

THE FUTURE OF DENTISTRY IN EUROPE

Evolutionary dynamics of the dental industry and new professional figures

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The European dentistry sector is undergoing **profound changes**: in this ever-evolving market, supply must keep up with the reorganisation of demand and the development of new paradigms, despite differences from one country to another, mainly due to legislative issues and dental welfare procedures.

These dynamics are driven by **two main factors**:

1. The first factor is **demand**, which is characterised by a progressive increase in the number of patients and treatments. While the "average medical charge per patient" is gradually decreasing, since the combination of services is changing and is now more focused on prevention, the overall business outlook is very positive compared to other sectors. In fact, demand is driven by highly favourable performance and sector trends:
   - The population is ageing and systemic diseases have an impact on chronic dental diseases (in particular periodontitis), which represent a significant growth area for the sector
   - Strong focus on aesthetics and the broader concept of well-being, especially for the wealthiest segments of the population (restorative and orthodontic field)
2. The second factor is the strong need to **revise the business model of operators** (dental practices), which are often structured as a single-practitioner facility or with a few partners, but with significant opportunities for development, working along two lines: **greater commercial effectiveness** and **better management efficiency**.

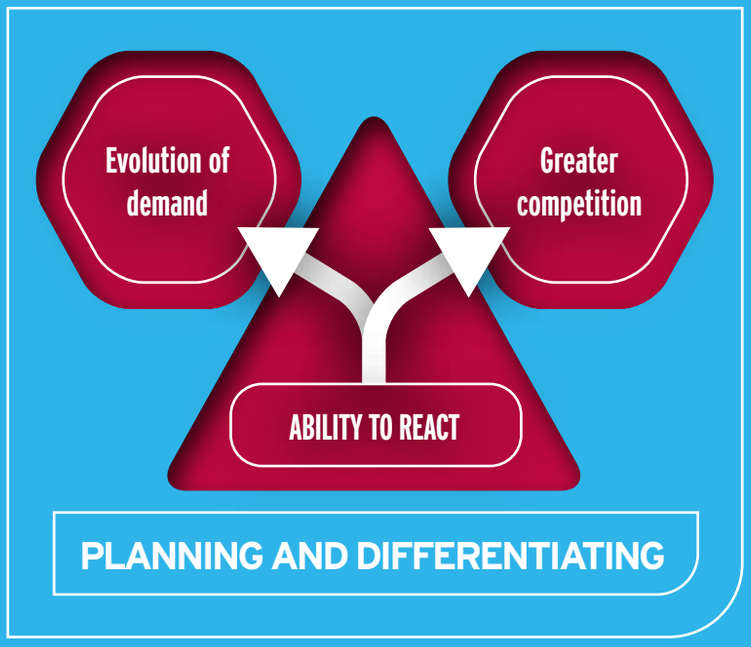
Moreover, the system is characterised by **greater competition** between dental practices than in the past, by the participation of competitors with a more marketing-oriented approach, and by the progressive development of organised dentistry with leading reference brands.

From a more qualitative point of view, the **evolution of demand** is also not immune to change and shows a new profile of well-informed and demanding patients who are increasingly stimulated by marketing and communication activities, focus more on the quality of services and have a more negotiation-based approach than in the past.

New management strategies, consumption habits, a changed competitive scenario, and the relationship between dental practices and patients are the main factors that are radically changing the dentistry industry. ▶

But how do we react to this change?

First of all, a dentist who owns a dental practice needs to understand and accept the phenomena described, as well as the fact that hyper-competitiveness and change in demand are external factors that cannot be changed and, in relation to which, the only thing that matters is the ability to react.



From a strategic point of view, a dental practice that intends to adapt to new market developments should do so through structured planning and monitoring: **planning and differentiating** are the key concepts of this growth process.

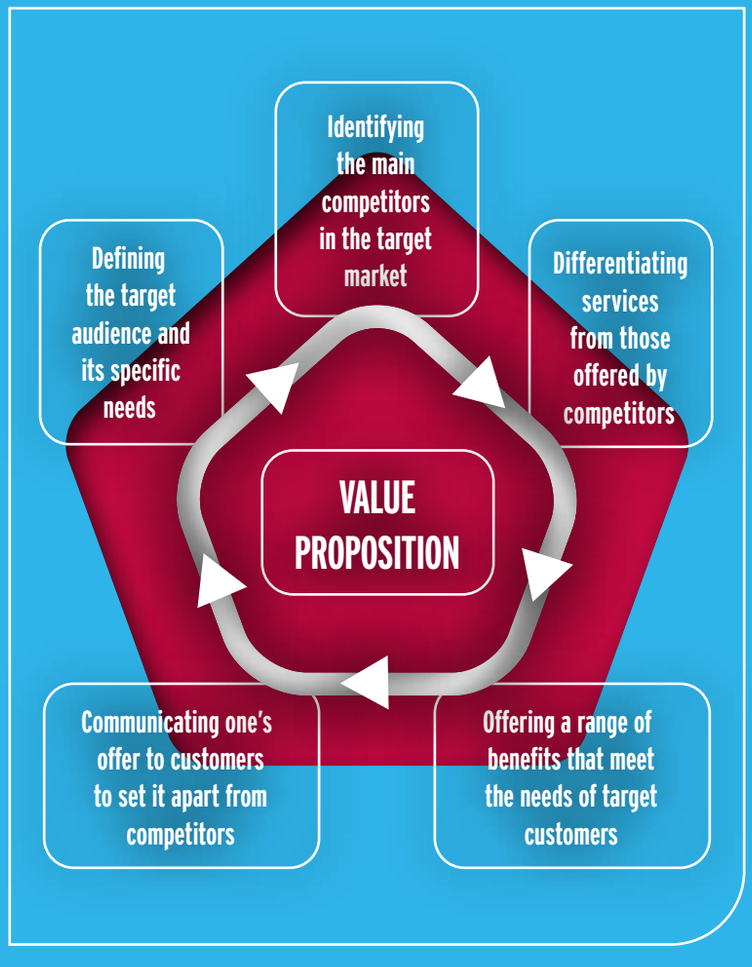
It is essential to bear in mind that planning does not simply mean having a personal opinion on what may happen and making decisions about our business based on these assumptions. Making predictions is not enough.

