



Launching Your Own Dental Practice

Can Cloud-Based Software Help
You Get Off the Ground?

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Average Startup Costs

You've made the bold choice to start your own dental practice. Now what? More choices of course—including how much to spend on your building, furnishings, equipment, supplies, software and more.

Total Costs

The average cost to start your own practice ranges between \$250,000 and \$500,000. The total cost depends on:

- Region or office location
- Size and price of the building (and whether you buy, build or lease)
- Type of office furniture and decor
- Dental equipment and supplies
- Practice management hardware and software.

For example, a single-doctor, new dental practice with five operatories and 2,000 square feet of leased commercial space would cost approximately \$395,000. Here's the breakdown¹:

- + **\$200,000** for leaseholder improvements (construction)
- + **\$150,000** for equipment, supplies and furniture
- + **\$45,000** for working capital (payroll, marketing, rent, etc.)
- = **395,000 total startup costs.**

IT Costs

How much you spend on IT—software, hardware and technical support—can make a big difference in your startup costs. A small practice startup may spend from \$1,500 to \$15,000 for client-server software, plus server hardware, storage, desktop hardware, routers, modems and other IT equipment.

In contrast, cloud-based practice startup costs are much lower. Less hardware is required (no servers); smartphones and mobile devices can be used as clients; and software licensing and support costs are included in recurring monthly

1. <http://howtoopenadentaloffice.com/dental-practice-start-up-costs/>



Startup Costs

The average Dental Practice Startup Costs:



Construction

\$200,000 (51%)



Equipment and Supplies

\$150,000 (38%)



Working Capital

\$45,000 (11%)

At-a-Glance Comparison

The table below compares client-server or on-site IT systems to cloud-based or online IT systems.

Practice IT Needs	Client-server/On-site	Cloud-based/Off-site
Application costs	Paid upfront	Paid monthly
Server hardware	You buy/install/maintain	None
Server software	Paid upfront, then yearly	None
Client/desktop hardware	Desktop or laptop PCs	Any device with web access
Client software	Paid upfront, then yearly	Paid monthly
Software updates/upgrades	You download and install	Automatic
Technical support fees	Contract or per incident	Included
Virus protection	You provide	Included
Data security	You provide	Included
Data backup	You provide	Included
Data storage	You provide	Included
Startup costs	High	Low
Anytime, anywhere access	No	Yes
Windows/Apple compatible	One or the other	Both



fees. Average setup fees are a few hundred dollars to a few thousand dollars.

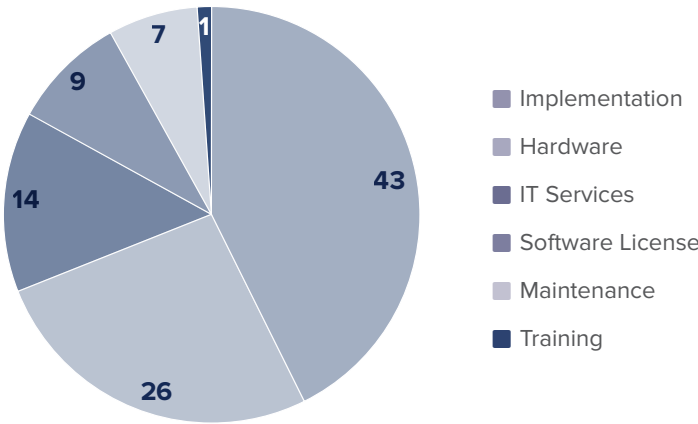
The practice management software you choose determines the kind of hardware you need and the kind of devices you and your team can use. Do you prefer Windows devices or Apple devices? Does your team need to work with both types of devices? Is mobile computing a requirement?

These decisions affect your startup costs as well as your team productivity. Let's take a closer look at the advantages, disadvantages and costs of client-server and cloud-based software to help you select the most effective practice management software for your new practice.

