

## *Dear Friends*

We live in a world of words, and no computers, mechanization, or new discoveries are going to change that. . . not in the foreseeable future anyway.

We are told that more change has taken place in practically every field of man's endeavor than in all of the previously recorded history of mankind. Consider: we have more of everything. . . we "enjoy" more telephones, radios, shoes, televisions, automobiles and almost everything per capita than anyone else. The changes which have taken place during the lifetime of most of us are beyond measure. And the end is not yet.

What have we gained out of all this?

In this same world of words, in this same era of "advancement", we have more "tension" and "hostility", more "conflict" and "frustration", more "misunderstanding" and "hatred" and more "distruction" and death than almost anytime in the recorded history of man.

There has never been a greater need for better and more effective communication than the present. . . which brings me to the title of this blurb:

### **THE ROLE OF PUBLIC RELATIONS. . . A Leadership Modality**

We know the importance of words and meaning, and their effect on the nervous system. We know that words are the most important communication tool we have. In discussing communication and public relations, we will explore how what people think of us and what we do affects us as individuals and the practices we represent.

The principles and philosophy of public relations is essential to the success of any business.

The competition for the eye, the ear and the mind of people today is almost unbelievable. Whether we like it or not, the world is full of people and organizations who are doing great jobs.

Sometimes they get lost in the shuffle. . . mostly from lack of recognition or appreciation.



**REED'S**  
**INTERNATIONAL**  
**LETTER**

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Public relations always exists by definition, by intention, or by neglect. the public relations image of any situation transforms the meaning of the words and the pictures in the mind and eyes of the public.

Public relations is subjective and costs a specific image not directly moving people. Advertising in the media is directive and will move people specifically.

Think public relations. . . and let's proceed.

It is more important to understand that public relations is not a false front for:

- . . . bad human relations,
- . . . poor business practice,
- . . . unfair treatment of employees,
- . . . failure to hold up your share of community responsibility,
- . . . or, inefficiency.

No one should waste time working on a public relations program if the purpose is to cover up any of these.

"P. R." is the force that, when felt by people, dictates from within what the descriptive words mean.

Most people are engaged in providing services. . . in one form or another, and this is certainly true in dentistry. The service we give (or sell) we do chiefly as human beings, and not as machines.

We may use machines to render service, but the machines cannot do the whole job, by any means.

It's what people do and how they do it that still counts the most in the long run.

This means, of course, that the need for better understanding, the need for better relationships, is almost inconceivably greater than most of us realize.

We sometimes seem to drift away from talking about the necessity for better understanding, better communication, or for better public relations.

What good is it if we accomplish all of our missions in outer space. . . Of what value is it to us personally to land a man on the moon. . . if our own relationships are so fouled up we don't want to go home at night because of the bad relationships we may have with our spouse or our children? . . . Or, if we hate to go to the office because we don't get along with the team there.

The fact is that each of us has within us what amounts to a built-in time bomb that is so constructed that it is timed to go off anytime, any place, whenever and wherever our relationships break down.

Most of us are interested in what's happening in outer space, of course. . . but are even more concerned about what's happening inside our stomachs or our heads as a result of bad relations or bad communication.

We're concerned about the kind of treatment we get and the relationships we have with our "bosses", our neighbors, our families, our friends, and all

**Most people want other people to think well of them.**

OMER K. REED, DDS

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of those with whom we have contact.

When people are treated as if they are a piece of machinery, or inanimate objects, the human feeling is gone. And with it has gone something most important to our daily living.

Little things still make the big difference in how people get along with each other. The "hellos", the "good-byes", and the "thank yous" are still vitally important.

Large sums of time and money are spent on employee orientation programs for the sole and single purpose of trying to make the new employee feel at home when s/he comes to the new job, and on management training programs to improve communication. In all too many instances, the entry of an employee or the treatment of a person coming for care is about as casual and without feeling as if these important people were another piece of furniture. . . or a new broom.

People remember for a long, long time simple slights or lapses in treatment. Most of the problems stem from violation of the principle . . . little things make a big difference.

Treatment of people must be based upon the principle. . . everybody likes to feel like somebody, which is based upon respect for the human dignity of the individual.

The opposite of this principle, of course, is in its violation. When we make a fool of somebody, when we criticize others, particularly

in the presence of other people . . . we are putting more material into an already overloaded storehouse of human trouble.

People remember for a long time any slights or any discourtesies in which they are the victims.

A woman told a researcher for an electric company how glad she was to see him "Because," she said, with great hostility, "fifteen years ago, a meter reader came to my door and was the most discourteous person ever. I've never forgotten him. . . or the company. Let me tell you something. . . etc., etc."

For 15 years this woman had seen and known this company only in terms of the discourteous meter reader. And, she never forgot. . . she probably never will. Every time she turned a switch, every time she put in a new bulb, every time she had to use an appliance, every time she paid her bill. . . in her subconscious, she was reminded of this discourtesy and resenting the fact that she was having to pay a company which employed such people.

If people are mistreated or think they have been mistreated, then they burn inside with almost an eternal fire. . . and in the litigious society in which we live, they may seek "retribution" in a more active way.

If we give people a little extra in our human relationships, they remember that, too!

In this highly mechanized age,

The attitude, gratitude, doesn't cost. It pays.

You don't get a second chance to make a good first impression.

**They make  
(dollars)  
and sense.**

these simple, but important principles become even more important. They make sense.

One of the most familiar admonitions is, of course, the Golden Rule: "Do unto others as you would have them do unto you." Or, as Rabbi Hillel said, more than 2000 years ago: "That which is hateful to you, do not do unto others."

A particular attitude, when projected against a particular personality, equals predictable behavior. Or simply said: A hostile approach begets a hostile response.

You yell at me; I'll yell back at you. . . You approach me with a chip on your shoulder; I'll respond with a chip on my shoulder.

The practice of good relations is not easy! But, when we see bad relations destroy people and destroy teams, and destroy doctor/patient, doctor/team relationships, we'd better do something about it.

We need to understand the importance of effective communication in our practice of good relations. We need to understand that our "verbal", our "non-verbal" and our "tactile communications" all must be keyed to better understanding and better relationships with the people we serve. . . and the people with whom we work.

When we talk to people, we must be aware of the effect of words on their nervous systems. . . and on ours.

We are all public relations representatives of the

representatives of the practices to which we are giving so much time, energy, and effort. . . most of our lives, in fact.

By knowing more about communication, our own jobs become much easier. . . and we will have gained the respect and the esteem of many, many people for ourselves. . . and for our practices.

You guessed it!!. . . the "P. R. - People Game" workshop, Napili 1, March 29 through April 1, for doctor/spouse/team. . . COME, JOIN US.

Just as the world around us is changing, so is our knowledge of the techniques and methods by which man improves his communication and his relationship and understanding of others.

Leadership is important in helping to prevent friction and misunderstanding before either of them reaches unmanageable or critical proportions. Those who give direction to others must know, and learn, more about the most effective methods of communication.

What is "leadership?" A simple definition would suggest that a leader is one who is "voluntarily" followed because of an ability to guide others.

"Voluntarily" followed.

You may be leading a grand and glorious parade down Central Avenue, you're a big shot. . . an important person, the center of attraction. But, you are a "leader" of the

**Improved human  
relations, or  
communication,  
means better  
daily living  
for all of us.**

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parade only so long as the rest of the parade follows you, "voluntarily."

If the parade turns off to a side street, leaving you to march down the main street alone, you have suddenly been deprived of your "voluntary leadership." You have no followers. The relationship is that close.

The fact is, a leader must get the job done through other people, through "voluntary" followers. Some "leaders" still insist that the only way to get the job done is by command, by order. . .Do this! Do that! Do it because I say so. . .And, some people seem to make the "ordering" method work, for while, at least.

There is a difference between the leader who has to force people to do a job and the one who gets things done without seeming to have to "boss" people around all the time.

Most of the time, the difference is the degree of understanding of one leader over another. We can't do everything ourselves. . . not even if we mistake ourselves for "Supermen and/or Superwomen."

Cooperation takes leadership and teamwork. A very simple rule in understanding comes into play in our search for the secret of how to achieve cooperation from other people:

People do things for people they like, because they like to do things for people they like.

For whom do you like to do things? For whom do you go

out of your way to accomplish a particularly laborious, complicated or boring job?

Why do you go out of your way for those particular people? Why do you react favorably towards requests from some people and unfavorably to others?

Many people make a big thing out of ridiculing the whole idea that understanding, or getting along with people, is important. The expression or acceptance of this philosophy is frequently a cover-up for practicing bad relations.