We need to go beyond this and, after taking into account the possible scenarios, choose our future and set out to pursue it and achieve it. Such a process must be built over the medium and long term, organising resources and activities according to the goals to be achieved.

Specifically, if the patient evaluates and chooses which dental practice to contact by looking it up on the Internet, or came across it by chance or saw it on signs or advertising, and not only through traditional word of mouth, a relationship is established that is similar to the one that may be developed with a company (even though it provides healthcare services). In such cases, unfortunately, the dental services offered are experienced according to a "consumer experience" model that is typical of purchases in other sectors and the relationship of trust established between the patient and the practitioner becomes slightly less important (during the choice phase) compared to a traditional brand approach. As a result, today, many dentists are facing this new challenge where competitive supply also depends on patient perception (*perceived quality*) and goes beyond the quality of the treatment received (*objective quality*), with more emphasis being placed on interpersonal relationships, non-clinical services, etc.

For a business to be socially recognised, it is necessary to define a **valuable, effective and differentiated offer**. The "Value proposition" is a promise of unique benefits (different from those of competitors) for the entire organisation, which can be addressed to the entire target audience or customer groups (segments) with similar needs for specific services. It is the cornerstone of corporate strategy, since it effectively answers the question: "Why should customers/patients choose our dental practice and its range of services?". In order to be defined, the following steps are required:

- Define the primary *target group* of the dental practice, or customer groups (segments) in the case of specific services offered. These target groups are generally characterised by similar clinical needs, but also by more general needs and desires for services, positioning, style of service delivery, etc. In order to differentiate, it is essential to define who the offer is addressed to.
- To be able to define a recognisable offer, we need to know who our *competitors* are, what they are offering and who their target customers are in order to determine how competitive the offer is.
- After analysing the target customers and competitors, *the general offer of the dental practice* (type and range of services, the system of services, pricing policies and methods of use) should be developed with the aim of offering benefits that provide a valuable solution to the needs and potential desires of the target group and an alternative to competitors' offers.
- As a last step, *the value proposition must be formulated in a clear, coherent, effective* and communicative way. Patients need to perceive the real value that is being offered to them as potential recipients of the offer and recognise its benefits. In fact, the effectiveness of communication is closely linked to consistency with value proposition and the identified target group.



By formulating the offer of a dental practice in this way, a **competitive advantage** can be obtained, **which is essential to success and to thrive over time, but also to receive useful information to develop operational plans**.

In this sense, strategic decisions and entrepreneurial activities range from coordinating human resources and delegation processes to defining the budget and constantly monitoring performance, as well as effectively managing patients, partners and the dental practice in general using state-of-the-art techniques. Strategic analyses are necessary in order to assess strengths and weaknesses on the basis of suitable KPIs (Key Performance Indicators), taking into account opportunities and threats in context. In order to lay the foundations for a sound, long-term future, following strategic analysis, it would be useful to consider implementing an action plan.

In terms of growth, a traditional dental practice should no longer be just a place where a dentist provides high-quality specialist services, but must recognise the importance of non-clinical aspects such as management, marketing, and overseeing dental practice and resource management. Of course, except in the case of odontologists who are particularly interested and dedicated to their profession almost "full time", it is virtually impossible for dentists to personally deal with all this in a consistent and structured manner, especially considering the increasingly high standards required by patients and the organisational system (planning and monitoring), since, as mentioned above, patients are increasingly attracted through two key factors, namely, clinical quality and a managerial approach.

A dental professional should therefore focus on these two elements, delegating purely managerial tasks to a specific professional, the so-called "Dental Office Manager".

This non-clinical managerial figure is becoming increasingly common in Europe (but it is still more common in the USA).

This is a professional in the field who takes on different roles: from general sales development to specific marketing for retaining and acquiring new patients, as well as strategic agenda planning and human resource planning, and planning and overseeing the practice as a whole, which involves analysing costs and the performance of individual professionals and managing forecast budgets and results. Dental office managers carry out operational tasks such as implementing the strategies of the dentist/entrepreneur, whom they report to on a regular basis and collaborate with directly. They coordinate daily activities, focusing especially on patients' needs and company goals, with the aim of increasing business profitability. ■

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