



# Cost-Based Design that Produces Focused Investments

## A Historic Opportunity to Position Dental Practices for a Profitable Future

By Gary T. Lowery  
Atlanta Design Associates

Detailed cost data<sup>1</sup> evaluations, of over a dozen construction projects, indicate a dramatic trend in several cost categories. These projects are selected from several locations in the Southeast and represent a variety of sizes and specialties. In general, construction costs over the past year have declined 20-30%, and also, the time to completing these projects has decreased. In addition, contractors and others involved in these projects are increasingly concerned about creating and maintaining strong referrals. This has helped to maintain an increased focus on quality and customer satisfaction. These conditions combined with attractive financing, low interest rates, and flexible financing options are all a part of this historic opportunity that exists for dental practices.

The question is...

“How does a busy dentist, that isn’t involved in construction management on a daily basis, take advantage of this trend?”

Some of the most common concerns are:

Relying on a Traditional Architectural Firm<sup>2</sup> that has limited experience with dental offices may compromise the long term Return on Investment of facility improvements. The opportunity to improve the flow of the office could be missed if a generic design approach is taken instead of creating a custom environment that is focused on the need of the individual practice.

A Design Build Contractor<sup>3</sup> can compromise the “checks and balances” that most dentists require when making a complicated expenditure. This can make it difficult to hold a contractor accountable to reduce the change orders that are typical on most projects. In addition, these contractors usually provide a less detailed design process that can compromise the needs of a dental project.

Dental Consultants<sup>4</sup> rely on their accounting and practice management background and may not always fully understand the construction process.

The nationally recognized Dentist Owned design firms<sup>5</sup>, can limit options based on their personal preferences, as dentists. Equipment selection is often narrowed to a few products that may not include a thorough evaluation of established products available in today’s market. In addition most of these firms are not located in the Southeast which creates a logistical challenge.

Construction Managers (project managers)<sup>6</sup> can be an asset to a complex project if they understand the big picture of how the facility affects the dental practice’s long-term growth. Their involvement does create another layer of expenses that can be justified if they have “cost based design” training and extensive experience with dental projects.

## “Cost Based Design” is the Best Answer for These Concerns

Cost Based Design is a progressive process of project design, budgeting, and financing coordinated with acquisition or lease negotiations. Then the process moves to contractor negotiations and construction management. This produces control on the desired results, while encouraging practical cost solutions from everyone involved in the project. The process has been developed exclusively by Atlanta Dental Supply and Atlanta Design Associates over the past decade. Cost information, along with data from hundreds of dental projects is blended with extensive experience in evaluating and developing a custom project design strategy. This strategy is tailored and focused on the dentist’s budget and practice marketing objectives.

One of the primary goals is to take the concepts that are available in today’s dental industry and evaluate them against the needs and personality of the individual practice. There is no “cookie-cutter” solution that works for every practice. Every dentist has preferences, ideas, and a style of practice that should be incorporated into their design process.

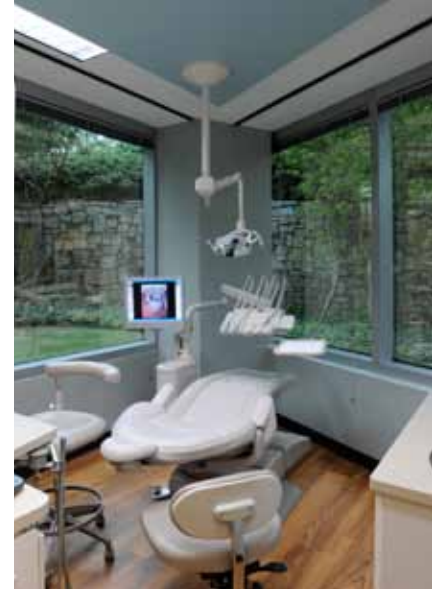
The idea of individual preferences being integrated into a new design is important, but it can also lead to bad habits or designs being ignored or recreated. The challenge is to address the bad habits, while maintaining the doctor’s personal style and preference of practice. Again, experience, advice, and meaningful conversation is the key.

There is also a need to evaluate trends in technology and the affect it has on design. A potential concern is that some company’s sales strategy are focused on promoting concepts that are costly and do little to affect efficiency. There can also be a tendency to promote a large sale instead of making a series of investments over time.