We can reduce to writing some points that will help in examining what it takes to get cooperation from others. . . a kind of human inventory.

- 1) Do you tell your people what the job is and why it needs to be done?
- 2) Do you have the capacity to make people feel that they are part of something important, no matter how small their job seems to be?
- 3) Do you ask. . . or do you order. . . people to do some thing? Do you even know the difference between asking and ordering?
- 4) Do you have the capacity, the know-how, to address yourself to the job at hand or the best means for getting it done, rather than to direct your remarks to a person's ability, character, or personality?

Do you yield to the temptation to call people stupid, lazy, clumsy, ignorant, incompetent, etc. just because they don't

"Which way did they go?  
How fast were they going?  
I must find them. . .  
I am their leader!"

Leadership emerges situationally in an environment of powerful people with freedom.

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respond properly to you or to the job?

When, by words or actions, we destroy a person's character or establish in his/her mind that s/he is something inferior, we are courting a breakdown in communication. The fact that we may be doing this unconsciously, without realizing what we are really doing, doesn't alter the situation or the effect we are having on others.

Words can make a person feel good. . . or bad. Words can soothe, or they can make people angry. They can make us cry or feel sad, or they can make us feel glad. Words can make us sick.

Just what do we do to another person when we ask: "What kind of stupid question was that?" What happens when we call a person "stupid."

We hurt that person just as if we had stuck a knife in him. And if we make these remarks in the presence of others, we have created a human scar. Sometimes it never heals.

And if we persist, knowingly or unknowingly, in carrying on our communication in this way or with variations on this theme, we can count on some kind of explosion. It may be a delayed explosion, but it's there, waiting!

Another expression that "does a job" on people:

"Didn't you understand what I said?" (Implied, sometimes stated, meaning, "You must be deaf, dumb or ignorant.")

What a sure-fire method of

destroying dignity and compounding problems.

And if it's done often enough, the other person might even begin to believe it!

We know we frequently need to call the attention of people to their shortcomings, or to criticize. The big question is not that we don't have to do these things, but to know how to do them without destroying the dignity or character of the people with whom we work.

We need to know how we can describe. . . how we can transmit to others how we feel. . . what we mean. . . what we see. . . what needs to be done or corrected. . . without in any way attacking their character or insulting their dignity.

This means we need to know how to communicate. . . how to use words so the other person knows what needs to be done, and to be able to do it in a manner that does not cause the other person to become defensive about his actions.

We must try hard not to have him/her feel the need to defend his/her personality or character. The job. . . yes! The personality. . .no!

Sometimes we feel the need to express concern. . . even anger. The big thing is how to do it without insult or hurt. Some practical hints on getting the job done without insult, hurt or loss of dignity. . . cultivate the "asking questions" technique to get cooperation and teamwork. "Ginny, here's a job that needs to be done. . . what

Choose to follow voluntarily and you'll feel the reality of leadership.

Leadership is not a "one up, one down" relationship by defining the behavior and the reward of others.

do you think is the best way to get it done?" Give the person a chance to make some decisions. . . listen to their suggestions. . . offer them the opportunity to have a sense of responsibility.

Can you make people feel that you are asking them to help with a job because it takes people with real ability to get it done? Do you make a person feel that what s/he does is important to the whole group? Do you give credit and recognition to a person who comes up with a good idea or suggestion? Can you show continued interest in the work your people do? Do you now how to give them credit for a job well done?

Before people can do the best job they can, they must know what is expected of them. . . how much is expected from them. . . how it is expected to be done. . . and sometimes, why!

When a person knows the reasons why something should be done. . . and especially if it must be done in a particular manner. . . it makes a big difference.

Doing things with an intelligent understanding produces better results than doing them just because you are ordered to do them.

Everybody likes to know how s/he is doing. Without recognition from time to time, pride is hurt. . . interest is lost. . . and incentive disappears.

How would you feel if you went day after day, week after week, month after month with-

out anyone telling you how you were doing or what they thought of your work. The average person can't be happy about work when s/he works for a person who doesn't think it is ever necessary to tell him/her what the score is.

What do you expect in terms of quality and quantity? Sit down and figure out exactly what it is you want done. Go over the instructions. Do you understand them yourself? Would they make sense to you if you were listening to them from the other side of the table?

Remember. . . man does not live by bread alone. This may sound like old hat, but is pay all that counts with you? Others don't get complete job satisfaction from wages or salaries alone either! Wages are not the whole story.

Public relations. . .  
Leadership. . . something to think about!

Grandma's law:  
Clean your plate and I'll give you dessert.  
(Bonus program, anyone?)

After understanding, we can agree to disagree without being disagreeable.

# Napili News

When you receive this, Omer and I will be on the last leg of our travels from Truk Lagoon to New Guinea, to Townsville and the Floating Hotel, and Sydney. . . having a wonderful experience setting up a rotational dental clinic in Micronesia and speaking with Australian dentists.

We'll be in Palm Springs for the PSSI workshop, Saturday and Sunday, March 18 and 19. On Saturday evening, you're invited to be with us at Embassy Suites, Highway 111, in Palm Desert for a Pentegra Open House, 4 - 7 p.m. -- no tuition.

There are spaces available for the People Game Workshop, March 29 - April 1. Please note that we're offering the one-day Inlay and Laminate Course (\$670) on Wednesday, the 29th. First come, first served.

The People Without Perio Program, April 26 - 29, will be a full four-day program, beginning with a full day on microscopy on Wednesday and including a session on instrumentation by Hal Meador, and Perry Ratcliff and Omer's hygiene team will be with us, as will Omer. It's a NEW workshop, and we have room for doctor, hygienist and spouse. . . you and yours.

I NEED five more persons to Raft the Colorado River with us! (June 22 - 30, \$1370 per person, tuition due now.) I used to say that it was a once in a lifetime experience. . . this is my seventh time, and Paul and Sally are going for the third time, as is the entire Hammond family. And it's a new experience every time! What is a good close?. . . one that will encourage five more people to come, join us for a workshop experience that's unlike any other (every time we do it!). Guess I need to take the case presentation workshop, May 17-20, and learn how to do it!

*Marci Reed*

President  
Napili Seminars

## N A P I L I P A R T I C I P A T I O N

### LAUNCHING THE SHIPS IN LEADERSHIP

**For us to be exceptional leaders, we must launch the various "ships" that we find in leadership. Dynamic leadership includes:**

**BattleSHIP . . . sometimes you have to fight for what's right and for what you believe in.**

**RelationSHIP. . .successful leaders know their people and how to help them reach their potential.**

**SpaceSHIP. . .let the sky be your limit! Don't settle for mediocrity.**

**CargoSHIP. . . throw off any cargo that makes you drag bottom and carry cargo like honesty, integrity, loyalty, hard work, etc.**

**TutorSHIP. . .when you help someone else succeed, you succeed.**

**OwnerSHIP. . .get people to feel a part of developing and accomplishing the overall objective.**

**CraftsmanSHIP. . . develop your leadership skills.**

**ApprenticeSHIP. . . always be willing to learn. Be open and teachable.**

**SportsmanSHIP. . .be a team player and play by the rules. Build on each win and each loss.**

**SalesmanSHIP. . . dynamic leaders sell their ideas, goals and plans.**

**SteamSHIP. . . don't quit! Don't lose your "steam."**

**ScholarSHIP. . . dynamic leaders study hard, work hard, and try to give and be their best when it comes to making the grade.**

**(By Steve Siemens, Siemens PeopleBuilders, 6478 NE 5th Avenue, Runnells, IA 50237)**

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# BEWARE OF EXCELLENCE

An examination of a popular concept.

BY PAUL KHERA, PH.D., ATM

**S**ince Tom Peter's book *Search for Excellence* hit the market, it has become fashionable among corporate executives and personnel managers to constantly talk of excellence.

A few universities have even opened centers for excellence. You cannot interview for a job without hearing this word a few times. "You will have to dance well or leave the hall," they tell you. You feel threatened by major corporations and seek out smaller, little known companies to work for in the hope that their requirements will be reasonable. However, as soon as you enter their premises, you see the handwriting on the walls. Reminders and maxims are everywhere. "Excellence is expected of you;" "Be enthusiastic about your work;" "If you are not fired with enthusiasm, you will be fired with enthusiasm."

