

## The Challenges

*When bad things happen to a good company—A disappearing partner and fleeting health issues prove to be challenges for a thriving dental laboratory.*

One day in October of 2000, Steve Cole and Frank Frost came into work to find a note from their partner along with the keys to the company and the corporate credit card. It was a strange way to dissolve a partnership and a long legal and financial process began.



Advantage Ceramics, Inc., like many full-service dental laboratories, is divided into several areas or disciplines. Each of the elements can be dependent on other areas of the business and each partner had a specialty area they oversaw and excelled in.



Frank is renowned for his metal working abilities and Steve has nearly 30 years of experience in removable appliances (dentures for example). Their former partner handled all of the ceramic work (for crowns and other cosmetics) which is involved in 60% of the jobs Advantage Ceramics produces. So when their partner left, Steve and Frank knew they would have to work harder than ever, not just to maintain their thriving business without a ceramist, but to also make the monthly buyout payments to their former partner.

Sheryl Jern, who was hired to opaque ceramics (to produce the specific color needed to match a patient's other teeth), remembers that day well. "I came in that day and Frank said 'I don't know what your abilities are...'" Frank worked with Sheryl to set realistic work volumes and goals. In turn, Sheryl appreciated Frank's trust and willingness to take a chance with her work. Even with Sheryl's skills and the help of a new employee, it was a full year before things returned to normal in the ceramic department.

It was in this atmosphere of pressure less than a year later on his 48<sup>th</sup> birthday that Steve Cole had what he thought was a heart attack. Days later after two surgeries for four stents and life-threatening complications, Steve was told that he would not be able to work for at least six weeks.





## The Solution

*We shall overcome—Hard work, loyalty and determination create an atmosphere where a company can grow stronger.*

“Steve will not be returning to work full time for 12 weeks.” This announcement by Frank could have been the death knell for the already struggling company—effectively shutting it down. Instead, the pressure cooker environment created a cohesive team that bonded into family-like consistency to get things done. “Everyone

pulled together and we all helped out where we could,” summarizes long-time employee Dwaine Edington. “It was an interesting time. It’s nice to see the team work when everyone is willing to do that extra little bit to help.”

Frank started by making a commitment to Steve—that he would continue to receive his salary during his recovery. Although the company had long-term disability in place, they didn’t have short-term disability, so Frank’s promise meant that the bottom line was going to take a hit.



Then with Steven’s support, Frank selected their top five dentists (in terms of loyalty as much as sales volume) to retain and wrote a letter to the remaining 40. In the letter the partners outlined Steven’s health problems and asked the remaining dentists to please find a temporary replacement company while Steve recovered.

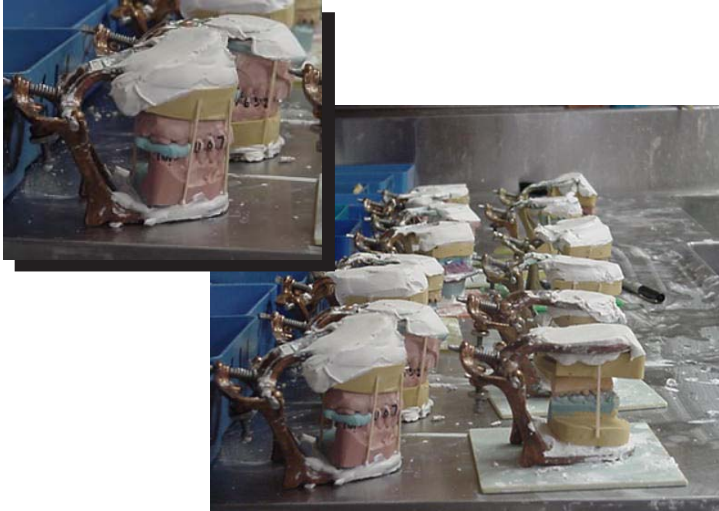


This effectively cut nearly \$25,000 a month in sales out of the company’s budget while business expenses stayed static. Clearly, this decision was not made lightly. But because Advantage Ceramics had come to be known for its excellent work and low remake rate of only 2-3% (industry standard is 6%) Frank and Steve were concerned about jeopardizing that reputation by hiring a temporary substitute for Steve. They theorized that it would be better to be upfront with their loyal clients and risk them not returning, rather than producing work that didn’t meet Advantage’s high standards and virtually guaranteeing that the clients would leave for good.

“When you have a crisis you do what you need to do to get through the crisis,” says Jern. So committed employees began working longer days and helping each other in previously unshared tasks. “We knew what we had to do,” echos Edington.

The result was that even though sales were at 50% when Steve finally returned full time to the lab nearly 12 weeks later,





Advantage eventually retained all 40 furloughed dentists as clients, the staff had a new appreciation for what they could accomplish together and dental clients and patients throughout Indianapolis smiled again.

Today Advantage Ceramics is once again a thriving company with a healthy sales increase of 30% over the past two years and 13 employees. They have also started a family-friendly tradition of closing the lab for the 26<sup>th</sup> week each year so that everyone can take a vaca-

tion.

Some other benefits have emerged as well. Frank has become comfortable with Steven's side of the business, something he had avoided in the past. Advantage has added short-term disability to the employee benefits package and is nearly finished paying for the former partner's buyout. And, although they have always had Key Man Insurance and Buy/Sell agreements in place, Frank and Steve have



made some changes to the internal operations to ensure better coverage in case of another unexpected event. Their office manager is now included more in the day-to-day financial aspects of the business and they have added more depth to their bench by cross-training existing employees and hiring well-rounded new employees. "I think the main difference is that we have a much higher experience level now," said Steve.

Steve and Frank are also proud that throughout this period of turmoil and challenge Advantage employees continued to provide thousands of dollars a year in donated dental appliances to the National Foundation of Dentistry for the Handicapped.

And even though things are improving daily at Advantage, Steve and Frank caution others who may be facing business setbacks, that recovery doesn't happen overnight and it takes teamwork. "We're still feeling the effects," says Steve. "I never thought it would take so long to recover." Frank adds, "It's our great employees who made it possible for Advantage Ceramics to survive."

