**Richard Dri:** What's the guideline? Is it one or two times revenue or four or five times?

**Mark Gaylard:** Depending. Pre-COVID, sometimes it was five and six times even.

**Richard Dri:** I wanted to ask you a little bit more about how much a dentist will make. I ask a lot of people this. Would you consider dentists to be rich, rich financially?

**Mark Gaylard:** I would consider most dentists to be comfortable. Emotionally, they could be richer.

**Richard Dri:** They've got a bad reputation for mental health. Is that because of all the schooling that is done?

**Mark Gaylard:** Nowhere in dental school was anyone ever prepared. If you have a practice of half a dozen people, you weren't prepared for six external lives, six or seven automobiles, 22 kids, 12-13 vacations a year. That part of that, the engine of running a business, that can't be taught. That's something that puts a huge burden. Imagine having that responsibility knowing especially what we just went through the burden of having to lay people off and know that you're putting livelihoods at stake, you're putting houses at stake and children at stake. It's a tall order.

**Richard Dri:** It's a tall order for sure. They're comfortable, but they're not rich.

**Mark Gaylard:** There are a few that are doing very, very well. Let's not kid ourselves. There are a lot of dentists that are doing extremely well, but I would say en masse, dentists are very comfortable.

**Richard Dri:** When we compare them to a physician, would they make more money than a physician, a medical doctor? Or would a dentist make more money?

**Mark Gaylard:** I would have to say probably it's at par to some degree if not higher.

**Richard Dri:** Sorry, for the dentist?

**Mark Gaylard:** Sorry, for the dentist. Yeah.

**Richard Dri:** Oh, that's interesting. A dentist can actually make more than a physician?

**Mark Gaylard:** A dentist isn't capped, which is the difference. But keeping that in mind too, the overhead of dentistry is 50 times higher than it is to have your own medical practice and a few operatories, not even operatories, exam rooms and a receptionist and a nurse perhaps.

**Richard Dri:** I think you can leverage more if you're a dentist. You don't have to go in and do the hygienist's work.

**Mark Gaylard:** Right.

**Richard Dri:** You can have four or five patients in at one time whereas a doctor unless he or she can delegate some of the work, it's really one patient at a time.

**Mark Gaylard:** Exactly.

**Richard Dri:** There are so many hours in a day. You just can't leverage that. That's interesting. We talked about COVID. We obviously have all now I think it's a 100 days that we've been quarantined or quasi quarantined, we've got cases down in Ontario, but cases up elsewhere in particular in the US. We don't know what's going to happen next month or next quarter. Are the

dentists in Ontario reopening at the moment? We're recording this at the end of June. Are they opening up?

## **Reopening dental offices after the COVID quarantine (34:02)**

**Mark Gaylard:** Dentists in Ontario, I believe, it was mid-June, I don't know the exact date, I believe it's mid-June that they were allowed to reopen. There are some challenges right now because we've got two... I don't want to get too deep into this. But there's two district colleges, the hygiene college and the royal dental college, that are not seeing eye to eye on certain PPEs that need to be put in place in order for them to do full capacity dentistry. That's having a bit of an effect... Well, it's having a huge effect on getting back up to scale and up to capacity again. But for the most part, dental offices in Ontario are open.

**Richard Dri:** What is different today with the dental office and a procedure versus before the virus?

**Mark Gaylard:** If you haven't been to the dentist post-COVID or during this return to work, you're going to see a completely different environment. YOU're going to see people in full gowns. You're going to see people with face shields, N95 masks. The level of public safety if you will has been increased. It was higher than a hospital to begin with, and now with the fear of COVID continuing or growing again, that level of personal protection has gone up even greater.

**Richard Dri:** Are they able to find PPEs? Because we're hearing from the medical people in Ontario, especially doctors and hospitals, elective surgeries are being postponed because they just don't have enough PPE.

**Mark Gaylard:** Right. Those problems are slowly being mitigated. We went through at the beginning of this heavy price gouging where a full PPE was costing upwards of \$46 per patient per provider. You can see how that would add up very quickly over the course of day of operations. Now they are becoming more affordable, and we are having greater access to it.

**Richard Dri:** This additional cost that the dentist has to incur, the PPEs, the extra cleaning, and maybe something to do with the ventilation-

**Mark Gaylard:** Yes.

**Richard Dri:**... how are they absorbing that? Are they having a special COVID assessment to the patients? Will the insurance companies agree to that extra cost?