I responded to an advertisement for a sales posi-

Illustration by Jeffrey Koegel

tion with a firm scheduled to open at a prestigious address. Five immaculately dressed executives interviewed me, starting by preaching a sermon to me on excellence. They pointed out that they expected their sales agents to earn \$250,000 in commissions alone during the first year. I explained to them that I did not belong in this class of people, and left. This company never got off the ground.

It's often uncertain that these people who talk so eloquently of excellence know what excellence is. They seem to believe that by reciting stories of the companies that made it big, or by quoting inspirational maxims, they can evoke excellence from people. It isn't that simple.

Albert Einstein, one of the greatest thinkers of our times, was thrown out of school for his inability to comprehend his lessons. He was refused admission for studies into any reputable college or university. He could not get any decent job. When he finally did get a job—as a patent clerk in a government office—he couldn't stand the boredom of this mundane job and quit during his first week of employment. He then spent all his time doing what he enjoyed most—thinking about the mechanics of natural phenomena. He challenged a fundamental law of physics—the law of conservation of matter—which stated that matter could change from solids to liquids to gases to vapors, but the total amount of matter always remained the same.

"Matter is destructible," Einstein announced. "The energy evolved in the destruction of matter is given by the relationship  $E = MC^2$ ." This famous equation is the basis of our nuclear energy today. Furthermore, Einstein could not accept the simple statement that two events could occur simultaneously. This led him to propose his Theory of Relativity, which is the basis of much of modern science.

### Excellence Is Originality

This is real creativity, imagination and originality—excellence at its highest. Yet, according to the exhortations of the gurus of excellence, Einstein would not be eligible for the certificate of excellence. The gurus say, "Excellence is achieved through work. It is not stumbled upon in the course of one's pursuits of pleasures." Einstein, on the other hand, relentlessly pursued his pleasures. He quit his job as a patent clerk because it required him to work hard. Instead, he spent 21 hours a day in the pursuit of his pleasures of reveling in the intricacies of mathematics.

People who achieved excellence satisfied their own pleasures at work regardless of what the rest of the world thought of them.

I was associated with Dr. Allison Flood of the National Research Council of Canada for two years. Dr. Flood was an internationally known expert on the seepage of liquids and oils through the ground, and absorption of gases and vapors by porous materials such as charcoal, sand and clay. His discoveries were widely used in the drilling of oil wells and in designing air purifiers in airplanes. I watched him at work for two years. As soon as he entered his office in the morning, he started work-

**T**he essential ingredient of excellence is to enjoy our work and every aspect thereof, to the highest degree.

ing on his calculations. Toward the end of the day, a big heap of papers, filled with mathematical equations, piled up on his desk. This he would pick up, throw in the garbage can and go home.

One day I asked Dr. Flood what he was trying to do. He laughed and replied, "If I knew what I was doing, it wouldn't be worth doing." This was thirty years ago. Excellence was not in vogue at that time, so I did not see the humor in Dr. Flood's reply. Now, I appreciate his remarks.

What an exciting way of life! If I know what I am doing, it is not worth doing; if I know what I shall find, it is not worth seeking. To find something new, something exciting, to do the unusual—that is the essence of being excellent.

### No Pat Formulas

The gurus of excellence, on the other hand, stress that you set your goals and constantly work toward them.

How can you set any goals and a definite course of action in this unpredictable, rapidly changing world? If your goal is to climb to the mountain top, and on your way to the top you see a picturesque trail with a lot more excitement and challenge than just reaching the top, wouldn't you rather forget about your goal and continue along the trail?

When Sister Agnes decided to start her work in the slums of Calcutta, the Mother Superior at the convent felt very concerned. She said to Sister Agnes, "You have assumed to accomplish an impossible task. If you do not succeed, remember that we all love you. Do not hesitate to come back. You will always have a home in the convent."

To this Sister Agnes replied, "Mother Superior, my inner voice does not command me to be successful, only to be faithful."

So the woman we know as Mother Teresa left the convent to do the most difficult tasks in the world, without any plans. She just followed the commands of her inner voice and performed the tasks that presented themselves. First things first, second things never. Second things never even presented themselves in her way of doing things.

There are no formulas or anecdotes you can infuse into people and expect that they will achieve excellence. People must depend on their own inner commands in this matter. The essential ingredient of excellence is to enjoy our work and every aspect thereof, to the highest degree. If we do this, we work harder and longer because we enjoy what we do. We enjoy what we do because we do it well. This, and having the courage to do something new, exciting or unusual, is the secret of excellence. □

Paul Khera, Ph.D., ATM,

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## CRITERIA OF LEADERSHIP POTENTIAL

Send men . . . every one a leader . . . Numbers 13:2.

SINCE QUALITIES OF NATURAL LEADERSHIP are by no means unimportant in spiritual leadership, there is value in seeking to discover leadership potential both in oneself and in others. Most people have latent and undeveloped traits which, through lack of self-analysis and consequent lack of self-knowledge, may long remain undiscovered. An objective study of the following suggested standards of self-measurement could result in the discovery of such qualities where they exist, as well as the detection of incipient weaknesses which would unfit one for leadership.

Have you ever broken yourself of a bad habit? To lead others, one must be master of oneself.

Do you retain control of yourself when things go wrong? The leader who loses self-control in testing circumstances forfeits respect and loses influence. He must be calm in crisis and resilient in adversity and disappointment.

Do you think independently? While using to the full the thought of others, the leader cannot afford to let others do his thinking or make his decisions for him.

Can you handle criticism objectively and remain unmoved under it? Do you turn it to good account? The humble man can derive benefit from petty and even malicious criticism.

Can you use disappointments creatively?

Do you readily secure the cooperation and win the respect and confidence of others?

Do you possess the ability to secure discipline without having to resort to a show of authority? True leadership is an internal quality of the spirit and requires no external show of force.

Have you qualified for the beatitude pronounced on the peacemaker? It is much easier to keep the peace than to make peace where it has been shattered. An important function in leadership is conciliation -- the ability to discover common ground between opposing viewpoints and then induce both parties to accept it.

Are you entrusted with the handling of difficult and delicate situations?

Can you induce people to do happily some legitimate thing which they would not normally wish to do?

Can you accept opposition to your viewpoint or decision without considering it a personal affront and reacting accordingly? Leaders must expect opposition and should not be offended by it.

Do you find it easy to make and keep friends? Your circle of loyal friends is an index of the quality and extent of your leadership.



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## THE NAPILI PHILOSOPHY IN PRACTICE

### IN THIS ISSUE

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#### CRITICAL THINKING THE "COMPARED TO WHAT?" and "HOW MUCH IS ENOUGH?" GAME THAT LEADS TO PERFORMANCE LOGIC

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This Quarterly is, at first blush, going to use tools that, by themselves, will appear to be inert and sterile; but, when put to work become functional, dynamic and critical to communication.

The psychobabble of any game, as some newsletters clearly illustrate, precludes some from "hanging in there" to an end point that's useful.

As a special effort, Don P., this one is being structurally tooled in a careful way. I believe the information and spirit of the idea systems to be extremely valuable to us as we continue to tool the changes in our profession. Thence, the title of this newsletter.

1. Education: Transmission of knowledge or skill, and cultivation of wisdom, instruction, combination of teaching and learning.
2. To Think: To formulate in the mind, to reason, weigh, judge, decide, to believe, expect, anticipate, remember, visualize, image, devise or evolve.
3. Wisdom: Understanding of true, right, lasting judgment, used intelligently, learning or judgment tempered by experience.
4. Judgment: A mental ability, forming opinion, to perceive and distinguish relationships, to choose from alternatives, the critical faculty of discernment, conclusions, problem-solving.
5. Logic: A system of reasoning using validatable criteria.
6. Criterion: Rule, a reason test on which judgment is made, a standard, goals, objectives.
7. Critical: Careful, exacting judgment.
8. Responsible: Accountable, able to act on own criteria, an able judgmental, sound thinker.
9. Context: Environment, situation, time, place, the "circumstances."
10. "Good Judgment": Result of the combination of skill, experience, knowledge and wisdom, relevant as compared to criteria.



## REED'S QUARTERLY

A SUPPLEMENT TO  
REED'S  
INTERNATIONAL  
LETTER

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APRIL 1989

11. **Critical Thinking:** A skilled, responsible pattern of thought that uses good judgment, relies on criteria, is self-correcting and sensitive to context, related to outcomes, solutions, decisions, mental process, strategies, representations, used to problem solve, make decisions; to learn new concepts, to combine known parts in new combinations for previously unknown answers, situations or relationships. Responsible thinking focusing on deciding what to believe and do, thinking that employs criteria and is assessed by those criteria.

