A view from the bodies corporate.

6. Oasis Dental Care Ltd

F. Stuart-Wilson

Peter Brook and I finally meet in London on the third attempt at getting together for an interview. However, the fates which seemed to conspire against us with hindsight seemed to be working for us, as when we do meet before Christmas he is able to tell me about not just one, but two major acquisitions. The acquisitions of Ora Dental Care and Dencare mean that he is now Group Clinical Director of a corporate with 124 sites, making Oasis one of the largest players in the market.

For all his responsibilities Peter Brook seems very relaxed and actually very pleased with the latest acquisitions. He has been eighteen months in post and his career route to Oasis has been more varied than most. 'I was a GDP for a short while then I returned to Manchester working in oral surgery. In 1986 I qualified as an orthodontist, and worked at UCH for 9 months.' Having transformed himself from a GDP to an orthodontic specialist, he 'established an orthodontic practice in 1994 which I sold to Orthoworld in 1999. I then worked overseas as an orthodontist in the Middle East for nine months, then saw the job as Group Clinical Director, applied and took the job.' He makes it sound very straightforward, but the company he joined 18 months ago was quite different in scale to the one he works for now.

Name: Peter Brook
Qualified: 1981 Manchester
Title: Group Clinical Director
Company: Oasis Dental Care Ltd
Established: 1997
Head Office: Norwich
Number of practices: 124
Clinical profile: NHS and private
Annual turnover: £70 million following recent acquisitions
Website address: www.oasishealthcare.co.uk

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'Eighteen months ago the company had 38 sites. It's grown to 124 now.' He explains that Oasis Dental Care Ltd is a wholly owned subsidiary of Oasis Healthcare PLC. 'Our Healthcare board makes strategic decision about acquisitions etc and deals with more strategic issues. Oasis only deals in dentistry at the moment but we could take in other areas. Oasis Dental Care looks after the operational management of the practices.' Oasis floated on AIM in 2000.

Peter Brook does not appear surprised at the rate of growth. 'I always believed that corporates would deliver the majority of dentistry over the next 10 years. Our practices were 43% private before the acquisition of Ora and Dencare. Now it's nearer 60% private. The practices are fairly well spread across the UK, stretching

Peter Brook, Oasis Dental Care , Group Clinical Director

from Seaford in the south to Durham in the north east.'

Peter is clear about what Oasis stands for and how it has reached its current position. 'It's quality care in a quality environment. We offer career opportunities for dentists. Our growth has been achieved mainly through acquisition and expansion of private care within existing practices. We're well ahead of our planned programme through the last two large acquisitions. We're now looking forward to a period of consolidation – but we will still continue to acquire.'

As with all of the other dental directors I have met, I ask Peter Brook about his acquisition selection criteria, and this leads us into a lengthy consideration of some of the main issues he sees facing dentistry – quality being one of them. 'We have never looked at green field sites. We look for four plus surgeries, the quality of treatment and quality of dentists and their career aspirations. We carry out rigorous clinical due diligence, and look at health and safety, clinical governance, record cards, and the reputation of the practice.' For the last one 'we seek third party sources for advice.'

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He is direct about dental recruitment. 'We will target where recruitment will be less of a challenge.' He sums up associate mobility thus: 'A third go back to where they came from, a third stay close to dental school, and only a third are really mobile. We're now trying to fill in gaps around dental schools.'

'We look for a turnover of £500,000 plus – the majority of practices we acquire are significantly higher. The stability of associates is important. When we are trying to assess this, confidentiality can be a problem when carrying out due diligence. We only have a very short period of time in which to talk to them.'

Continuity of dentists is an important issue. 'When we take over a practice, each practice has a clinical director – we try to retain the principals for two years.' However, his next comments are an echo of what I have heard from nearly all of the directors I have spoken to. 'People are not as realistic as they might be about the value of their practices. There are different judgements on goodwill, and the corporate model of valuing practices is different from what people expect. Dental manpower is a key driver and the attitude of dentists in a practice towards a corporate is important.'

