

Dentsply going strong at 110

Australasian Dentist trod down memory lane with one of dentistry's most enduring corporate legacies.

By Danny Chan

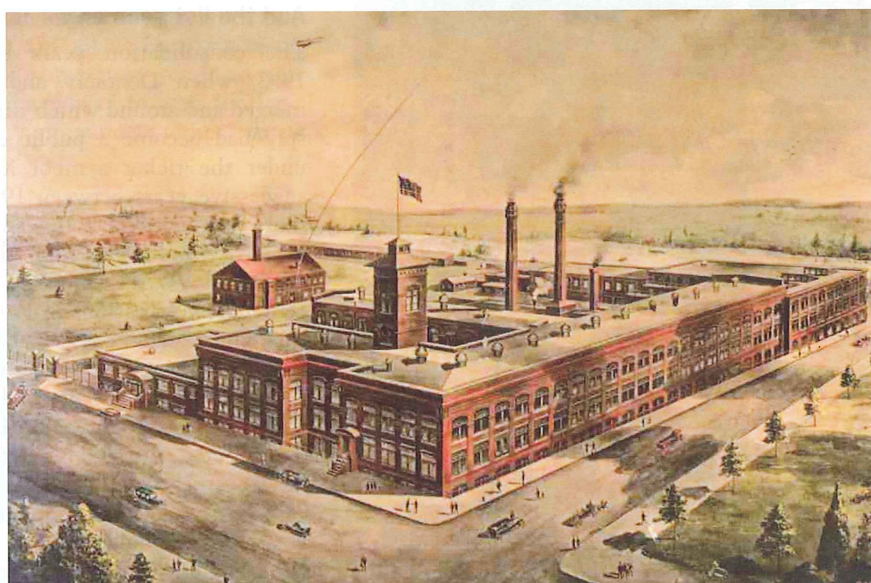
The year was 1899. With \$10,000 worth of capital stock, four young men from New York City decided to pool their knowledge, skills and resources into setting up a dental retail business. From that momentous occasion has emerged a dental multinational that today, 110 years later, continues to broaden the definition of corporate longevity and international success in a fast-changing world that is 21st century dentistry.

The names Jacob F Frantz, Dean C Osborne, George H Whiteley and John R Sheppard will forever be enshrined, in both dental trivia and history, as the founding fathers of Dentsply International. While they must have been men of great vision and foresight, it is unlikely that even they could have fathomed the subsequent global impact of their modest business venture, or for that matter, predicted that it would still be going strong at 110.

Interestingly, Dentsply spans almost as many years in operation as it does regions, with offices and subsidiaries located in 120 countries, employing some 9,000 people. The company's manufacturing complexes and distribution centres, spread across 21 countries on six continents, are strategically placed to serve even its most far flung customers – extending the kind of coverage and reach that you would expect from the world's largest manufacturer of dental prosthetics and consumable dental products.

Expansion; full steam ahead

Common as it may be to look back on milestones and accolades when celebrating an anniversary, to do the same for Dentsply would require more than just a page or two. Asked to comment on his company's most significant contributions to the industry, Dentsply Australia's Vice President/General Manager, Greg Fox deadpans: "It's difficult to say. How can you compare the development of the first acrylic tooth in 1914 to the development of rotary nickel titanium files in 1993 with the launch of the Cercon CAD/CAM system in 2001? All



are examples of groundbreaking contributions at the time but how would you rank one over the other?"

Fox's reply underscores the ubiquity of Dentsply both as a manufacturing giant with globally entrenched presence and healthcare conglomerate that presides over such brands as ProTaper, AH Plus, Cavitron, Aquasil, Cercon, Lucitone, Ash, Ankylos and companies such as Maillefer, Rinn, Trubyte, Degudent, Caulk, De Trey and Friadent, just to name a few.

Indeed, even as Dentsply assesses its acquisition strategy, its R&D vaults brim with new ideas and innovation. Case in point: Last year, Dentsply acquired ES Healthcare, Lomborg, AFI, Zhermack and posted record results. In March this year, the company unleashed a battery of 26 new products at the International Dental Show (IDS) held in Cologne, Germany.

Sluggish economy notwithstanding, Dentsply seems pertinent on going ahead with mergers and acquisitions, a position it has maintained since the early 60s – although intensifying from the 90's onwards.



Greg Fox

Celebrating
110 Years
of dentistry

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"Growth and expansion remain key strategic aspects of the corporate intent. The global financial crisis has not put a damper on any such plans. It's still full steam ahead," Fox confirms, attributing the 90s growth spurt to John C Miles, who commenced as director of old Dentsply (prior to the merger in 1993) in 1990 and later became the CEO in 1996.

Says Fox: "Mr Miles helped put Dentsply on the world map from an acquisition perspective. He was the driving force behind many of the company's major acquisitions in those days and was instrumental in developing a pro-active organisation, a mindset that has been central to the company philosophy, in the seven years that I've been with this company."

And the list goes on...