Beyer, in the publication, Educational Leadership, April '89, enumerates some specific critical thinking skills:

- . . . distinguishing between verifiable fact and value claims.
- . . . distinguishing relevant from irrelevant information, claims or reasons.
- . . . determining the factual accuracy of a statement.
- . . . determining the credibility of the source.
- . . . recognizing logical fallacy and inconsistency in reasoning.
- . . . recognizing ambiguous material and unstated assumptions.
- . . . determining the strength of argument or claim.

12. **Performance Logic:** A system of reasoning applied to optimum control in the relationship between the ways (or

means) and the ends of acts. Einstein said that in the American lifestyle we have but two serious objectives. . . the perfection of means, and the definition of ends.

Performance logic recognizes that it's easier to determine and define the ends of our acts, the products and services we create, than it is to define the means to achieve the ends. (Do your thing, do it your way, try this, try that, etc.)

Performance logic provides freedom from choice in performance by clearly defining the exact step-by-step of "how to" performance that optimizes the quest for quality and the efficiency of per unit time productivity.

Enough of these illustrations and definitions, let's put them to work.

The outcomes of critical thinking are judgments. In the rapidly altered professional environment in which we work, including the changes created by contamination control, Informatics, numerics, critical thinking and performance logic . . . we have an entirely new responsibility as students.

If we are to succeed in the teacher-learner equation with self and others, we must have a clear idea of the applications of the "handles" listed above. We all believe that we are thinkers and yet the compilation of the available data. . . as it becomes information, and as information becomes knowledge and knowledge becomes wisdom. . . oftentimes creates a stumble.

The challenge now is to continue with a recombination of past knowledge into a considerably more brilliant tool bag of problem-solving and decision-making through the use of new concepts as we look to the future.

Wisdom is the characteristic outcome of good judgment; and good judgment, the characteristic of critical thinking. It is wise that we want to know how ordinary judgment and good judgment differ; how ordinary thinking and critical thinking differ.

As students in the professional environments, we presumably knew how to think before entering our professional schooling curricula.

The message is . . . Clinical problem-solving and sociological problem-solving includes a type of thought process not typically taught in schools. Most schools, including the professional schools, stress memory and recall, not the process of problem-solving or critical thinking.

Critical thinking is used to determine the value or worth of something and the ability to decide the usefulness of a concept. This is not something that memory and recall can constructively assist. Stop and re-read that sentence again as it's the nucleus of this Quarterly. It strips us back to a position where curiosity should lead us into a careful re-application of the definitions that precede this paragraph.

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Whenever we have knowledge and experience that is not merely possessed but is applied practically, we see clear instances of judgment. As professionals, we're constantly involved with making judgments. This is true in our practice, in our families, in our society.

Aristotle said, "Insofar as we make such judgments well, we can be said to behave wisely.

We make good judgments about our own practice as we co-discover, co-diagnose, co-treatment plan, and co-relate with the people coming to us for care in the fields of our ability. Memory and recall are used, to some degree, in this process, but good judgment takes everything into account, including good judgment itself.

A judgment, then, is a determination of thinking, of speech, of action, or of creativity. If we only do what we know, through memory and recall, we can only do what we've done. To start before we understand, as we have frequently quoted the now 20-year-old text, Age of Discontinuity, by Drucker, we realize that critical thinking creates, out of the old and the challenge of the present, new answers that we perhaps don't fully understand.

In the newsletter this month, the "Beware of Excellence" article by Paul Khera, should now be re-read. Please refer to it. Brilliant people many times proceed with their process not knowing what it is they seek, and if they knew

what they were doing it "wouldn't be worth doing." How frustrating for some of us who rely only on memory and recall!

Good judgment, critical thinking, is the product of skillfully performed acts guided by, and facilitated by, appropriate knowledge, skills and procedures.

Critical thinking is infinitely related to judgment and relies on criteria. Perhaps this is easier to understand in its antithesis. The fact that critical thinking relies upon criteria and context and is self-correcting is better understood when we recognize uncritical thinking which is amorphous, haphazard and unstructured.

In our conversation, when we make a claim and/or express an opinion, we are vulnerable unless we can back up our statement with reasons. The connection between reason and criteria is that criteria are reasons. They're one kind of a reason. When we sort things out . . . descriptively, historically. . . that's one thing. If we are sorting things out evaluatively, that's entirely another. Both of these tasks are important. We use the most reliable reasons we can find. These reasons or criteria may be at a high level of public acceptance or may be only at a high level of acceptance in the narrative context of the "community" in which we speak.

To make that more clear, we, as dentists, are recognized as being competent if we use respected criteria in

establishing the objectivity of our prescriptive or evaluative judgments. We will judge treatment modality on the basis of our memory and recall, historically, and employ the criteria that we have academically available.

In addition to that, in a creative sense, we will use the validity presented to us by the person coming to us for care and be consistent with their values system as well as our own.

This brings us to a different treatment program than perhaps another clinician would prescribe simply because the subjective mating of our two value systems produces an individualized point of view and end point in our treatment programming.

Each of us will have a list of specific kinds of criteria. We'll have standards, we'll have laws, by-laws, rules and regulations. We'll have requirements and specifications, conventions, norms, principles, assumptions, presuppositions, definitions, ideals, goals, objectives, tasks, credentials, experimental findings, specific methods, procedures and policies.

All of these are instruments of our apparatus of rationality and when they're all applied with the appropriate motor skills and end points, we have a functional end result that's dynamic and specific for the combination of the therapist and the person coming for care. The end point is based on reasons and/or criteria highly specialized by our values and

the values of the person coming for care.

By means of logic, we can validly extend our thinking. By means of reason, such as criteria, we can justify and defend it. Critical thinking is sort of a "cognitive accountability." Ordinary thinking, using memory and recall, will be enhanced to the "good thinking" status, depending on our ability to identify and cite good criteria, good means and ends as relates to the context and the complexity of our end point as a whole will be a model of intellectual responsibility.

When we're doing a treatment plan, we select criteria that are especially reliable and seem to be good reasons that reveal the strength and relevance of the person we're caring for and the best application of our critical thinking.

When we select the criteria by which we establish our course, we have a wide array of reasons to select from. . . . both ours and those that belong to the person coming for care.

The criteria are chosen for their reliability, their strength, their relevance, their coherence, and consistency with the patterns of understanding, values and communications of both the therapist and the person coming for care.

When we get into the subject of our litigious society and one finds oneself in the courtroom and on the witness stand and the opposing attorney is slashing at one's emotional

holding power, it's imperative to understand the usefulness of critical thinking.

Questions can be asked for clarification that contribute to intentional clarity or intentional confusion and both are used in the court room.

Truth, right, wrong, just, good, beautiful. . . have such a vast scope in the area of meaning that they become remarkable tools. When one is dealing with the esthetics in a situation, the judgment to which beautiful and non-beautiful is related is subjective, informal.

When a comparison is made and no basis or criterion is given. For example "Phoenix is more beautiful than Seattle". . . objective meaning is not transferred. If some criteria are used, "Phoenix is larger than Seattle", then we can become more aware of specificity but still enjoy the confusion in that neither size nor population were cited as criteria for size. Opinions should generally be backed up with reasons and criteria.

Informal criteria, such as general statements that we make about meteorological conditions use very subjective criteria. If Tuesday's weather was better than Monday's weather, while Wednesday's was bad compared to Monday's. . . Monday's weather is being used as the informal criterion.

"Wordsmithing" !!!

Much like we refer to dental school being like Paris Island, the metaphor of regimentation from the marine camp is an

informal criteria against which we measure the orderliness or authoritarianism of the dental school.

If the criteria, however, are specific when considered by an authority, we refer to them as formal criteria and we form remarkable clarity in our communication when we so select. When we refer to the quantity of fuel in the tanks on my aircraft and I refer to the comparison in gallons, we immediately use Bureau of Standards weights and measures and an institutionalized paradigm references the comparative.

Critical thinking, when used in the professional team environment must be accomplished with the formal criteria clearly defined.

If the informal criteria are comfortable and used intentionally, so be it. If indeed, however, we are to use minimal standards of performance criteria in regard to our critical thinking, we must also choose to be comfortable.

The criteria we use provide a most valuable instrument of rational communication and procedure. Reasons are offered to support or justify opinion, criteria disclose why we consider an object or behavior to be specific and the standards disclose the degree to which a particular object satisfies given criteria.

To say that another way, in using informal criteria and



intentionally doing so, we paint a picture with broad sweeps on the canvas. When we introduce the formality of criteria, if stating the criteria, we objectivize communication.

