

**SPECIAL  
POINTS  
OF INTER-  
EST:**

- CEREC® is very viable proposition for most practices
- The return on investment is difficult to ignore
- 10,000 CEREC® machines around the world suggest it is a mainstream restorative tool
- The additional revenue in conjunction with the tax relief more than pays for the machine in the first year!
- George says, "Any dentists wanting to transform their clinical dentistry and rejuvenate their practice profitability should take the time to assess CEREC® 3D".

## THE CEREC® TALES

### The Accountants Tale

Ask any purveyor of dental capital equipment and they'll confirm it. The phrase "I need to discuss it with my accountant" often heralds the end of a sales conversation that seemed to be going in the right direction. If however the equipment in question is CEREC® 3D and the accountant is George Manolescue, the head of Dental Business Solutions, it's a whole new ball game.

Over the last five years George has been increasingly fascinated by the development of the CEREC® CAD/CAM ceramic restoration system and its increasing utilisation in the United Kingdom. He's kept an eye on it from a distance but his awareness has been heightened over the last couple of years in particular. Interestingly enough this coincides with the advent of CEREC® 3D and the explosion of sales made by Ceramic Systems, the UK's leading CEREC® specialists.



**George Manolescue of Dental Business Solutions**

A number of his clients who have pleaded the Fifth Amendment and resorted to him for advice have discovered that George is not just a bean counter. As a business consultant, he's taken them through a proper business assessment of the potential investment and both parties have discovered that CEREC® is a very viable proposition with a return on investment that is difficult to ignore.

As he will tell you, George has no clinical expertise but he trusts the clinical assessment of his clients. "The fact that clients are coming to me for advice shows that it does the job clinically and what they really want to know is can they afford it. In any event, the fact that 10,000 CEREC® machines are in use around the world does suggest that this is now a mainstream restorative tool".

So the key questions posed to George are orientated around affordability and profitability, not too surprising really when one considers that the usual investment including VAT for the all singing all dancing package is somewhere just shy of £60,000. George outlines his response as follows:

## Affordability



**CAD/CAM  
ceramic restorations**

Although it is conceded that there are some dentists out there with £60,000 burning a hole in their pockets it's not the norm. One doesn't want to get too technical, but if we accept that a bank loan is not the best method of financing a capital acquisition, and that cash is

quite useful for other things including earning interest, the two choices are lease purchase or finance leasing. The main differences between the two is in terms of how VAT is charged, how tax relief is applied and understanding who owns what at the end of the finance period.

This isn't as complicated as it might seem but advice should be sought as to the right way to finance the investment. Suffice to say that the best method at the moment for most dentists is a 5-year lease purchase plan through Infiniti Finance, a specialist dental finance provider and preferred finance company for Ceramic Systems.

A lease purchase plan is the most tax efficient finance option and it provides the best scenario from a cash flow perspective. The Infiniti/Ceramic Systems plan is further enhanced in that no deposit is required and no payments are due until after the first month of the agreement. This "payment holiday" has been designed in order to accommodate delivery, installation, hand-over training and a special training day run by accredited CEREC® trainers under the supervision of clinical director, Steve Sharma. In essence new users have the time to practice and become comfortable with the CEREC® method.

In the last budget, the Chancellor increased capital allowances in the first year to 50%. This means that for a higher rate taxpayer there is tax relief of £12,000 in year one and over the five-year lease purchase term total tax relief is just over £20,000 (although total relief of course will ultimately be £24,000). Some additional relief can also be recovered in terms of the interest charged to the lease purchase facility.

The monthly outlay for the investment that we are considering is £1165 per month inclusive of VAT and this of course really does help the cash flow. Although it's easy to see that the investment is becoming very easily more affordable through the tax system it's important to emphasise that the monthly instalments do not change. So all we have to do is look at what we need to produce to break even and then consider the profit scenarios.

*"A lease purchase plan is the most tax efficient finance option and it provides the best scenario from a cash flow perspective."*

# Profitability



**Patients become engaged in the treatment.**

Any investment must be considered in terms of return on that investment over time. Most businesses would be very happy with a fourfold return over a five-year period and it is at this point that CEREC® gets really interesting!

The majority of treatments that I see my clients initially undertaking with CEREC® are inlays and onlays. These are easy to do in one visit, without the help of a laboratory and are often possible where conventionally a full crown is the only alternative, thus preserving as much natural tooth substance as possible. The fees that my clients charge for these restorations range typically from £300 to £700 depending largely on practice location and remember that there are no lab fees to accommodate!

If we take the median fee of £500 and work on the basis of a conventional restoration requiring a lab fee of £200, we can say that a CEREC® restoration is contributing £300 additional income. This means that a dentist will break even on the monthly lease purchase payment by doing one CEREC® per week (they'll actually make £35 profit but whose counting!).

Most of my CEREC® user clients are doing anywhere between 20-40 CEREC® restorations per month and when you've recovered from doing the maths you'll see that even at 15 CEREC®s per month the additional revenue in conjunction with the tax relief more than pays for the machine in the first year! Ensuing years become an interesting prospect!

There's little doubt that the business case for CEREC® 3D stacks up and as George says, "Any dentists wanting to transform their clinical dentistry and rejuvenate their practice profitability should take the time to assess CEREC® 3D". It seems that for once you might just be able to believe the advertising!

**ANYBODY WANTING TO TALK TO GEORGE ABOUT THE CONTENT OF THIS ARTICLE CAN CONTACT HIM BY TELEPHONE: 01844 260111 OR EMAIL: [GEORGE@DBS.ORG.UK](mailto:GEORGE@DBS.ORG.UK)**



## Ceramic Systems Limited

Flaxman House

Gogmore Lane

Chertsey

Surry

KT16 9JS

Phone: 0845 0700137

Fax: 01932 577043

E-mail: sales@ceramicsystems.co.uk

Ceramic Systems are passionate about **CEREC®**. We have been helping dentists to revolutionise their dental practice with **CEREC®** for over 7 years. We have a team of specialists that support over 200 users with sales, installation, and training. We organise user group meetings regionally every quarter. Plus a National Conference every year.

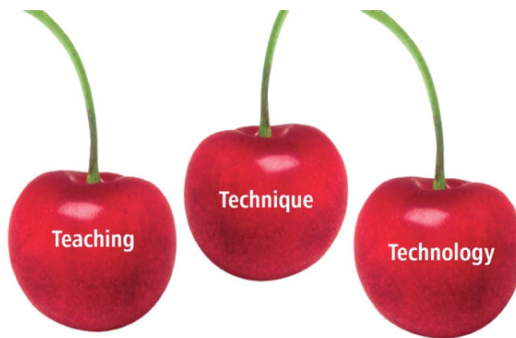
If you would like to evaluate if joining the Ceramic Systems "CEREC® Club" is a great move for your dental business and clinical career call David Holland on 0845 070017

The CEREC® Specialists

[www.ceramicsystems.co.uk](http://www.ceramicsystems.co.uk)

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