

The Gold Standard

Scientific Metals Raises the Bar When It Comes to Dental Scrap Refining

You've heard the stories, or maybe you've experienced it firsthand. Someone representing a scrap metal refinery stops by a dental practice and says he'll offer cash on the spot after he has a look at the old crowns that have been accumulating in a jar for the last year. The promise of quick cash is enticing, but the settlement offer seems low and the process seems rather imprecise and unscientific. Or maybe a rep came by, picked up the scrap, and sent a check to the office a short while thereafter. This also seems like a convenient way to cash in on your dental scrap but the question running through your mind is, "How much of my scrap money is going to the rep who picked it up as his compensation?" Scientific Metals, a leader in the scrap refining industry, is through with that sort of outdated business model. The company operates without a single sales rep, either salaried or on commission. This lean and streamlined business model allows the company to provide dentists with a larger and more accurate settlement. We spoke with Dave Weinberg to learn more about Scientific Metals and how the company is raising the bar when it comes to dental scrap refining.

TPD: For years, the scrap refining business was dominated by either brokers stopping by the office to weigh and pay or by refinery reps stopping by to pick up the scrap to have it shipped for processing. Scientific Metals does neither. Why?

D. WEINBERG: For starters, to be blunt, the cash offers in the office are a really bad proposition for the dentists. By our estimates, dentists may be taking a 40-60% discount on the scrap. It is simply impossible to visually estimate the value of the scrap without melting and assaying. We do not have any reps because cost savings for us translate into higher returns for dentists. And great scrap returns keep customers coming back and telling their friends and colleagues about us. Similar to the way Amazon passes on its cost savings to the customer by not having bricks and mortar (i.e.: retail stores) and other efficiencies, Scientific Metals passes on its costs savings to the dentists in the form of accurate and reliable scrap returns by eliminating the biggest expense – sales reps. This means eliminating reps, brokers and subcontractors – and eliminating personal office visits.

Our main and driving strategic focus is on having a unique and unrivalled cost structure, focused on dentists bypassing the traditional broker, middleman, or rep and simply scheduling a pickup by phone or online, thereby receiving a more reliable and accurate scrap return.

“It's been estimated that in office cash payments be as low as 40-60% of the actual value.



TPD: Besides labor, are there other areas you have discovered that could be streamlined and costs lowered?

D. Weinberg: Yes. Everything we do is centered on cost savings, which means we do not send out scrap collection jars across the country, nor do we send out brochures to every dentist in the country. We also attend a maximum of 2-3 trade shows a year. All of this is for one reason and one reason only – to lower costs so we can deliver accurate and reliable scrap returns with no hidden fees. It only makes sense that the dentist will receive a higher reimbursement if there are no sales reps who get a commission or part of the scrap value as compensation. Our entire advertising budget for the whole year is equivalent to having one full time rep, compared to other refiners who may have one rep per state or dozens in total.

TPD: Has there been any reluctance from dentists to send in their scrap as opposed to a person paying cash or their current rep picking it up?

D. Weinberg: Overall, feedback has been fantastic. Of course, there are still dental offices who prefer the cash on the spot, even if it means receiving a conservative offer. And of course, there are offices who prefer the status quo and are averse to change. But the number of those cases, in my experience, are outnumbered by the number of customers feeling they got a more accurate and fair reimbursement. Plus, our shipping process is so simple that dentists don't really sacrifice the convenience of an in office pickup when they ship to us. We send a free FedEx shipping kit or can simply email a FedEx shipping label, and we also schedule the pickup. Dentists realize a value proposition when they see one. As a result, they have embraced our model with open arms.

TPD: What are the common misconceptions dentists have about precious metal recovery?

