

– YOUR RESOURCE FOR SUCCESSFUL PRACTICE MANAGEMENT –

Are You Capitalizing On The Soaring Precious Metals Market?

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Procedural Efficiencies
and Overhead
Reduction Strategies For
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4 Things to Know About Scientific Metals

1) Reputation - Scientific Metals has several affiliations and partnerships with prestigious associations and has an approved refining program for members of the American Association of Oral and Maxillofacial Surgeons (AAOMS), an Affinity Precious Metals Program with the American College of Prosthodontists (ACP) as well as working closely with the world renowned Seattle Study Club at the national and local levels.

2) No reps to share profits with - For most companies, including refining companies, the largest cost input is labor. Scientific Metals has eliminated its sales reps - drastically reducing its costs, allowing them to pass on savings to their customers in the form of higher scrap payments.

3) Cost structure - You won't see Scientific Metals at every dental trade show nor will you see their scrap collection jar in your mailbox every month. The reason is simple. Lower costs mean higher scrap returns for the customer.

4) Every dentist deserves a fair and accurate return on their scrap - Unlike the middlemen who stop by the office and pay based simply on the weight of the material and separate it into the "yellow-looking" and "white-looking" metal, Scientific Metals will melt and chemically assay your scrap all under the same roof.

Want more information?

Call Mark Weinberg or David Weinberg at 888-949-0008 or go to www.scientificmetals.com if you would like a FREE scrap metal consultation.

See the Scientific Metals [Cover Profile](#) article on page 36.

Scientific Metals: Setting the Gold Standard in Dental Scrap Refining



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With palladium prices soaring to record highs, it's time to reconsider how you scrap.

Does it seem that every week a traveling salesman stops by your office asking to buy your scrap metal? Perhaps that is followed by him asking if he can simply give you a quote and then proceed to weigh the scrap, dividing the scrap into "yellow-looking" and "white-looking" metal, all culminating in a cash offer on the spot?

Or have you found that it seems companies which have traditionally only sold general dental merchandise have now suddenly included refining as part of their menu of services? Or do you find that every week a scrap collection jar from a company seems to arrive in your mailbox?

If these scenarios sound familiar, you are not alone. While these options may seem convenient and attractive, there may be a steep price paid. Dentists can best ensure an accurate and fair return on their scrap metal by considering a direct relationship with a precious metal refining company.

Here are some important elements to consider when selecting a refining partner:

Avoid Cash Settlements in Office

It has been reported that dentists may be receiving as little as 40% of their scrap value as a result of the deeply discounted in-office cash spot transactions. In the past when most dental gold used was approximately 16 karat and yellow in color, the process of visually inspecting the scrap and placing a value on it may have been acceptable.

However, with the emergence of PFM's (porcelain fused to metal), move toward other noble "white" alloys such as palladium and silver, and the increasing presence of non precious alternatives, visual inspection and accurate evaluation of your scrap has become extremely difficult and nearly impossible.

For example, is the "white-looking" metal on that PFM restoration palladium worth over \$1200/oz, or is it silver at \$15/oz, or nickel which is essentially worthless? Well, your guess is as good as that of the traveling salesman inspecting it in your office.

Furthermore, even the "yellow-looking" crowns now have a broad range of gold content, again making visual inspection extremely difficult. For example, is the gold crown in the pile comprised of 61% gold, 44% gold, or 27% gold?

Again, very difficult to determine based on a visual inspection alone, even with crude measuring techniques such as acid or other jewelry testing devices. As a result of the difficulty in qualifying and quantifying your scrap value, the cash offer is usually very conservative.

Business Model

How much of your scrap value is actually being returned to you and how much is going to pay the company's overhead and layers of sales rep commissions?

Perhaps an often overlooked consideration when choosing a refining company is the company's business model. Is the company you are considering adhering to a business model that allows them to have competitive scrap returns?