The reception area for an Oasis practice

'We still acquire NHS practices and have some which are purely private. With many of the practices, there is an increasing private percentage and many dentists are looking to convert, but they would prefer to go with the support of a corporate. There is a move as a group towards more private practice. Eighteen months ago we were only 25% private.'

Peter Brook takes pains, however, to point out that Oasis sees acquisitions as an investment. 'We invest back into practices and people's dental careers. We spent £3 million last year on material refurbishment of practices. We will also fund an additional five hours of CPD on top of the required 15 hours. We hold four conferences a year for our people and arrange a great deal of training.' This investment is also not solely for professionals within the practices. 'We also invest in support staff. Our new practices have practice managers.'

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I ask about PCDs. Peter is cautious in his response. 'The PCD turnover within practices is relatively very high, although PCDs are supported.' So far as greater use of PCDs is concerned, he responds, 'Will they be able to train enough PCDs? Finding financial models to keep both dentists and PCDs happy is also a consideration.'

Peter Brook turns to the role of the associate within practices. 'As a model, the associate contract is fine but the real question is, is the percentage viable? A sliding scale is the most appropriate but isn't acceptable in the marketplace. We see some extraordinary percentages – up to 60%. Principals see taking on an associate as a dilution of fixed costs and increasing turnover to improve the value of the goodwill, and don't always work out the figures. The majority of our associates are on 50% – assistants are on 45%.'

These issues are magnified around a large organisation. 'After the acquisition of Dencare, the company will be employing some 1,500 people, with over 30 people at head office.' He moves on to the image of the body corporate. 'The corporate image is very strong amongst those who buy into the corporate idea. We have a regional manager network and regional dental advisers. There's strong branding amongst the practices and a three year development plan amongst all practices.' He makes an important point which sums up some of what he has been saying about investing in dentists working for the body corporate. 'Our brand image has been developed primarily for dentists and secondly for patients.' This leads him onto looking into the future and dental manpower issues.

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'BDA surveys show that in dental schools dental students are very pro corporates. However, something seems to happen during the VT year which puts some of them off. Oasis VT practices do tend to retain most of their VTs.

We are becoming an increasingly more popular choice for VTs post-training. We are trying to promote a genuine career pathway and getting over existing preconceptions about corporates being profit driven and not investing back. We are looking at the optics/pharmacist model. Corporates in those professions were judged with equal suspicion but have taken over the market. However, the patient/dentist relationship is judged at a much higher value. The quality of people in the practices is very important.'

I ask him as I have asked all of the directors for his predictions for the next five years. Peter first considers Oasis's position and growth aspirations. 'It is easier now.

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We are almost a market of one. We will focus on different sites from IDH. There is limited competition from James Hull and ADP. Not that many are looking to acquire practices at the moment. This will have to affect practice valuations. Speaking to young graduates their aspirations to buy big practices are much lower than my age group's were, so there are fewer people looking to buy. Many dentists in their 40s and 50s, have not invested in their practices in recent years. The more aspirational dentists have, and they are mostly private. The lack of investment for some is due in part to NHS funding.'

He returns to the theme of dental manpower and serving patients. 'We have to try to be flexible with working patterns in the next five years. We have patients waiting for dentists. The key management challenge is to provide and maintain good lists. At the moment we have more Denplan patients than any other corporate. We also have our own scheme currently with Practice plan.' It is this comment that makes me realise a sub-theme theme to our discussion – that of the power of the large corporate as a major customer as well as a dental employer.

A typical surgery

We turn to the proposed changes in legislation affecting the bodies corporate. He is almost dismissive. 'The change in the law will make little difference to the corporates. I see loose affiliations rather than corporates amongst other practices. The independency of practices and practitioners will legislate against more corporates. It's a peculiar industry – the most intelligent people are producing the product. It's almost unique in dentistry.'

He goes on to consider some of the major themes I have covered with other directors and deals with them quickly and decisively. 'The removal of the Dental Rates Study group has been to the government's advantage – expenses are rising much faster than fee scale additions. Clinical Governance is a valuable quality assurance tool, but things like this, and changes in employment law, requires constant effort in upgrading knowledge and services which has an expense attached to it.

