



2010 Volume 4

The quarterly newsletter of
D&S Dental Laboratory, Inc.

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INCISAL EDGE

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A NEW PARTIAL REPLACEMENT

Snap-It™ is the newest member of the Snap On Smile® product line. Snap-It™ is an affordable ultra thin dental appliance to replace flipper partials, partial dentures, and implant temporaries. Snap-It™ is **not** a vacuum form product, but a patented, custom-made removable appliance with a 12-month warranty.



You can now offer your patients a partial replacement for a missing tooth that works and won't embarrass them. Snap-It™ is an ideal choice for an esthetic, comfortable, and efficient partial denture that literally snaps into place without coverage in the palate area or uncomfortable extensions over the gums. A Snap-It™ partial simply snaps into place over the patient's existing dentition. The partial is completely tooth borne. Retention is achieved using heights of contour and snaps into the gingival 1/3 of the tooth. No prepping, no injections and no adhesives are required.

Benefits of the Snap-It™ partial include:

- Fewer adjustments
- Better fit
- More esthetically pleasing—comes in 19 shades and 18 smile designs
- Far less chair time—two short dental office visits
- Improved patient satisfaction
- Confidence of the patient
- A practice builder

Eating doesn't have to be a chore, as it can be due to uncomfortable partial dentures or bulky flippers. Snap-It™ has been proven in thousands of cases over the last four years and has been called the future of removable partial dentures. If you would like more information about Snap-It™ partials or Snap On Smile full arch veneers, call our removable department or visit our website at www.dnsdental.com.

2010 Year-End Holiday Schedule

Thursday, November 25 – D&S Dental Laboratory, Inc. Closed

Friday, November 26 – D&S Dental Laboratory, Inc. Closed

Friday, December 24 – D&S Dental Laboratory, Inc. Closed

PRODUCT PROFILE

E.MAX CROWNS

The innovative lithium disilicate glass-ceramic offers excellent fit, form and function combined with high strength of 400 MPa. The material is supplied in four levels of translucency resulting in restorations that exhibit lifelike esthetics, independent of shade of the preparations. This material is used to produce single-tooth restorations, bridges in the anterior and premolar region and implant superstructures. Minimally invasive inlays and onlays (1mm) and thin veneers (0.3 mm) round off the indication range. For true-to-nature esthetics, choose e.max.

CAD/CAM PATIENT-SPECIFIC ABUTMENTS

Looking for the best solution for cement-retained implant prosthetics? D&S lab can now utilize the unique Atlantic VAD (Virtual Abutment Design) software and produce CAD/CAM patient-specific abutments that are individually designed from the final tooth shape. The result is an abutment that provides outstanding function and natural esthetics.

These CAD/CAM patient-specific abutments are for all

major implant systems and are available in zirconia, titanium, or gold-shaded titanium. The abutment is digitally designed with the ideal bucco-lingual, mesiodistal, and inciso-cervical dimensions based on the surrounding dentition and opposing occlusion, resulting in the final restoration having the appearance of a natural tooth with gingival contours maintained.

For the freedom of unlimited possibilities on your implant cases, call our Waunakee Laboratory and talk about design with Joel or Steve.

ZR CROWN BUR KITS

D&S Dental Lab is now offering a cutting and polishing kit for use with ZR Crowns and Bridges. This kit contains three special Z-Grit diamond burs from Axis Dental that help our dental clients work efficiently with zirconia and ceramic materials. This kit also features three Cera Glaze intra-oral cups to finish the zirconia with a high polish shine. Leaving a polished surface on ZR crowns is especially important to avoid abrading the opposing dentition. These burs and polishing cups can also be used for porcelain adjustments. The special Zir-Cut diamond shapes help reduce the risk of porcelain chipping or micro fractures. For more information, contact our laboratory and ask about the adjusting and polishing kit.