The standard even further specifies the objectivity. In grading test papers, for example, we may compare a student's performance to the performance of other students in the class, using a curve as a criterion. Or we may compare it to the standard of an error-free performance, which is much more specific.

Critical thinking, if intentionally used, specifically requires the use of definition, relies on these criteria, is self-correcting thereby in its clarity, and will be sensitive to context.

Matthew Lipman, in an exposure of critical thinking in the Journal of Educational Leadership, September '88, in regard to critical thinking being self-correcting, clarifies himself beautifully.

"The most characteristic feature of inquiry is that it aims to discover its own weakness and rectify what is at fault in its own procedures. Inquiry, then, is self-correcting."

It's clear, then, that if we must speak, asking questions provides a remarkable opportunity for dialogue which precipitates self-correction, self-criticism, and self-control. Lipman

goes on to say that much of our thinking takes place impressionistically from association to association with little concern for either truth or validity and with even less concern for the possibility that it might even be erroneous. Among the many things we may reflect upon is our own thinking, yet we can do so in a way that is still quite uncritical.

Thinking about thinking may not be equivalent to critical thinking.

The members of a community may not only become conscious of their own thinking but begin to look for and correct each other's methods and procedures, consequently insofar as each participant can internalize the methodology of the community as a whole, each participant is able to become self-correcting in his/her own thinking.

There is a beauty to be seen here in human dialogue if each participant seeks understanding, non-judgmentally.

I believe that it's clear to say that critical thinking is sensitive to context. It is possible for a remark, taken out of context, to seem to be flagrantly in error; but in light of the discourse, taken as whole, it will appear valid and proper. The theological question, "Is God fair?" when answered by those theologically tuned, almost forces a "yes" answer, but when compared closely to

Scripture and grace, one realizes that if we actually get what we have coming (fair), we'd be in pretty tough shape. So, through grace, God does not fit the descriptive of "fair." (Context.)

Part of the answer, then, to the relevance of critical thinking is found in the shift that is occurring from learning to thinking.

We believe it's best to think for ourselves, not merely to learn and believe what other people have thought. We want to do more than we think. It is equally important that we exercise good judgment. Good judgment characterizes the sound interpretation of what we read, and what we hear, balanced with lucid comprehension of what we perceive as persuasive argument.

Good judgment enables us to weigh and grasp what a statement or what a passage assumes, implies or suggests. Good judgment cannot be operative unless it rests on reasoning skills that can assure competency in inference as well as proficient inquiry and translation skills. If we are not using criteria in a way that is both sensitive to context and self-corrective, we are not thinking critically.

If teaching critical thinking can improve education it will be because it increases the quantity and quality of meaning that we as students derive from

## REED'S QUARTERLY

Focusing on the practical application of Napili concepts in Dr. Reed's dental practice, Valley Dental Group, and other participating dental practices around the world.

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what we read and perceive, what we ask and what we express when we speak and write.

The employment of criteria in critical thinking facilitates good judgment. Critical thinking is skillful thinking and skills are proficient performances that satisfies relevant criteria.

When we think critically we are required to orchestrate our cognitive skills, such as reasoning skills, concept formation skills, inquiry skills, and translation skills. Without these skills we would be unable to draw meaning from the written texts or from conversation, nor would we impart meaning to a conversation or to what we write.

We would simply be reciting from memory and recall that which others had thought and what we supposedly were encouraged to believe.

The raw subject matter of communication and inquiry. . . reading, listening, speaking, writing, reasoning. . . dialogically must be cultivated so that the mastery of such processes takes place. We cannot be content with practicing a handful of cognitive skills while neglecting others and polishing a few and ignoring the balance.

The introduction through critical thinking of the subject of performance logic is my intent, and although this is a lengthy preamble for the subject of

performance logic, please devour with care the paper provided by Bill Chioffiet, DDS, MS, presented to the American Academy of Periodontology in New Orleans as, unquestionably, the rupturing of what has been in dental education and dental practice is underway.

Underline in your thinking the name, Dr. Daryl Beach, and the Human Performance Institute in Atomi, Japan, the University of Maryland, the University of Minnesota, Dr. Ron Geistfeld and the University of Vancouver, B.C. as the foci of this new generative world.

Without question, the contamination control, standards of care being promulgated today by Dr. Gordon Christensen, fall into the performance logic/critical thinking game as does a whole host of other obvious transitions that we're experiencing.

I stand prepared to receive the accusation of "if you can't convince them, confuse them" in regard to this Quarterly. . . and yet I believe it to be pivotal and seminal to what we'll experience in the 90's in American dentistry.

Your inquiry is encouraged, . . . or better yet, how about a paragraph from the concerned and committed as to what meaning you glean from this Quarterly?

Omer

## *Dear Friends*

A social revolution is in progress in the Western world. This social revolution features new family patterns such as serial marriages, new and informal family structures, frequent changes of employment, fewer children at older parental age, frequent changes of residence, a strong trend toward two-income families, a crisis of confidence in established institutions, and other changes which mean that long-term financial responsibilities and needs cannot be predicted, frequently undergoing significant change, and cannot be entrusted to the established techniques and institutions, but require personal attention and management.

These factors, in combination with unprecedented swings in rates of inflation tend to depreciate the value of long-term fixed dollar promises and tend also to shorten the investment horizon of asset accumulators.

These changes operate to reinforce the consumer preference for products and services which afford a more immediate benefit and guarantees that have not been provided by traditional experiences.

### INCOME . . . RATHER THAN ASSET . . . WEALTH IS THE RESULTANT FOCUS

The "now generation" has become an active force in the financial marketplace.

**Deregulation:** The most important element of deregulation was not enacted by a legislature or approved by any administrative body. It was the discovery that a mutual fund, which invested in short-term, low risk fixed interest obligations and which allowed its customers to write checks or drafts against the account could operate as an unregulated bank with zero capital requirements and could do so even more significantly with privacy . . . off shore.

The earliest and most prominent organization to successfully promote this concept was Merrill Lynch. The effect upon the banking and Thrift industries and the life insurance industry was profound. And it dramatically accelerated the disintermediation or withdrawal of moneys.

In a period of less than five years the assets of money market funds were double those of the life insurance industry that had

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accumulated on its individual life insurance products, its critical mass, in the history of more than 150 years.

The impact on banking and Thrifts was arguably more severe and led to the dismantling of the Federal Reserve Board Regulation Q, which had limited the interest rates that banks and Thrifts could pay to retail depositors.

It allowed banks and Thrifts to establish their own equivalent of money market funds and become more significant competitors in retirement savings and asset accumulation.

The economics of retail banking and savings institutions were transformed in a short period of a time. A consequence of this transformation was an increased effort on the part of banking and Thrifts to find other sources of income to support the deteriorating economics of the retail business.

In part they have been successful and now offer discount brokerage services, securities, underwriting and insurance products and services. Most observers believe that the remaining restrictions on activities by banks and Thrifts will eventually be dismantled and they will become competitors, completely, in the insurance game.

The potential consequences of cross-industry competition between life and health insurance companies and other financials, such as banks and Thrifts, is significant.

Insurance companies are clearly the highest cost provider of

financial services. On an equivalent level load basis the representative fixed and variable of insurance groups is 30% and higher.

Banks and Thrifts, if their spreads are translated into loads, operate on an equivalent load of 10-15 and investment companies operate on an equivalent load basis of less than 10%.

Insurance companies operating on a traditional basis need to persuade their buyers that the personalized services offered primarily by their agents have a value equivalent to the cost differential, otherwise they will be faced with the very difficult task of restructuring their own economies on a basis which would permit them to be cost competitive.

(Dentistry operates on a fixed and variable of 50% IF administered appropriately. . . see any parallels?)

Changes in personal taxation have also been significantly impacted. The enactment of the unlimited marital deduction and general reduction of state (or estate) tax rates has diminished the need for life insurance to provide for the payment of estate taxes.

The general reduction in personal income tax rates, particularly on high incomes, has diminished the tax benefit associated with taxfree inside buildup of life insurance products.

The limitations of the deductibility of policy loan interest have eliminated much of the market for so-called minimum

**.. a diminished need for life insurance.**

OMER K. REED, DDS

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deposit or "borrow all" products which were particularly lucrative from the viewpoint of agents because they receive permanent insurance commissions for the sale of what were essentially term insurance products.

Health care costs: The cost of healthcare in the U.S. is today measured at 10% of the Gross National Product, and climbing. The escalation of these costs is undoubtedly related to the widespread perspective among those privately insured and those covered by government programs that these benefits are "free"!

