



**** THE DENTAL PRACTICE: Strategic Challenge ****

Player #: 7
Slogan for Player #: 7

Quarter #: 1
Practice #: 7

*** PRODUCTION INFORMATION ***

| | |
|----------------------------|--------|
| Pvt (FFS & Ins) Production | 54,222 |
| Medicaid Production | 3,378 |
| PPO Production | 24,450 |
| Cap Production | 0 |
| Gross Production | 82,050 |
| - Adjustments | 4,907 |
| Net Production | 77,143 |

*** INCOME AND EXPENSE STATEMENT ***

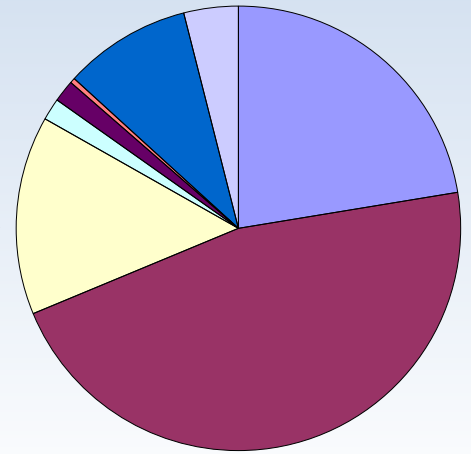
| | |
|------------------------|--------|
| INCOME | |
| Net Production | 77,143 |
| + Pmts on Prev. A/R | 0 |
| + Capitation Payments | 0 |
| - Billed to Accts Rec. | 17,083 |
| Collections | 60,060 |

EXPENSES

| | | |
|----------------------------|--------|----------|
| Variable Costs | | |
| Dental Lab | 2,383 | |
| Clinical Supplies | 16,430 | |
| Office Supplies | 2,250 | 21,063 |
| Fixed Costs | | |
| Staff Costs | | |
| Wages | 37,544 | |
| Employee Benefits | 750 | |
| Employee Pension | 375 | |
| Payroll Taxes / Ins | 4,881 | |
| Hiring & Training | 0 | 43,550 |
| Office Space Costs | | |
| Office Rent | 6,600 | |
| Utilities | 2,399 | |
| Repairs / Upkeep | 575 | |
| Depreciation | 4,025 | 13,599 |
| Taxes / Insurance | | |
| Business Taxes | 1,100 | |
| Business Insurance | 404 | 1,504 |
| Advertising | 1,500 | 1,500 |
| Professional Services | | |
| Legal / Accounting | 350 | |
| Market Research | 0 | 350 |
| Banking | | |
| Loan Interest | 8,716 | |
| Bank Charges | 0 | 8,716 |
| Other Expenses | | |
| Office Expenses | 131 | |
| Dues & Cont. Ed. | 1,600 | |
| Auto Expense | 1,750 | |
| Miscellaneous | 243 | 3,724 |
| Total Costs | | 94,006 |
| PROFIT / LOSS THIS QUARTER | | (33,946) |

*** QUARTERLY COMPARISONS ***

Variable
Staff
Space
Tax Ins
Mktg
Prof Serv
Bank
Other



*** BALANCE SHEET ***

ASSETS

| | |
|-----------------|---------|
| Current | |
| Cash | 54,316 |
| CD's | 1,000 |
| A/R (80%) | 13,666 |
| Long Term | |
| Practice (FMV) | 115,000 |
| Retirement Plan | 0 |
| | 183,982 |

LIABILITIES

| | |
|---------------|---------|
| Current | |
| Cash Due | 0 |
| Long Term | |
| Practice Loan | 367,835 |
| | 367,835 |

NET WORTH (183,853)

*** CASH (Checkbook) MANAGEMENT ***

| | |
|-----------------------------------|---------|
| Ending Cash Last Quarter | 0 |
| + Overdrawn Checks Paid | 0 |
| + Collections | 60,060 |
| + Loan Addition / Extra Pmt | 100,000 |
| + Depreciation Expense | 4,025 |
| + CD's Redeemed | 0 |
| + Interest Earned | 10 |
| - Estimated Tax Payment | 0 |
| - Loan Principal Payment | 9,773 |
| - Personal Ret. Plan Contribution | 0 |
| - Draw This Quarter | 5,000 |
| - Total Expenses | 94,006 |
| - CD's Purchased | 1,000 |
| Income Tax (Paid) or Refund | 0 |
| ENDING CASH THIS QUARTER | 54,316 |