D. Weinberg: The biggest misconception is that lower fees from a company necessarily translate into higher dollar returns. The second biggest misconception is that if multiple refining companies have the same advertised refining fee, then it should not matter where the scrap is sent. I have had

“Hidden fees and extra charges can be crushing to your scrap return. It's all about trust and integrity.

several discussions over the years with dentists who have expressed their disappointment about their scrap returns after submitting it to someone promising unrealistically low fees. It may sound enticing, but trust and integrity are more important than what the “promised” fees are. A customer of ours, Rolling Hills Dental in California, once made a costly mistake: after accidentally sending in their scrap to a different refiner (who had advertised lower fees than us) they received about 60% less than they had been consistently getting from us – for virtually the same amount of scrap.

TPD: You mentioned that another common misconception is that if several refining companies have the same or similar refining fees, it shouldn't matter which company a dentist decides on. Why is this not true?

D. Weinberg: In a perfect world of transparency in which the only fees and deductions are the ones the companies openly promote, then it should make no difference where the scrap is sent. Unfortunately, this may not always be the case. Dental scrap is a unique business in that the value of the scrap is not known until after it is processed. This leaves a lot of room for error and dishonesty. With some refiners, there may be fees and deductions that may not be so visible and apparent. Trust is only earned after consistent returns.

TPD: Any real-life examples of this?

D. Weinberg: Two cases come to mind. Donovan Essen, DDS and Andrew Kulick, DMD, contacted me to tell me they had not been satisfied with their settlement offer from the refining company that their dental supply distributor had partnered with (and recommended). Both customers requested their processed and analyzed material to be returned to them and then sent the bars to us for analysis and

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payment. Dr. Essen and Kulich both informed me that while both the initial refiner and we had the same promoted refining fees, our settlements were 32% and 50% more, respectively, than their initial settlement offer.

TPD: You mentioned that over the years you have declined proposals from dental supply distributors for a partnership or joint venture – leveraging their territorial coverage with your refining expertise. This strategy may have expanded your market share and ability to cover more territories. Explain to TPD readers why you declined these proposals.

D. Weinberg: It was not a difficult decision. We have seen a new trend where large dental supply distributors have partnered with refining companies, collect the scrap from offices and then send it to the refiner. We decided against this approach because we felt we could deliver a superior scrap return by not having to compensate both the dental supply rep and the dental supply company in some manner. We believe the scrap belongs to the dentist. Simple. “Turning in scrap through your dental supply rep may be convenient, but it also may mean another party being compensated with your scrap return.”

TPD: What exactly can Scientific Metals guarantee when a dental practice sends you their scrap?

D. Weinberg: All we can guarantee is that no sales rep is getting a commission on your scrap and none of your scrap proceeds are going to any third-party company for brokering the transaction or bringing in the scrap. The bottom line is that when you send in your scrap to us, you can be assured there will be NO hidden fees and your settlement will be reliable, timely, and most importantly, accurate.

TPD: What is the biggest concern facing the metal refining industry?

D. Weinberg: I would say it is the trust factor. I have spoken with thousands of dentists over the years and the biggest concern that I usually hear is, “How do I know the amount I get back is an honest count?” Or, “I get the same



feeling when I send in scrap as I do when I bring my car to the mechanic.” Every industry has a few bad apples and I’m sure the refining industry is no different. However, every satisfied customer that we serve is a start in redefining the way dentists view their scrap transactions. As Dr. Root from Louisiana put it in his email to me, “Thanks for restoring the faith.” We try and remove any hint of doubt or skepticism from the process.

TPD: What are some final words of advice you would like to leave dentists with?

D. Weinberg: The bottom line is that with gold and palladium prices at high levels, it’s time dental offices shift away from viewing the scrap money as a small afterthought and start approaching it with the same due diligence one would undertake with any other financial consideration. I think Woody Oakes summed it up best when regarding our business model of not having sales reps, said: “Why potentially forfeit a piece of your scrap return when you don’t have to anymore?”

For more information, please visit www.scientificmetals.com or 888-949-0008 or email dave@scientificmetals.com.