Heaven help us if these "free" programs are "nationalized".

Contributing to the rising costs of healthcare are factors such as the increasing level of professional accountability of healthcare providers which has increased quite dramatically the cost of medical malpractice insurance.

This cost has been more or less transmitted to the end consumer, the recipient of healthcare, but in financial terms as well to those who insure or who guarantee these benefits.

The standards of public accountability for the quality of healthcare have not only contributed to the costs in terms of medical malpractice insurance; this threat has also resulted in ultra-conservatism in the way physicians and dentists, hospitals and other professionals conduct their practice.

It has led to more x-ray, more tests, more laboratory work, significantly more recordkeeping

and therefore significantly more costly.

One can only speculate as to the extent of these forces upon overall medical costs, but it is obvious that the extent is considerable.

These effects have impacted both the public and private sectors, the healthcare financing system of the United States.

The unexpected rise in costs has created a response in public sector faced with other financial problems which have included various efforts to transfer these increasing costs to the private sector, mainly to employer-financed healthcare schemes.

As a result, the cost escalation in the private sector has been even more rapid than the overall experience and insurers and other financials of healthcare costs have consistently experienced financial difficulties.

These premium rates and capitation cost increases were not anticipated and the extent to which their future increases will escalate is difficult to predict.

Many health insurance companies have experienced large losses primarily on group health insurance during the past ten or fifteen years.

The competitive focus of group health insurance has shifted from competitive comparisons based on distribution and administrative expenses toward methods to contain costs emanating from the healthcare industry.

This shift has caused a substantial upward change in the

Healthcare costs are escalating.

Insurance companies have experienced large losses on group health insurance.

Two life and health insurers have withdrawn from the group life and health insurance market.

level of critical mass required to compete successfully in the industry because it implies the need for an extensive claims settlement network which includes detailed knowledge of local conditions, sophisticated information and support and sufficient volumes of business to allow the establishment of preferred provider facilities to capture the benefits of volume buying of medical care services.

Two major life and health insurance companies, Transamerica and Occidental, and New England Mutual, have withdrawn from the group life and health insurance market during the last two years, suggesting that the many other players, smaller than they, may face issues of critical mass whether or not these problems have been recognized.

AIDS: This menace, as it relates to life and health insurance industry and the distribution of care according to responsible estimates, ranges in severity from significant to catastrophic.

The estimates of financial impact of this plague during the rest of the century upon the industry extend from 50-100 billion dollars.

Various estimates involve a high degree of speculation but they do not represent, in the view of many outspoken members of the actuarial profession, a deliberate effort either to magnify or to diminish the potential problem.

The problem exists but cannot confidently be quantified at this stage of our history.

Much as the practitioner is often being denied malpractice coverage by the carriers, it is essential that the healthcare industry retain effective means of selecting risks.

The social consequence of risk will be the denial of insurance coverage to some members of our society and indeed healthcare delivery to some members of the society.

The social consequences of mandating that no such selection take place may be to destroy the entire concept of voluntary free enterprise care.

This legal issue is one with which members of the American Bar Association are likely to be involved for many years, either as litigators or as legislators.

Forces Shaping Our Future: The health insurance industries in the United States and the delivery systems of healthcare in the United States are not tranquil businesses. The forces at work are powerful and their impact cannot be predicted with a high degree of certainty. There are both hopeful and disturbing signs.

The preferential tax position of the health insurance industry is not an unreasonable situation as the industry does provide a valuable social service. Benefits provide, in many cases, a substitute for what would otherwise be a call on the public treasury. Both the medical and the insurance industries in health care are improving their economics less on the distribution side than on the

Delivery systems of healthcare are not tranquil businesses.

---

administrative side, and yet no way has been found to correct the imbalance of control which has shifted dramatically toward healthcare distributors since the early 70's.

On the negative side, the fragmentation of the healthcare delivery system and the insurance system that parallels healthcare creates continuing and considerable problems in respect to critical mass. Both in medicine and in the funding insurance companies that provide the energy for it, we find that the business phase of these organizations is less than viable because they're not large enough to sustain a competitive position in the marketplace.

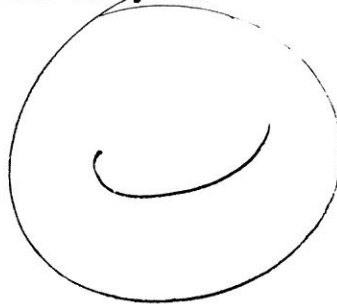
Many physicians sense the confusion without thoroughly identifying it and are covetous of leaving practice. It is quite likely that new competitors will enter the financial phase of healthcare and health insurance, most likely by the acquisition of existing practices and companies.

It is quite likely that these new competitors will bring improved economics to the business and place great pressure on the freestanding competitors in healthcare delivery and healthcare insurance that remain. The most likely organizations to enter the market are the major foreign financial companies, notably the Japanese insurance companies, and consumer-based organizations . . . retailers and credit card insurers, industrial organizations that are likely to blunder into the healthcare business thinking it's easier than their own business and other domestic financial institutions,

particularly banks and Thrifts once they are finished with their own industrial consolidation.

We don't usually think of these kinds of folks providing the economy or providing the practice of medical and dental care delivery, and yet today, honestly, in many metropolitan areas, the hospitals, not the doctors are practicing medicine. These developments and their potential provide more substantial change in the last decade, and in the coming decade than the entire industry has experienced in its tradition over the last 150 years.

Physicians sense the confusion.



# Napili News

Omer and I have just returned from celebrating the 4th of July in Provo, Utah, a terrific way to observe our country's birthday. The Osmonds produce/direct the very best patriotic show in the nation! If you've not been there, plan to do so next year, an unforgettable experience for you and your children.

Another experience you won't forget is: Napili 3 (Model-building) and Napili 4 (Economic Core of Model-building) on the Big Island of Hawaii, 13-15 August (N-3) and 17-19 August (N-4) at the Mauna Lani Bay Resort.

It's my objective to have six (or more) newsletter subscribers attend one or both of these workshops! Call me, (602) 955-5721. . . collect, if you register! (\$1400/workshop, \$2500 if both workshops are attended.)

I had a letter from the tennis pro at Mauna Lani; I don't play tennis, but the letter is enticing. There are ten plexi-pave hardcourts, a professional teaching staff, clinics each morning, round-robin tournaments in the afternoon (workshop afternoons are open).

The golf course is a great challenge; the sea is gorgeous. . . the workshops are not only fun, but a "grow, learn and change" experience whose cost is shared by Uncle Sam. I believe the ROI on this investment will return to you within the first 30 days on return to practice. Why not do it?!

If you fail to plan, you plan to fail. Having a plan and acting on the plan, monitoring/modifying the plan when necessary or desired, makes for peace of mind, . . . that passes all understanding.

COME, JOIN US!

*Marci Reed*

President  
Napili Seminars

## N A P I L I P A R T I C I P A T I O N

DEAR OMER. . . AND NAPILI. . .

"Over 15 years ago, during my first year of practice, I was fortunate to attend a Napili seminar; in fact, my wife and I find that a yearly Napili seminar is similar to a preventive periodic maintenance visit — good for you whether you need it or not!

We enjoy Napili as we enjoy a vacation. Phoenix is always a great change of scenery for us, the hospitality is gracious, the seminars are always unique, inspirational and an immense ROI (Return On Investment)!

"I feel that my career has been one of steady progress (no sound barrier yet) and I know I have made a difference which is important to me.

Without the Napili stimulation, agitation, inspiration and all those other 'ations', I know I would have followed a different and less desirable path.

A Robert Frost poem begins 'Two roads diverged in a yellow wood, and I chose the one less travelled. . .' You, and Napili, have given me (and my team, Napili 2), the courage to seek the 'road less travelled,' and I'm grateful for it.

"My good friend and junior partner and his wife will be attending the next workshop. I am delighted! I have been hoping he would sooner rather than later hear first hand, from you and Napili, some of the principles that are so important in developing and maintaining the delicate ecological balance between self, team, and 'friends' we serve.

Incidentally, the case presentation was very brief. . . one minute. I gave him a narrative of Napili 2 and recommended that he, as I did, would find the experience a far greater value than the cost. . . and I said no more. The next day he said, with enthusiasm, that he was going to Phoenix. Like a good Napili-ite, I did not buy back the sale!"

Thanks, Bill! We enjoy, and need, your kind words.