This is where the concept of “**Practice-Focused Investments**”, should be a key Part of the Process...

This concept evaluates today’s technologies and advancements, while making recommendations based on budget priorities, and the doctor’s preferences and style of practice. This approach helps determine a long-term investment strategy. Among the topics that require evaluation and discussion are:

- Treatment Room Delivery Systems and Dental Furniture
- Information Technology and Dental Software
- Instrument Management Systems
- Re-Supply and Inventory Control Systems
- Hygiene Recall and Treatment Presentation Procedures
- New Patient Evaluation Procedures
- Treatment Planning / Case Acceptance Strategies
- Business Systems and Scheduling Procedures
- Practice Marketing Strategies



Buckhead Dental

*Making these types of investments should promote the image of the practice aesthetically, while supporting the way the dental team communicates with each patient.*



Northside Orthodontics

As an example, a Practice Marketing Strategy that is a strategic part of today's progressive dental practice is **Facility Aesthetics**<sup>7</sup>. This is one of the most important ways to market a practice in today's competitive economy. Making these types of investments should promote the image of the practice aesthetically, while supporting the way the dental team communicates with each patient. The changes in patient perception can create valuable momentum for referrals and case acceptance. The way to accomplish this is to move past a discussion about simply "decorating" the office. A "Cost Based Design" trained interior designer can facilitate a conversation that focuses on making aesthetic choices that are focused on the budget and marketing strategy of the practice.

All of these topics and more should be discussed and addressed from a "**Cost Based Design and Practice Focused Investment**" point of view. With these two concepts the efficiency, and productivity, and financial success is always in focus.

### Glossary of Terms

1. **Detail Cost Data** - information gathered from completed projects reflecting the costs of typical construction categories. (i.e. Site Work, Carpentry, Masonry, Heating & Air, Plumbing, Electrical, & Finishes) Also included are specific material & labor costs for specific details.
2. **Traditional Architectural Firm** – A Professional firm, trained in the field of General Architecture that works with a wide range of client and project types. Dental specific projects are only a certain percentage of the work performed by these organizations.
3. **Design Build Contractor** - A company that includes the design disciplines with construction pricing & presents a package concept to the owner as a means of securing contracts.
4. **Dental Consultant** - An individual that consults Dental practices concerning staff management, financial management, scheduling, practice marketing, & other significant projects that are intended to improve the efficiency of a dental practice.
5. **Dentist Owned Design Firm**- A design firm principally owned by a dentist that is either currently or was formally involved in a working dental practice.
6. **Construction Manager (Project Manager)** - An individual that manages all aspects of a construction project including, negotiating land acquisitions, contracts, leases, hiring architects and engineers, selecting contractors along with overseeing the project during construction.
7. **Facility Aesthetics** - The elements of the dental office that create a visual impression conveying a message to the public concerning the image of the practice (i.e. Architectural Details & Finishes, Artwork, Lighting, Signage, Digital Images, etc.)

### **Biographical Outline: Gary T. Lowery**

In 1986 Gary co-founded Atlanta Design Associates, Inc. Atlanta Design is a full-service Architectural, and Construction Management Firm specializing in Dental Facilities located in the Southeast. He is a Principle Owner and serves as Senior Design Consultant for the firm. With over three decades of experience, Gary has aided countless dentists in the process of budgeting, planning, and designing of dental projects. In addition he facilitates contractor negotiations and construction management for the more complex projects.

Since 1994 Gary has been a feature speaker at the Thomas P. Hinman meeting and will be speaking at the 2010 session. In addition he recently spoke at the Florida National Dental Convention and the South Carolina Dental Associations Annual Meeting. He has also been involved in programs associated with the Medical College of Georgia, American Academy of Dental Practice Administration, and the MATS-CO Design Symposium.

Among the services Gary is involved in are:

- Dental Practice Design
- Interior Architecture/Design
- Exterior Architectural Design
- Lease/ Acquisition Negotiations
- Contractor Negotiations
- Construction Management



Gary can be e-mailed at: [garylowsery@atlantadesign.net](mailto:garylowsery@atlantadesign.net)

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