Client-Server Software

The client-server model is the traditional software solution. This software uses local servers inside the office to store your patient data. Depending on the size of your practice, you may need more than one server. This model gives you complete control over the location and security of your data.

TYPICAL CLIENT-SERVER COST PERCENTAGES



Client-server software requires you (or your outsourced IT service) to monitor, update, store and back up your data. You're responsible for hardware maintenance, virus protection, outage recovery and other IT tasks, such as protecting data security or acquiring more storage space.

When your client-server software goes down, you may lose precious hours and data while the system is repaired and restored by your IT provider. Lost data and productivity can hurt your practice profitability.



Costs of Ownership

Your client-server software licensing cost is one portion of what you actually pay for your system. Your total cost of ownership includes:

- Buying the software, licenses and needed hardware
- Installing and configuring the software and hardware (implementation)
- Training your team to use the software
- Migrating your data to the new system
- IT services and technical support

Cloud-Based Software

Rather than using local on-site servers, cloud-based software uses off-site servers accessed through the Internet. Initial setup costs are low, and the balance of your costs are paid for via a monthly subscription.

The cloud-based software model can save costs in these areas:

- **Lower IT costs.** Most of the maintenance, upgrade and backup processes are automatic.
- **No extra installation costs.** As long as the devices you use—PCs, Macs, smartphones or tablets—have an Internet connection, nothing needs to be installed.
- **No update or downtime costs.** Updates and backups are done automatically, so you and your team don't have to spend time at the end of the day doing these tasks while the system is down.
- **Your choice of device.** Mac or PC, desktop or mobile device, or all of the above can be used. You and your team can use the devices you already have and know how to use.
- **Cutting-edge technology.** Cloud-based systems are updated with the latest features such as touch screen, speech recognition capabilities, an intelligent interface that adapts to your workflow, and more user-centric features.

What about Security?

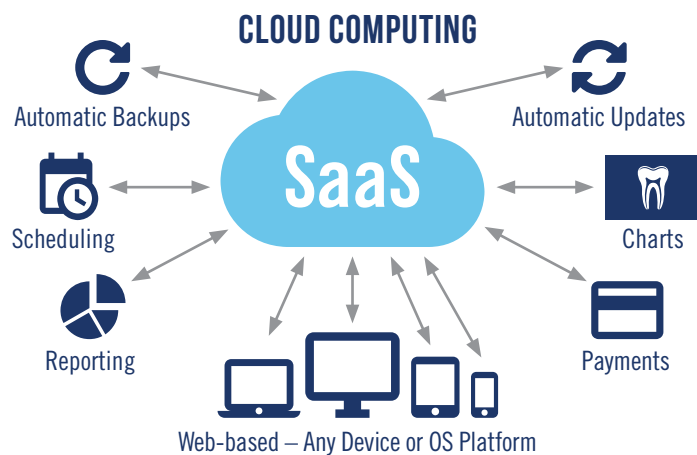
Connecting to your practice data over the Internet—rather than through an on-site server—may seem risky, especially when it concerns dental health records. However, cloud-based systems can be security enabled to protect your patient data. Your data is stored in a physically secure data center protected by multiple security measures.



Additional Benefits

- **Training is online.** Videos and self-paced tutorials help your team learn the software. This saves you face-to-face training costs and time away from work.
- **Unlimited storage space.** No more worries about storage capacity or memory because space is nearly unlimited in the cloud. No matter how big or fast your practice grows, cloud-based software is scalable and can accommodate a growing patient base.
- **Round-the-clock access from any location.** Your patient information is available to you and your team any time, anywhere. All you need to access or edit stored information are a device and an Internet connection.
- **Instant updates.** Storing your patient data in the cloud allows you and your team to keep it up-to-date. Any updates made to a patient's file are instantly done and shared, so each team member sees the same information, no matter what device they're using. And, having your entire office on the same page helps you run a more productive practice.