"Napili Participation Column is a communications vehicle dedicated to networking among Napili seminar attendees and REED'S INTERNATIONAL LETTER subscribers. Submit your dialogue for consideration to: Napili Participation Column, Napili International, 4515 North 32nd Street, Phoenix, AZ 85018."



## *Dear Friends*

Professor Wolf, in the Humanities Department at the University of Minnesota in 1950, made clear to me, as a then young student. . . I'm now a somewhat older student. . . that if a person knew why he wanted to "be" or to "do," he would discover or generate his own "how to's." And that this was the best way, in the long run, the most efficient, affective way for change to take place for a person.

"People change, grow and learn by altering how they speak, think or act," Wolf said. ". . . and why we choose, if clear, is the most lasting, meaningful, appropriate nidus for change."

Thus spake Wolf. . .

**WHY IS TO KNOW NOT TO DO. . . OR NOT TO BE?**  
What you are is more than what you do, or what you have.

Napili and my lecture efforts promulgated this point of view during the 60's and 70's.

Post Barkley, Pankey, Wirth, Woehler, Tolkin, Purinton, Archanna Morrison, et al (the "masters" that precede us), it became clear than honor in change and growth could be present even if a person began before he understood why. . . or "how to."

Emulation, modeling, the selected mentor could at the "how to" level expose the "why's" and simulcast change and the clarification of outcomes and values. And thus contribute to the "becomer."

The incongruity observed in the changing states of becoming, as one discontinues what one has been and what one does, and becomes as one chooses. . . unless consciously recognized by us all. . . could create disrespect, disinterest and rejection.

At any given moment when one says, "I do what I am", I am certain that s/he so believes.

If, however, what an observer perceives that person to be doing is not what the observer perceives that person to be, only the state of transition we all inadvertently experience can prevent the observer from concluding that the speaker is otherwise dishonest, unaware, or, indeed, a charlatan.



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**LETTER**



Think on these thoughts. . .

Pentegra has as its purpose five distinct, clearly outlined and defined objectives in serving others. Since technical excellence is preceded by economic independence, asset accumulation, (indeed, the concept of asset wealth instead of income wealth), is placed as a "freedom producer" early in the dialogue. The best inflation hedge isn't in investing. . .what, then, is?

True return is return minus inflation minus devaluation minus taxes.

The true value of money is not often expressed by that which is written on its face.

Consider this 1974 article by David Sargent which appeared in the Massachusetts Physician:

"In 1776, it cost a mere pittance (11 cents) to feed a Yankee soldier for one day, while the current daily ration costs \$2.34 (mid-1973 prices).

"At first blush one would think that food costs have skyrocketed over the past 200 years. Not so!

"In 1776, a skilled workman earned 50 cents for a day's work in the summer, and 38 cents in the winter. And he worked at least ten hours a day.

"Thus, for a day's labor he could feed at most four or five soldiers. In 1973, on the other hand, a carpenter earned \$80 for eight hour's work: enough to feed 28 soldiers at \$2.34 each.

"This is nearly six times as many as the carpenter could support in 1776.

"Therefore, in 1776 a day's food cost about 1/5 of a day's pay, or two hour's working time.

"In 1973, a day's food cost 1/28 of a day's pay, or about 17 minutes working time.

"The necessary conclusion is that food costs in 1776 were six to seven times as high as they were in 1973.

"Another way of looking at it is to consider that it requires \$2.84 today to buy what 11 cents bought in 1776. Thus, a current dollar is worth less than 4 cents in purchasing power as compared with the 1776 dollar.

"So, a carpenter who now earns \$80 a day is getting only about \$3.10 per day in 1776 money. Nevertheless, this is still six times what the 1776 carpenter actually earned (50 cents a day).

" A legitimate conclusion is that we are enjoying greater prosperity today than any people at any time in history, and that food is dirt cheap even with beefsteak at \$2.50 a pound and in spite of the fact that a dollar is really worth only four cents."

The best inflation hedge, certainly then, is not an investment, it's a job.

It's the active participation in the economic system where one participates in the ongoing

The  
Back  
Yard. . .

A comparative  
for the 1990's

OMER K. REED, DDS

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production of goods and services and has a chance to adjust his reward to offset inflation.

In our dental procedures, since we are in a free market, we have an excellent and near-perfect opportunity to hedge inflation.

There are painfully many who can give clear testimony that their compensation has not kept pace with inflation.

In late '89, the Commerce Department data shows that the average worker has seen his real income power decline from \$172/week in 1980 measured in 1977 dollars to \$160/week in early 1989.

If that sounds like bad news, it's all relative. The dollar lost one-third of its purchasing power during that period, so if you're living on interest, your purchasing power suffered a painful decline.

Your active participation in dentistry and your properly structuring fee, cost control, productivity per unit time and the passive income that occurs from the return OF invested capital through practice conversion is indeed a most powerful tool.

This is completely true because the fundamental problem we all face is balancing how long we work, how much we save, how long we live. . . and the first two determine the resources available for the third in retirement.

There are four horses we can ride:

We can live too long.  
We can die too soon.  
We can be destroyed by disability.

Or, we can be destroyed by inflation, devaluation and taxes.

All must be considered.

Our resources, societally, in the last decade have been severely reduced as we have not paid attention to our apocalyptic mares. We aspire to being able to retire earlier and we're saving smaller portions of our income than ever in the past.

To complicate matters, we are living longer, so we need more resources for retirement, not less. The problem is that our expectations are unrealistic and disproportionate. If you want to retire earlier, you need to start saving earlier. That's what most people must, but do not, do.

Inflation, devaluation and taxation make this problem, an already serious one, far worse. To fuel a retirement program properly through the liquidation and "stashing" of assets becomes a fun game to play when once perceived.

All sorts of unconditional commitments can come into play that are profitable and fun-producing to fuel the project.

Again, passive income from the conversion of the practice as well as the return ON invested capital, which we've never received because we hadn't considered our "at risk" position an investment, is part

The news is relative.

. . .if you start from scratch.



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of the big secret to practice conversion.

Is there some sort of standard for measuring what one needs in resources to be independent at some pre-determined date?

Of course!

You need to accumulate at least 13 years of your final income if you're to have long-term retirement. This means if you start from scratch and you save 10% of your income for 40 years, 17% of your income for 30 years, 30% of your income for 20 years, and with the national savings rate that's usually less than 5%, you can see the gap between your expectation and your action.

Review the article about the Kodak study; it is a remarkable piece of data with which to think. I am also including a dollar sale table to show what one dollar will do on sale price in mark-up and percentage so you may have other tools with which to think.

"If you've ever wondered how much your business must increase in order to keep an even keel after cutting price, here are some figures from Kodak's research department.

"Assuming an anticipated profit of 25% on selling price, a 2% cut in that selling price means you must increase your volume of sales by 8.7% to make the same profit obtained before the price was lowered.

"A 3% cut means a 13.6% increase in sales is necessary.

"A 5% cut means a 25% increase

in sales is necessary.

"A 7.5% cut means a 42.8% increase in sales is necessary.

"A 10% cut means 67% increase in sales is necessary.

"A 15% cut means a 150% increase in sales is necessary.

"A 20% cut means a 400% increase in sales is necessary.

"To reverse the process, or increase prices:

"A 3% increase means the same profit on 90% of sales volume.

"A 5% increase means the same profit on 83.5% of sales volume.

"A 7.5% increase means the same profit on 77% of sales volume.

"A 10% increase means the same profit on 71.5% of sales volume.

"A 15% increase means the same profit on 62.5% of sales volume.

"A 20% increase means the same profit on 55.5% of sales volume.

"There are practices with 25-30% profit margins today. . . those practices with 50% overheads are becoming fewer so these statistics might be quite appropriate to look at. Imagine, one could afford to lose nearly half of one's patients with an increase in fees of only 20%. . . the likelihood of one losing that many patients is slim. The possibility of increasing sales

The Kodak Study is revealing.





by 400% with the 20% or greater decrease in fees mandated by most PPOs or capitation plans is remote."

MARGIN VS. MARKUP

<u>Cost</u>	<u>S.P.</u>	<u>Gross Margin (%)</u>	<u>Markup (%)</u>
1.00	1.25	20%	25%
1.00	1.30	23	30
1.00	1.35	26	35
1.00	1.40	29	40
1.00	1.45	31	45
1.00	1.50	33	50
1.00	1.55	35	55
1.00	1.60	38	60
1.00	1.65	39	65
1.00	1.70	41	70
1.00	1.75	43	75
1.00	1.80	44	80
1.00	1.85	46	85
1.00	1.90	47	90
1.00	1.95	49	95
1.00	2.00	50	100
1.00	2.10	52	110
1.00	2.20	55	120
1.00	2.30	57	130
1.00	2.40	58	140
1.00	2.50	60	150

In our society there are the "haves" and the "have nots" and clearly most dentists and physicians fall on the side of those who "have."