TIPS FOR PRACTICE ACQUISITIONS

We all know the past year and a half has been a difficult time period for both our national and local economies. Unfortunately, the dental industry hasn't been immune to the troubles. In many offices, gross receipts are flat or even down, accounts receivable are up as patients struggle to pay, and there are more openings than normal in the daily schedules. However, difficult times can also present tremendous opportunities. If you are thinking about acquiring a practice, whether you're adding to a group or establishing your first office, there are many reasons to believe there may not be a better time to do so. Purchase prices are held down due to the lack of growth the past two years and the high number of practices for sale, interest rates are near record lows, and there are tremendously advantageous loan programs available. If you are thinking about acquiring a practice, here are some tips for you to consider.

1

Location. First, make sure it is a place you want to live or you feel will be attractive for a potential employee to live. Second, research the population trends, the number of dentists in the area, and the traffic counts in front of the practice. When looking at the population versus the number of dentists, don't simply look at the town itself, but draw a radius of 10–15 miles around the town to include the rural areas. Often, small town offices can draw from multiple rural areas with less competition.

2

Do your due diligence. Now that you've identified a practice that intrigues you, you need to gather the necessary information to determine performance and value. The list is long, but everything is important.

Ask the seller for at least three years of financial statements and complete tax returns including all schedules, YTD financial statements, an Accounts Receivable Aging Report, revenue report by patient, patient demographic information, employee list (with job titles, wage and benefit information, vacation time allotted, and most recent wage adjustment), copies of any contracts or leases that you may inherit, and an up-to-date equipment list. While it is a lengthy list, a serious seller should be more than willing to provide you with whatever information you need to feel comfortable. If the seller is reluctant to release information to you, that should be an immediate red flag.

3

Determine what the practice is worth TO YOU. One of the biggest misconceptions when it comes to purchasing a practice, or any business for that matter, is that there is some magic formula to come up with the purchase price. In reality, the purchase price should be a multiple of YOUR expected cash flow from the practice (after providing you with a reasonable personal income), which could be very different from the existing cash flow of the practice. You may be able to increase cash flow by working more hours than the selling doctor, or trimming some expenses. On the flip side, perhaps the existing staff is inadequate, and you feel you will have to increase labor. In any case, you need to take the information given to you by the seller, and use it to create your projections. Once you have your projected cash flow, you can negotiate with the seller on a multiple of that cash flow. In good times, it was not unusual to see businesses sell for 5x cash flow, but in today's market 3–4x is more realistic (another good reason to buy now).

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FREE SEMINAR PROSTHODONTICS & IMPLANTS

THURSDAY, DECEMBER 2, 2010 • 5:15 P.M.
THE BONFYRE GRILL, MADISON, WI

This webinar is presented by Dr. Jody Schilling in conjunction with D&S Dental Laboratory & Astra Tech. The course will feature clinical case presentations by Dr. John Schulte, and is part of the Clinical Grand Rounds series offered through the University of Minnesota School of Dentistry.

5:15–6:30 p.m.: Registration, Networking, Dinner (light supper, soft drinks, and dessert provided)

6:30–8:00 p.m.: Clinical Case Presentation Webcast

CE Credits: 1.5

Location: Private Event Room, The Bonfyre Grill, 2601 W. Beltline Highway, Madison, WI 53713

There is no cost for attending, however, seating is limited and pre-registration is required. To register, send an email to frontdesk@schillingperio.com with your name and the course you plan to attend.

RESULTS FROM D&S' AUGUST 6 GOLF & LEARN EVENT

The August 6 seminar co-sponsored by D&S Dental Laboratory and 3M at the scenic Baraboo Country Club was well attended, and perfect weather made for a very fun afternoon on the golf course. Congratulations to all of the talented golfers who won the hole events, and thank you to everyone who attended. Given the response to this year's event, it's safe to assume we will do it again next year!