'The NHS in five years? Much dentistry will be done in localities organised by PCTs. It's not compulsory to have a dental member of the PCT and I can't see that changing. I do foresee an emphasis on core or access centres. There is a possibility of salaried services contracting with PCDs for access centres. Salaried services are more attractive to PCDs. The type of patient likely to be in an access centre might be less attractive to most dentists. They feel they are not fulfilling a professional service.' He adds 'Oasis would look at local initiatives. *Options for Change* in many ways is a terrific document. It sets objectives for a quality service until it's actually priced! However, there was hard-

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ly time to respond to the invitations for suggestions for delivery in local regions. Oasis didn't propose at this stage – we'll wait.'

A patient being advised in a treatment room.

A key issue for Oasis is the geographical spread of their operation and there are questions to be answered. 'I can understand the breaking down delivery of dentists locally but we consider ourselves to be a national provider of dental care. Would we be negotiating at a national or regional level?'

We move on to the OFT investigation. 'We already make sure that prices are displayed at each practice. There is variation from practice to practice, but there is guidance as to how to set fees and minimum fees. The greatest difficulty is with practices with lots of Denplan.' He expands on what he means by this: 'Consumer demands are rising at a faster level than dentists are comfortable with increasing fees. These demands are more aesthetically driven, which is difficult to square with the Denplan model. There's much more demand for tooth whitening and aesthetic dentistry. It's choice dentistry rather than core dentistry to maintain oral health. In the US 70% of dentistry is cosmetically driven. In the UK it is around 30%.

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'The public are aware of cosmetic treatments, but many dentists have lived in a box of a structured fee scale for the GDS so that they haven't noticed the changes. One of our key drivers is making sure that proper informed consent is gained with *all* treatment options. "The dentist knows best" is an attitude that has gone. We must explain all the options and prices – that's very important. The OFT report is important here. Proper informed consent is something I feel very strongly about.' Peter recounts the cautionary tale of the patient who visits the dentist for some crowns and six months later returns to asks for tooth whitening to be carried out.

We discuss bodies corporate being treated more rigorously than individual dentists. He comments 'We have responded to the DoH and the GDC – I anticipate a continuing disparity between the treatment of individuals and corporates.' However, he emphasises what he sees as his company's serious commitment to quality.

'We have a huge operations manual and a huge health and safety manual. Our systems are as strong as we can make them, but dentists retain their independent status. For example, our dentists retain clinical freedom in choosing labs. So far as technicians are concerned they must be DLA members. Oasis is looking at DAMAS as a requirement for Quality Assurance reasons. We have no plans to buy labs, but would like to be able to work closely with labs for quality reasons.'

We return to the start of this section of the interview and his view on the number of corporates existing in five years. 'There will be two large corporates.' He does not name them but the inference is clear. 'The NHS percentage will be the main difference. There will be some smaller ones – and I don't see Boots as anything other than a smaller one. Boots isn't seen as a model for family dentistry – you go there for specific treatment. Oasis is based on the family practice model. We do have specialist centres for ortho, implants and oral surgery; some centres have a mix of specialists.'

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The Oasis logo.

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His view of general practice is quite different from now and led by some key factors. 'In five years GDPs will be the gateway to specialist services. This will be driven by the US model and increased legislation. Within the next five years there will be bigger centres delivering dentistry and medical care led by the requirements of clinical governance and employment law.' He is very specific in his next comment. 'The days of the small practice are numbered from both the private and the NHS perspective, and accountability to professional organisations will be much more controlled than before.'

Peter Brook's words may not be what many dentists would like to hear, but as he himself points out there can still be some surprises in store. He remarks as I leave, 'I never thought when I applied that I would be sitting here with this many sites!' I wonder if I do meet him and all of the other dental directors I have met over this series in five years time, how many of their predictions will come true? Some already have over the course of this series.

Some of the Oasis leaflets