The consolidation years began in 1993, when Dentsply and Gendex merged and around which time Dentsply had become a public company under the ticker symbol XRAY. In successive years between 1995-1998, more acquisitions followed in the form of Maillefer, Tulsa, CeraMed, GAC and VDW. Two years after its centenary celebrations in 1999, Dentsply embarked on another acquisition phase, acquiring Degussa Dental, Friadent and Austenal. Sales had reached USD\$2 billion but not before Dentsply orchestrated another buyout, Sultan Healthcare.

Dentsply has been listed as a Fortune 500 company and on November 12, 2008 Dentsply International announced that the company's common stock was to be added to the prestigious Standard & Poor's 500.

For those into dental trivia, Dentsply's history is full of interesting nuggets:

The company introduced Trubyte teeth to the world in 1914. This revolutionary system for creating artificial teeth has been called "the greatest innovation to prosthetic dentistry since the discovery of vulcanite." Since then the Trubyte name and technology has helped to spawn a plethora of products, and continues to do so even today.

In 1947, the York plant manufactured 120 million pieces of artificial teeth. Interestingly, in the same year, the cafeteria served 20 gallons of free coffee per day to its employees – which explains in part how that enormous throughput was sustainable.

In 1955 Dr Borden invented an air-powered turbine operated hand-

piece that rotates at speeds of 500 rpm known as the Airotor. Two years later, Dentsply negotiated an exclusive agreement to manufacture and distribute the Airotor.

In 1959, Dentsply became the first company in the USA to offer employees dental health insurance. That same year, the company established the DA/Dentsply Student Clinician Program. In 1961, Dentsply signed an exclusive agreement with Cavitron Ultrasonics Inc, to sell Cavitron.

In 1982 Cooper labs declared its intention to take over Dentsply. In response, the Company went private and the Employee Stock Ownership Plan (ESOP) was established.

As mentioned, the list goes on...



Doing well Down Under

To the likes of Greg Fox, who has a role to play in writing the next chapter in Dentsply's history, reminiscing the past is all well and good, but not half as exciting – or challenging – as being involved in steering its future.

"We are riding on the crest of the next wave in dentistry. The technology is exploding and there's a lot of positive momentum, both in the broader market place and in terms of new systems that we've been introducing into the business.

"We've changed our business model from that of a few years ago – to now focusing our efforts on selling directly to customers in Australia and New Zealand."

Fox explains the strategic move as a way to ensure that the sales team is fully trained and committed to selling Dentsply products, and providing customers a "follow-through" buying experience.

Dentsply Australia's direct business

model is noticeably different from that of its global counterparts, something that has been underpinned by its solid performance in recent years.

A strong advocate of teamwork, Greg readily credits his staff for Dentsply Australia's recent accolades. "People are your competitive edge. Competitors can always copy your pricing strategy, promotional activities and in more recent times, your products, so the key competitive advantage is having the right people," he emphasises.

Fox's comments mirror the company's commitment to staff training and development – the Mount Waverley office boasts full-fledged, in-house training facilities catering to both local and International seminars. This year, the local subsidiary hosted American endodontist, Dr Jim Gutman and periodontist, Dr George Romanos as well as other dedicated staff training seminars and workshops.

"Overall we do about 80-100 seminars a year which indicates our strong commitment towards clinical education.

"Our confidence has certainly grown in tandem with the success

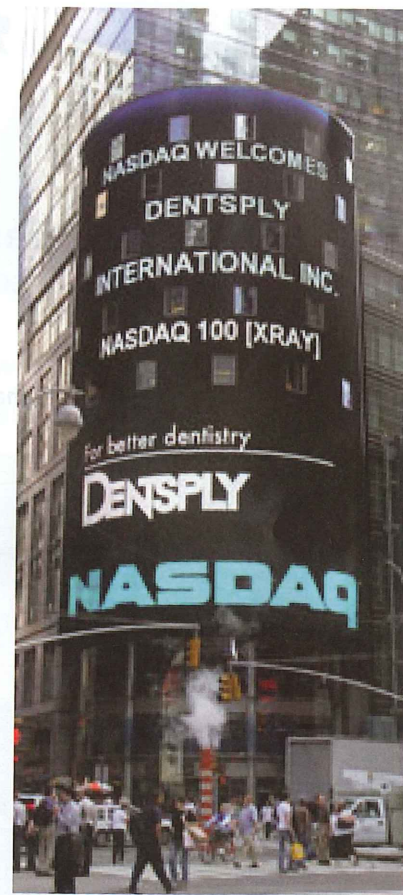
that we've had, but of course, we're aware that with responsibility comes accountability, and that is a mindset that cuts across every strata of this organization."

Greg may as well be mapping out the blueprint for Dentsply's success and longevity when he talks about open structures, employee-centeredness and new business models. As we look back on Dentsply's illustrious history, we notice recurring patterns; similarities here and there that indicate a formulaic recipe for success.

Yet what makes the Dentsply story so compelling has more to do with its dynamism and how it has boldly embraced change throughout its corporate metamorphosis, from its days of yore as a fledgling business to become the dental empire it is today.

But if history bears any indication at all, you can bet on Dentsply being around for some time yet. And you probably don't have to wait too long before they announce another expansion. ♦

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