Hole	Flag Event	Winner
1	Closest to Pin – Tee Shot	Dr. Joe Parlante
2	Closest to Pin – Any Approach Shot	Dr. David Clemens
3	Long Putt	Dr. A.M. Werner
4	Closest to Pin – Tee Shot (Women)	Renee Lynn
5	Long Drive in Fairway (Men)	Dr. Tim Jenness
6	Long Putt	Dr. John Kastendiek
7	Closest to Pin – Tee Shot	Dr. Lou Heitke
8	Closest 3rd Shot	Larry Nummerdor, CDT
9	Long Drive in Fairway	Dr. Matt Karls
10	Closest to Pin – Tee Shot	Dr. Kevin Masters
11	Closest to Pin – Any Approach Shot	Dr. Tim Rosin
12	Closest 3rd Shot	Dr. Jim Van Gemert
13	Long Drive in Fairway (Women)	Renee Lynn
14	Closest to Pin – Any Approach Shot	Dr. Dick Schaefer
15	Long Putt	Dr. Terry Moen
16	Long Drive in Fairway (Men)	Dr. Tim Rosin
17	Closest 2nd Shot	Dr. Bob O'Connor
18	Long Putt	Dr. Terry Moen

D&S EXPANDS LAVA™ TRAVEL CREDITS® PROGRAM

NOW GET REWARDED FOR
PRESCRIBING 5 LAVA UNITS

Due to the tremendous response to the Lava™ travel rewards program that we began back in January, we have decided to extend the program beyond the initial end date of 9/30/10. However, not only are we extending the program, we are also EXPANDING it!

Beginning in October, our travel credit program will reward everyone who sends at least 5 Lava™ units in a given month. You will still receive a \$100 Travel Credit certificate for every 10 Lava units you prescribe in a given month, however, you will now receive a \$30 Travel Credit certificate if you prescribe only 5 Lava units (note that clients will not be rewarded twice for the same units). So, if you send 5 Lava units you will receive a \$30 certificate, if you send 10 units you will receive a \$100 certificate, if you send 15 units you will receive \$130, and so on. The travel certificates can be used for airfare, hotel accommodations, auto rentals, sporting events, vacation packages, and cruises.

Lava Crown & Bridge is the Cadillac of non-metal restorations because of the precise fit, proven strength, and natural esthetics. 3M brings vast expertise in material science and systems integration to create products that consistently meet the high standards that Doctors and labs expect. D&S Dental Laboratory and 3M offer a Five-Year Limited Warranty for Lava Crowns & Bridges.

Lava Crowns offer superior fit, proven strength, natural translucency, and unmatched esthetics, and they now also offer reduced lab costs and Travel Credits® to boot! If you would like more information regarding Lava™, prep or seating instructions, or samples please call D&S Dental Laboratory or visit our website, www.dnsdental.com.

Lava and D&S Dental Laboratory, Inc. –
There Is A Difference



4

Involve your advisory team. Obviously, you will need the help of professionals to put all of this information together, and to make sure you're taking the correct steps along the way. At this point, you need to involve your banker, lawyer, and accountant in the process. The accountant can help you analyze the financial statements, put together your projections, and come up with a reasonable value. You'll want your lawyer to review all the sale and transfer documents, set up the ownership entity, and put together a non-compete agreement with the seller. Finally, the banker should be in the loop throughout the process to advise you on the loan programs available, equity required, etc. As mentioned earlier, there are some tremendous loan programs available right now to qualified borrowers through SBA and similar organizations. For instance, the current rate is 4.622% fixed for 20 years through the SBA's 504 loan program (the program is only for purchases and expansions, not refinancing). All of these advisors will play key roles in helping you set up your business.

5

Review the physical assets. Next, determine if the equipment you are purchasing as part of the practice is up to your standards, or if you will have to make immediate capital investments. In addition, is the office what you want it to be, or will you have to

remodel or look for a new location? Certainly, if you will have to put money into the physical assets shortly after purchasing the practice, it makes sense to negotiate the price down to compensate for at least some of the cost.

6

Transition and Non-Compete. Finally, negotiate a non-compete agreement with the seller as well as a transition plan. If the seller helps to transition his/her patients to you and gives you his/her endorsement, there should be very few lost patients. The non-compete will protect you in case the seller decides to set up a new practice down the line. Typically, the non-compete will establish a time period and distance within which the seller agrees not to practice. Non-competes are tricky in that they are difficult to enforce if they are found to be too restrictive. Consult your lawyer to help negotiate the non-compete.

The process of finding the right practice, conducting your due diligence, negotiating a fair price with the seller, obtaining financing, and transitioning the practice can be overwhelming. However, given today's environment, it can also end up being very rewarding!

THURSDAY, DECEMBER 2, 2010

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