Specifically, does the company have a lean business model that cuts out the "fat" – allowing them to deliver competitive

"While submitting your scrap through your dental supply rep may provide an element of convenience, clinicians must consider the implications of having an extra sales rep involved on their scrap return."

scrap returns? OR is the company weighed down with numerous levels of expenses, sales reps, and marketing material – essentially forcing them to recover those costs in some manner?

The same reason you will find an engagement diamond online at a lower price than an identical one found in a retail store applies here as well. Just as the retail store needs to charge more to cover the employee salaries and rent, the re-

finer with the most overhead (biggest cost input is usually its labor force) may need to essentially charge more to recover its costs as well.

For small amounts of scrap (a few crowns here and there) the convenience of having someone pick it up may not be costly; but for larger amounts of scrap, direct shipping to the refining company with the most economical business model may prove beneficial to your bottom line.

Fees

It is important to not focus solely on the fees that a refiner "promises" to charge you. What is important is how much you get back from the refiner after all fees. In other words, you might encounter a situation where you actually get back less money from a refiner who has the lower advertised fees. It's all about trust and integrity.



So it is important to not get preoccupied with small differences, such as deciding to go with a refiner just because of a waived assay fee or other fee. Again, it's all about trust. The only deciding factor should be how much money you get back after it is all said and done.

There are "Fees" and then there are "Charges." It is crucial to know that a company's refining fees may not be the only item that would reduce the final amount of money you receive. Specifically, ask about the company's accountability charges, which represent the percentage of metal recovery that the refiner keeps as one of its fees.

While the accountability charge may not technically be a "refining fee" per se, it still significantly affects the bottom line you receive. In some cases, a company's accountability charges may actually translate into a dollar amount as much as two times that of its advertised "refining fees."

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Reputation and Expertise

Choosing a company to send your precious metal scrap to is a serious choice and should not be taken lightly. You should conduct your due diligence. Some questions to ask might include:

- Are there any dental associations or groups that work or endorse this refining company?
- Have there been any articles or stories written in dental journals on the refining company? Have there been any case studies written in any dental magazines or journals about the company?
- Have you had any colleagues who have used the company's refining services?
- Does the refining company offer a settlement or refining report?
- Does the refining company offer free shipping with the ability to track your shipment?
- Does the refining company offer flexible payment options including check, wire, or gold/silver bullion?

The Easy Road is Not Always the Better Road

Profitability - With metal prices being at near historical highs, it is crucial that you follow the most profitable avenue and not necessarily what seems to be the most appealing at the time. Specifically, while it may be easier and more convenient to simply submit your scrap to an alloy manufacturer or to your general dental supplies rep, this may not always be the best option for your bottom line.

Timing - Be wary of an immediate or astoundingly quick turnaround time. Promises of a check within 24 hours or even 1-2 days should be looked at carefully. Super fast turnaround times may indicate that your lot is not being 100% sampled and melted but rather estimated or melted together with many other customers' lots. Typically it takes up to 10 working days to fully process and assay a lot of scrap to determine an exact settlement figure.

Ask questions, think carefully, and choose wisely. Happy Scrapping! ■

Dave Weinberg is one of the principals of Scientific Metals. Dave has written extensively on dental scrap metal refining and has consulted thousands of dentists around the country on precious metal issues - both scrap refining and investment issues. Contact Dave directly at 1(888) 949-0008 or dave@scientificmetals.com.



Case Studies:

Avoiding Hidden Fees Means Big Increases in Scrap Returns

Actual Figures:	Other Refiner	Scientific Metals
Dr. William Wong, DDS	\$9,644.50	\$12,879.59
Dr. Kelly Waggener, DMD	\$3,017.10	\$4,450.39
Dr. Donovan Essen, DDS	\$3,700.00	\$5,712.00
Dr. Andrew Kulick, DMD	\$2,702.00	\$3,554.00

In each case, the customer declined the initial offer after discovering all of the extra charges. The metal was returned and then sent to Scientific Metals for a second and final settlement.