



Dr. Roger P. Levin DDS
Chairman and CEO of Levin Group, Inc.

How Referral Marketing GROWS AND PROTECTS ORTHODONTIC PRACTICES

A Monthly Article on Practice Management
Presented by Dr. Roger P. Levin and Ortho Technology, Inc.

Introduction

The last 12 months have been challenging for orthodontic practices across the country. According to Levin Group data, starts and referrals are down and more parents are viewing orthodontics as an "extra," not a necessity. As the economy begins to shift into recovery mode, ortho practices should strive to position themselves to put the past behind them and take full advantage of the new economy.

To keep their practices strong, orthodontists must make a renewed commitment to achieving a continual flow of new patients and referral sources. A powerful and consistent referral marketing program is crucial for creating a steady stream of patients and tremendous income potential in any economy.

The Science of Referral Marketing™

Referral marketing is the single most important factor for maintaining ortho practice success. Practices that are able to consistently maintain a referral marketing program enjoy a high level of regular and new referrals.

The Science of Referral Marketing™ requires positive and consistent contact with referring doctors and their offices. It is an investment in time and money, but when done correctly, yields increased referrals over the life of the orthodontic practice.

To create and implement an effective referral marketing program, Levin Group recommends following these five guidelines:

1. Upgrade Practice Marketing Systems

In light of the increased need for consistent marketing of the orthodontic practice, it is more important than ever to create a functional system within the practice that promotes referral growth. Systems are a necessary component in any successful ortho practice. Rarely, if ever, will orthodontists see their practices reach profitability goals by luck or even trial-and-error, especially in the current economy.

An ortho practice must have systems in place in order to manage production growth generated by a referral marketing program. Without the implementation of these systems, practices will have difficulty handling production increases.

2. Realize the Potential of Your Referring Doctors

Far more than patients, referring doctors are the most important referrers orthodontists have. After all, the acquisition of just one new referral source may add \$100,000 in referrals, which can equal \$2 million in revenue over 20 years, or \$3 million over 30 years.

Yet, many orthodontists only have a vague idea of who their strong and weak referrers are. Referring doctors can be segmented into separate categories, based on the number of referrals they generate. Once this is accomplished, the ortho practice can then create customized strategies to grow referrals in each category.

Levin Group identifies four levels of referring doctors:

- **"A" Level:** (Top referrers) A top referral source can provide \$80,000 to \$250,000 in production per year. Protect these referrers at all costs through effective referral marketing strategies.
- **"B" Level:** (Frequent referrers) Often, it only takes a few marketing strategy tweaks to turn "B" referrers into "A" referrers.
- **"C" Level:** (Occasional referrers) Most ortho practices put little effort into marketing to "C" referrers but this is a mistake. A recent Levin Group ortho referral marketing client converted nearly 75% of his "C" referrers into "B" referrers and boosted his production substantially as a result.
- **"D" Level:** (Never refer) Many orthodontists might be tempted to write-off this group of doctors. However, a "D" could be a "B" or even an "A" one day with the right referral marketing strategies in place.

All of these referring doctors have to be approached differently on educational, relationship, communication and marketing levels. Each group has different nuances and viewpoints. Orthodontists must have targeted strategies for each.

3. Implement Marketing Strategies

After segmenting the referral base, Levin Group recommends targeting specific marketing strategies for the different levels of referring doctors.

Strategies in a customized marketing plan should be based on:

- Relationship Building — Working with referring doctors, organizing staff-to-staff activities.
- Education — Seminars, fact sheets, letters, etc. which serve to improve communication.
- Practice Branding — Positioning yourself as the ortho expert in your area.
- Customer Service Activities — Internal marketing, staff training.

4. Strive To Be the Dominant Ortho Practice in Your Area

Two factors can keep an ortho practice from achieving dominance in their region:

- **Other orthodontists who aggressively use referral marketing.** With so many ortho practices reporting production decreases in the last 12 months, referral marketing has become the norm, rather than the exception. An ortho practice that employs aggressive referral marketing and builds effective relationships with more GPs will invariably out-produce a competitor that does not.
- **Referral sources that turn into an orthodontic practice's biggest competition.** Products such as Invisalign® and the

trend of general dentists bringing orthodontics into their practices will further affect the potential success of the orthodontic practice.

A strong referral marketing program will help protect orthodontic practices, regardless of competition, by making it possible to effectively maintain rewarding, productive and long-term relationships.

5. Have a Professional Relations Coordinator (PRC)

The most highly successful orthodontic practices utilize a Professional Relations Coordinator (PRC). Through the PRC, a consistent referral marketing program can be implemented with less than three or four hours of the doctor's time per week spent in communication with referring offices.

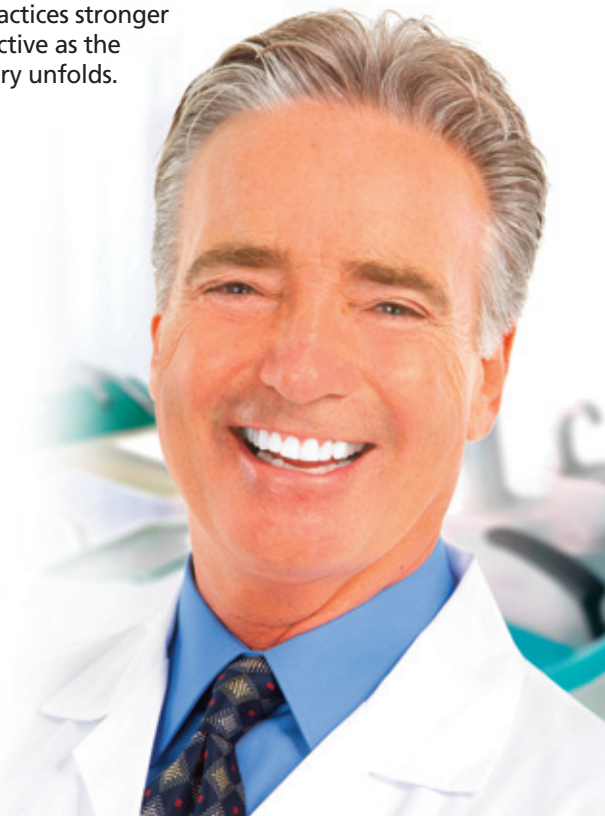
The PRC's primary focus is to build and strengthen relationships with referring doctors, staff and patients. As the liaison to the referral base, the PRC establishes the organizational framework and momentum to ensure accurate and consistent communication with referring offices.

Conclusion

To guarantee a highly successful ortho practice in the new economy, a strong referral marketing program is a necessity, not an option. Practices that consistently and effectively engage in referral marketing will become the production and profitability leaders in their area.

For orthodontists, there is no time to procrastinate. Every day that steps are not taken to grow and protect their practices, orthodontists are jeopardizing opportunities for increased production and profitability. By implementing these steps, orthodontists can use referral marketing to make their practices stronger and more productive as the economic recovery unfolds.

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Building TOTAL PRACTICE Success™

Our commitment is to help every orthodontist grow regardless of the economy. Every orthodontic practice has the potential to transform into A Levin Practice™ and anticipate these results:

- Continually increasing production
- Continually increasing profit
- Continually increasing referrals
- A low stress practice environment
- High levels of professional satisfaction
- Reaching financial independence sooner

Our consulting programs are based on proven systems and strategies that have delivered successful results to thousands of practices for more than 24 years. Levin Group Consulting Programs are the established benchmark for practice management excellence in our profession.