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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.

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Preparing For A Great Ortho Comeback

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

Preparing For A Great Ortho Comeback

With 2011 ramping up, orthodontists are breathing what I would call a cautious sigh of relief. As the *Dental Economics/Levin Group Annual Practice Survey* indicated last year, doctors were seeing their practices stabilize. Most weren't losing ground as they did in 2009 and many are seeing modest gains in production.

It's been a long bumpy road in what many have called "The Great Recession." Orthodontics was hit hard beginning in the summer of 2007. With orthodontics so often viewed as a commodity, ortho practices were affected first among dental specialists. It is the only specialty in dentistry where many parents shop two to four offices to evaluate quality and cost. As the recession deepened, many parents either went for the lowest cost practice or put off orthodontics altogether. Fortunately, we've turned the page and left this chapter behind.

The Ortho Comeback

According to Levin Group data, the majority of orthodontic practices saw average production declines of 12.6% in the last three years. However, while ortho practices were the first to be affected in the dental field, they are also the first to show signs of recovery.

In the last eight months, all Levin Group data indicates that orthodontic practices throughout the country are beginning to bounce back—this is good news for heading into 2011. We are seeing growth rates again in the 10%-20% range as practices increase their revenue rather than simply reducing expenses to remain profitable.

What is fueling this comeback for the New Year?

1. **Parents whose children were identified as ortho candidates are feeling remorse at delaying treatment.** Many parents are now returning to the practice to seek appropriate treatment for their children. Fewer parents are putting off orthodontics as compared to 18 months ago.

2. **Many orthodontic practices are embracing a paradigm shift in how they handle down payments, payment plans and patient financing.** The changed economy altered many things, including how patients are willing to pay for treatment. Not every parent can afford a substantial down payment without the assistance of patient financing. Orthodontists must learn that their past approach to financing is no longer desirable to many parents. By implementing new financial strategies that allow greater flexibility to parents, practices are beginning to note an increase in the level of case acceptance.

3. **Orthodontic practices are seeing the value of efficient, effective systems.** Practices now realize that outdated systems and methods will impede growth. For example, Levin Group clients are always encouraged to see all new patients within seven days so that their practices are the first one that parents visit. Given that a 90% close rate can be achieved with the properly trained treatment coordinator and the right patient experience process, getting new patients in the office quickly is crucial. The rate for starts is greatly increased when patients are seen within this seven-day window.

Other suggested strategies that focus on siblings, observation programs, internal patient marketing, referring doctor marketing and ongoing follow-up with patients who do not accept treatments also have an enormous positive impact on practice growth. Upgraded systems enable orthodontic practices to operate more efficiently, as other successful systems-driven businesses do.

Orthodontic practices now understand that marketing is a full-time endeavor. Marketing is not something you use only when production is slow. Marketing is a standard function in the business world that takes place at all times. Just imagine Steve Jobs at Apple announcing to his board of directors that the iPhone 4 launch was so successful that he is not going to bother spending any money on marketing for the next few years. Even Steve Jobs would find himself looking for new employment.

The difference between Steve Jobs and most orthodontists is that he has huge marketing departments and advertising firms to get it all done. On the other hand, the orthodontist is the marketing department and advertising firm. By adding a *Professional Relations Coordinator* to implement all strategies focused on patients, referring doctors and community, an orthodontic practice will always be in an excellent position to continue to grow regardless of economic factors. Levin Group saw this repeatedly with practices that had been marketing prior to the recession and continued to grow even at the depths of the economy.

For The Right Practices—A Great Ortho Comeback

This may seem like an exaggerated headline. I do not believe this is the case. As the recession abates, orthodontics will be a great beneficiary. Unfortunately, not all practices will experience natural growth as things begin to turn around. As Levin Group examines its data, we have seen that this economy is creating a top 20% of orthodontic practices. The remaining 80% are not necessarily in trouble but they aren't likely to grow as they once did in past years. The difference between the top 20% and the bottom 80% will be

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To achieve these objectives, staff will need continual retraining to keep up in the new economic model in terms of systems, interpersonal relations, patient follow-up, patient scheduling,

etc. For example, the following are just a few of the new targets that should be put in place:

- 98% of all patients should be scheduled at all times.
- Less than 1% of patients should be no shows or last minute cancellations.
- There should only be a 2% or lower overdue debond rate.
- Staff salaries should be running at 18% -19%.
- Orthodontic practice overhead should be 49% or below.
- The slowest orthodontic assistant should strive to be within 10% of the fastest orthodontic assistant in terms of speed.

These are just a few examples of the many strategies needed for ortho growth in the new economy.

For ortho practices to grow in the upcoming year, orthodontists must run highly efficient orthodontic practices. Remember that orthodontic practices are businesses—and well-run businesses will continue to grow in 2011.