**Mark Gaylard:** This is something for the most part, there's probably people looking at it a few different ways, but for the most part the dentists are absorbing that cost right now. It's my understanding that there may be some form of government relief. Don't quote me. There may be

some insurance code that's developed as a PPE cost. I can't speak to either one of those very well because I don't know exactly where we're at as far as that's concerned.

**Richard Dri:** I see it all around. People are adding a surcharge, COVID-19 surcharge. Although I don't want to pay it, I understand it. It's tremendously expensive today to do that. We talked about government support, and there have been numerous programs like the wage supplement to 75%, the rent supplement, the \$40,000 loan, and the emergency relief benefit of \$2,000 a month. Have dentists taken advantage of any of these particular relief programs?

**Mark Gaylard:** I know that some have. There are some very smart dentists when they say save for a rainy day say that they were still able to. I know some that even paid their staff during this time. They did a lot of their own Zoom online learning, and they kept the staff together that way. But there was an expectation that you showed up for work, if you will, during the COVID time. I know some of them have used the [inaudible 00:38:02]. They're all looking at the rent relief. Obviously some rents in dental can go anywhere from \$6000 to \$50,000 depending on your space per month. Those don't go away. Without three and four months of production, it's going to be an extremely challenging time coming back.

**Richard Dri:** What's your gut feeling? Do you think some of them will just not open up and pack it in?

**Mark Gaylard:** I would hope that they all do because-

**Richard Dri:** They all do pack it in or not pack it in?

**Mark Gaylard:** I hope they all do come back because the world works in cycles, Richard. We know that. Unfortunately or fortunately one day from now down the road we will say this too shall pass. Remember COVID? That really sucked for lack of a better word. And we moved on. We got past 9-11. We got past 2008. These were monumental sticking points that I remember in my recent memory that people could've curled up and died or curled up in a ball and just quit or they could've figured out a way to move forward.

I think my advice has always been the latter, to figure out a way. To be passionate. This is your chance to hit the reset button, to do it the way you want to do it. Maybe you can make changes that you didn't have the time to do in the past. Maybe there's some attrition of staff, if you will, and restructure that's going to take place. But now's the time to hit that reset button. Everybody's in de novo right now. Everybody's starting out on an even playing field. I think this is the platform and the place that we're going to grow from versus the alternative.

I found that business owners are so creative when they're in a tough spot whether the virus or 9-11 or any of the other issues that we've had in the last 25 years. They're ingenious. They come up with a solution, and they come back. They're not people that give up. They're people that actually work very hard to come up with a solution in a very tough situation. So I agree. I hope

all or almost all come back and continue to provide the services and hopefully make as much if not more money from those services.

**Richard Dri:** Okay, well that covers a lot of really good advice and very good ideas for a dentist. It's not just the dental practice, but I think it also applies to many business owners in today's environment. We have the same issues. We've got staff. We've got debt. We've got legislation. We've got unfortunately the COVID issues and how to handle that. There's a lot of common problems, common issues. Of course, it's the human being. So a dentist and a machinist, both of them different practices or different businesses, but it's still a human-

**Mark Gaylard:** Yeah, it's a human condition.

**Richard Dri:** A human being that runs it. We've got biases, and we've got preferences. Very interesting. Is there anything else that you'd like to cover, Mark, that I haven't covered that you think a dentist or a business owner should know that somehow I missed?

**Mark Gaylard:** No, my goodness, you covered numerous topics. I think right now is just to bridge into the future. This has happened to us, but we can't indulge it much more than we already have. We've got to look at things. To quote Tony Robbins, my coach and mentor, "If we don't look at them for better than they are, then we've got to make it better." It's easy to sit and indulge and tell your friends how bad things are because that's human nature. We always look at the car wreck.

But people that are going to succeed and people that are going to have a future are the people that are bridging the gap now, figuring out where it is they want to be and figuring out what they have to do consistently to get themselves there. I said we call time the one thing we never have enough of, and most people over the last hundred days have had nothing but time, so I hope they've used it wisely because it's a commodity you're not ever hopefully going to get to this grandeur again.

Plan well and move forward. Keep your head up and know that it is going to get better.

**Richard Dri:** Very good, Mark. Thank you very much for all this information. I wish you the very best. Have a great Canada Day.

**Mark Gaylard:** You too. Happy Canada Day.

**Richard Dri:** Hopefully we'll see you in Kelowna.

**Mark Gaylard:** Sounds great. Kelowna May 27th, 2021, the DLO. Not your grandmother's seminar.

**Richard Dri:** Very good.

**Mark Gaylard:** But she's welcome to come.

**Richard Dri:** Thank you.