The great irony of our success, however, is it seems that success feeds on itself so much that our expectations grow faster than our affluence.

Even though we are among the fortunate in America and are really doing quite well, we must cope with feelings of frustration over our economic status in our achievement because we've already gone far beyond the dreams of what most middle class people would have.

Yet, emotionally, psychologically we remain in the middle class attitude. . . immersed in the "have not" mentality.

I find a new-found interest in professionals that seems never to have existed in America, certainly not in such large numbers as I sense it today.

Professional Americans expect to achieve a kind of economic success that would make work a lifestyle option.

Many people almost take for granted that it's realistic to achieve this and many will succeed if they "plan their work and work their plan".

This is a new frontier of financial independence that has opened in the minds of society's affluent during the late 80's.

A dream of conquering this new frontier is to give meaning to one's work life. It does justify our striving, even after the basic success has been achieved.

The upward inflation of lifestyle patterns that has caught the professionals in this country is best described by answering the question "how much is enough?" by saying "just a little bit more."

As we watch individuals break through ever higher categories of success, they redefine their lifestyle to reflect their increasing income. People who were once cash-flow poor at \$4000/month are now cash-flow poor at \$40,000 or even \$80,000 a month.

How much is enough is still a viable question.

Plan your work. . and work your plan.



Too poor  
to stop  
working?

When they get a large windfall they discover that it isn't enough to maintain lifestyle and it takes a minimum of at least ten years of careful planning and life alteration to achieve economic independence to the point where work is a lifestyle option.

New magic numbers are created by these people. At one time becoming a millionaire was a dream that when accomplished would mean security forever. Now two million just simply isn't enough for many.

If you had two million, cash, and you took it to the bank and deposited it and tried to live on the interest. . . after taxes, after inflation, after devaluation, you might end up with 1/2% to live on. That's about \$30,000 a year. When you need \$100-125 to \$150,000 a year, that's a drop in the bucket.

With a little business experience you could probably make it 3% after taxes, inflation, devaluation, using your bank's strengths, but at these rates, five million seems to be the minimum amount that's essential for the demographic description to be called rich.

Each of the escalated steps becomes part of the basic life expectation, much like bonus systems in dental offices create fixed bases in the minds of employees, ever escalating the need for "the motivational drive."

Unless one carefully plans, one will always be too poor to stop working.

But we don't exactly qualify as hard luck cases. There are many, many professional people who understand this position, far fewer of them do anything about it.

Most people would have a tough time being anything but angry or indignant about perceiving this problem, but we really do seek a special degree of economic freedom, one that allows us to maintain our life style whether or not we work.

The growth and prosperity of America in the last 20 years has been much lower than in the 1950's. For a large number of American professionals to experience the ever-increasing prosperity essential for the "no-work lifestyle," a significant portion of them must be involved with the "lighter than air" or transferring wealth from others to selves.

The economic rules have been rewritten and manipulated to achieve these expectations. Some people shuffle paper assets, some people join downline pyramid clubs where products and services are provided for unprecedented fees, creating status, products or services whose prices aren't justified by actual costs.

If a person prospers without contributing proportionately to the values of the society, a stream of bitterness enters the nation's economic game.

If you start a new business today that provides services or products, it's a very risky project. Even if it creates



greater economic value on its own, it could end up making a lot less money than paper shuffling and asset juggling.

There's also a gamble that the business may not work at all and you get no return on your invested capital, or a return of it.

We are caught in the storm of choices. In a society that favors the clever manipulator, why should we take the hard road?

Starting your own business would not even represent an opportunity for higher status among friends and observers and certainly won't find favor with your banker unless it's remarkably profitable.

It would be nice if the economic rules favored those who create manufacturing, marketing, technological or service-oriented businesses that provided profit for those who work for them and for those who own them through adding to the value of society.

Those who take true risks and invest for long-term should receive a greater reward than those who take paper risks for a short-term.

The Japanese stock market is totally lighter than air, there's no justification for the price of the stock on return on invested capital, dividends or whatever. The only thing that justifies its price is the resale at a higher inflated figure.

Without question, when there's too little stock and too much money that's exactly the way the market goes.

This is a non-productive game and the bitterness of its effect on society is already being felt.

Going back to the assets and the proper stewardship we have for the assets presently potential for us, the asset wealth that an individual can accrue through disciplined lifestyle is certainly a worthy one and by loaning one's care, skill and judgement and/or money to others in a profitable market can truly create the economic independence that precludes working at some point in life, but the numbers are known.

Think about it.

If we only use the words and the vocabularies we have, we can only think what we've thought. New words and concepts must be utilized to plan for a preferred future or we're fatefully committed to a probable one.

If you only think what you've thought, you can only do what you know.

If you only do what you know, you can only do what you've done and your past becomes your legacy.

Pentegra's focus on asset accumulation, management and protection, practice conversion, personal enhancement, practice enhancement and the unavailability of occasional crisis management becomes an absolutely unique, if not ambitious, project and we encourage your membership.

Plan for a preferred, not a probable, future.



# Napili News

Most of you missed the Wednesday Special, one-day workshop in Phoenix! This "wet glove" session is AGD approved for 7 hours of technical C.E., but more importantly is a valuable service-oriented option for you to offer to those persons coming to you for care . . . an opportunity for you to re-examine your own values in regard to inlays/onlays versus amalgam. In addition to prepping and seating a quadrant, a lab tech offers "helpful hints" for more perfect impression-taking. A table-full of models is available along with a mini-case presentation session. It's history, why mention it? You guessed it. . . we're offering it again on the 8th of November!!

Napili 8, the Million Dollar Roundtable begins on the evening of November 8, Omer presents a.m.s; the group rotates p.m.s to three small group dialogue sessions with Gil Falcone, Bill Williams and Ron Yaros. Bill summed up our feelings nicely in a letter to some of his friends. . . "some familiar, friendly faces in the audience would be very nice."

More than a workshop, this reunion of fellow practitioners striving to serve the persons coming for care more effectively, efficiently, and humanistically (a golden oldie!) focuses on the skills of the speakers, who share every facet of their practice, then redirects the focus to that which you do, so that the "none of us is as smart as all of us" philosophy can spread the word and the care. I'm aware that the doctors who attend this workshop are true professionals who really are in dentistry to serve others. Beyond the reward of being the best you can be in that arena, the old axiom "if you're not paid what you're worth, you become worth what you're paid" rings a bell of truth as well. Come, join us in this Class One Triple Plus dialogue!

*Marci Reed*

President  
Napili Seminars

## N A P I L I P A R T I C I P A T I O N

### THE PRICE OF PERFECTION. . .

Omer. . . At the spring NAPILI, I defined perfectionism as a psychological disorder, and you laughed. One of the "wise men from the East" would like to explain his thinking. . .

In Today's Health, the AMA's reception room magazine, there was an article entitled "Are You Raising A Perfectionist". It started by saying that if your child comes home with a report card with two A's, three B's, and a C, and you ask, "How come the C?", you're doing something that may result in your child becoming a perfectionist.

The article stated that there is a lot of difference between being a perfectionist and being a first-rate craftsman.

The perfectionist sees the flaw in everything he does and it's another failure. The first-rate craftsman sees what he's done and says "I've done an excellent job." He may also say, "When I do another similar one I may pay more attention to this or that area so the next one will be even better." The perfectionist may become a procrastinator because if he'd done the work, even if it would have been perfect, he'd have seen a flaw, and it would become another failure, so by not doing it, he doesn't have to face another failure (Some dilemma.)

In the book Born to Win, the authors look at perfectionism differently. "Do you do things perfectly? If so, exaggerate your perfectionism." They also say that if you work with a perfectionist, know that no matter how good you do anything, you're not going to do it good enough. The perfectionist will create psychological games where you'll be the loser in a position of I'm okay, you're not okay. . . stick around and they'll tell you how not okay you are.

If you try to do something for the perfectionist, he'll point out the flaws, and if you don't try, you're really no good. Either way you lose.

Perfectionists lead a hard life. No one will work for them (us) for long, and no one wants to have them as employees. What's the answer for us perfectionists? (Relax and just be excellent!)

SAM S.

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