Cloud Computing Basics



Until recently, dentists had no choice but to purchase in-office or client-server practice software. Today, cloud-based practice management systems offer you real choices.

Understanding how cloud computing works can help you choose a practice management system for your new practice. Think of “cloud” as a metaphor for the Internet. With cloud computing, everything that typically runs on the server in your office is handled by a service provider in a data center and delivered to you over the Internet. This is called software as a service (SaaS).

With SaaS, you run your practice management system and access your data as if it were in your office, but the system is actually running over the Internet. You get to your patient data, scheduling, billing and other electronic services using the same web browser you use to search, send emails, shop, pay bills and everything else you do online.

SaaS is the most common cloud computing model. You may already be using it since several web applications are delivered via SaaS, such as Gmail and Facebook.

As long as you have an Internet connection, you can access your practice data from any computer, anywhere in the world, 24 hours a day, seven days a week. Many dentists and business owners are now choosing cloud computing because it allows them to focus on their business while someone else maintains the technology.

2. <http://www.forbes.com/sites/louiscolumbus/2015/05/04/roundup-of-small-medium-business-cloud-computing-forecasts-and-market-estimates-2015/>

3. <http://www.dentistryiq.com/articles/2014/09/the-future-cloud-based-dental-practice-software.html>



Client-Server or Cloud-Based?

Before you launch your own practice, consider every cost involved with dental practice management software. For client-server software, remember that the sticker price is a small fraction of the total cost. The hardware, implementation, maintenance and operating costs can quickly exceed your budget.

On the other hand, you pay for cloud-based software as a monthly subscription. Your subscription includes technical support, software updates, data storage, backup and electronic services.

Cloud computing is the future for most small businesses, which is what your new practice will be. According to *Forbes*² magazine, 78 percent of U.S. small businesses will have fully adopted cloud computing by 2020—more than doubling the current 37 percent.

If you're starting your own dental practice, it makes sense to use new cloud-based software instead of old client-server technology. After all, cloud computing is the future of dentistry³.

Dentrix Ascend

Dentrix Ascend is cloud-based (SaaS) software that takes the stress out of dental practice management. It lets you easily run your office from any location, with any device.

By removing the burden of maintaining your practice technology, Dentrix Ascend helps you focus on patient care and practice profitability. With low upfront costs, Dentrix Ascend allows your new dental practice to quickly get off the ground. Plus:

- You won't waste time worrying about software updates, backups, hardware maintenance or storage space.
- You don't need to buy expensive servers or network equipment.
- You and your team can use the devices you prefer—from PCs to iPads—to practice dentistry the way you prefer.
- Your data is protected on its way to and at our multiple data centers and available to your practice. Secure login, automatic logout and strict access rights further protect your data.
- Your data is protected as it travels from your internet connection to our data center by Transport Layer Security (TLS) at the highest level currently recommended by NIST.

Dentrix Ascend offers a smarter, more natural interface that's easy to learn and master. It gives you one-click access to patient information and customized workflows for your team. It also provides a business operations dashboard so you can check your status in real time.

For more information, visit www.DentrixAscend.com.



Choosing a Provider

Here are the essential questions to ask potential software providers:

- How much is this going to cost me?
- What is included in my monthly subscription?
- Is there an annual contract or multiannual contract?
- What cloud services (web applications) do you provide?
- What browsers do you support?
- What are the recommended hardware, software and network specifications?
- What technical support services do you offer?
- What kind of data security do you provide?
- What disaster recovery services do you provide?
- What's the procedure if you happen to lose my data?
- Is your service scalable with my practice?
- How do I get set up? What's the average implementation time?
- How long does it take to learn the system?

“If you’re looking to grow your practice, and you want to be on the forefront of innovation and you want to be as progressive as possible in dentistry today and up to speed on what’s out there, go with a cloud-based system.”

~ Dr. Eric Osmolinski DMD