**** FINANCIAL INFORMATION ****

| | | | |
|--|------|-----------------------------------|---------|
| Business Index This Qtr: | 101 | Accounts Receivable: | 17,083 |
| Business Index Est. Next Qtr: | 102 | Accounts Receivable 60+ Days Old: | 5,296 |
| Prime Rate This Qtr (% / Year): | 6.0 | Uncollectibles: | 0 |
| Inflation Rate Last Qtr (% / Year): | 4.0 | Loan Balance: | 367,835 |
| Investment Rate last Qtr (% / Year): | 10.0 | Individual Demand Value: | 0.97 |
| Adjustments: Pvt Pay: 125 Med: 1,115 PPO: 3,667 Cap: 0 | | | |

**** PATIENT VISITS AND PRODUCTION ****

| | | | |
|------------------------------|--------|-----------------------------|--------|
| Total Patient Visits: | 755 | Days Open This Qtr: | 58 |
| Doctor Visits: | 385 | Office Hours This Qtr: | 486 |
| Hygiene Visits: | 369 | Total Number Operatories: | 3 |
| New Patients: | 61 | Total Capacity (Visits): | 1,016 |
| Recall Patient Visits: | 308 | Doctor Capacity: | 486 |
| Recall Patients Due: | 420 | Hygienist Capacity: | 530 |
| Hygienist Production: | 28,782 | Capacity Utilized (%): | 74 |
| Managed Care Patient Visits: | 256 | Non lab-Related Production: | 42,504 |
| Managed Care Production: | 27,828 | Lab-Related Production: | 10,764 |

**** STAFF INFORMATION ****

| | | | |
|------------------------------|-----|--------------------------|---------|
| Number Receptionists: | 1.0 | Receptionists (\$\$/hr): | \$22.00 |
| Number Chairside Assistants: | 1.0 | Assistants (\$\$/hr) | \$16.00 |
| Number Hygienists: | 1.0 | Hygienists (\$\$/hr): | \$38.00 |
| Incident Next Quarter: | 2 | Staff Turnover: | 0 |

**** RESULTS OF INCIDENT NUMBER 1 ****

Mrs. Jones understood your position, but refused to have the work done or to become a regular patient of the practice.

**** MESSAGES TO PLAYERS ****

Your note to Administrator: Make us Money!

You did not have a profit this quarter, so you cannot contribute to your retirement plan. Your dental supply costs were high as you replaced and restocked Dr. Olde's dental supplies and materials.

Staff were very disappointed. They expected the new owner to give them a raise.

The economy showed improvement from last quarter. It is expected to improve slightly next quarter.

The loan balance on your line of credit (\$ 367835) has exceeded \$300,000. The portion above the limit will be charged a higher interest rate (Prime + 6%).

Staff were pleased that you increased their benefits.

Staff are displeased with your low benefit package.

Staff are upset that you decreased the contribution to their retirement plan.

The local dental practice marketplace is becoming more competitive.

**** MARKET RESEARCH ****

You did not order any Marketing Research Reports this quarter.



**** RECAP OF DECISIONS FOR QUARTER # 1 ****

| | | | | | |
|--------------------------------|------|-----------------------------|---------|------------------------------|-------|
| 1. Hours of Operation: | 3 | 7. Hygienist (+/-): | 0.0 | 16. Investment in CD's: | 1,000 |
| 2. Operatories Added: | 0 | 8. Staff Comp (+/- %): | 0 | 17. Retirement Plan (%): | 1.0 |
| 3. Credit / Collection Policy: | 2 | 9. Benefits (per Employee): | 250 | 18. Market Research:: | |
| 4. Managed Care Participation: | | 10. Cont Educ (Days): | 1 | 18a. Operational Pkg: | No |
| 4a. Medicaid: | Hold | 11. Practice Style: | 1 | 18b. Staff Pkg: | No |
| 4b. PPO: | Full | 12. Fee Indicator: | 1,000 | 18c. Type / Fee Pkg: | No |
| 4c. Cap Plan: | None | 13. Advertising: | 1,500 | 18d. Marketing Pkg: | No |
| 5 Receptionist (+/-): | 0.0 | 14. Draw Projected: | 5,000 | 18e. Financial Analysis Pkg: | No |
| 6. Chairside Ass't (+/-): | 0.0 | 15. Loan Addition / Pmt: | 100,000 | 19. Incident Response: | 2 |