



# Thinking Outside of the Box – Assesing an Ortho Practice Objectively

**J**ust as dental patients have regular check-ups, ortho practices themselves need to be examined periodically. It is important for orthodontists to have a solid understanding of the state of the practice before making any significant changes in their offices.

I was recently at a national meeting with other chief executive officers. In the course of this meeting, I encountered one executive whose job description was a turnaround specialist. Hired for no more than three years at a time, he takes a distressed company, puts it on a better footing, and then leaves, handing the firm over to a CEO who carries on what he initiated. Then, he moves on to the next business to do the same thing.

This seemed like an excellent opportunity to get an answer to a question that immediately sprang to mind—what is the first thing he does when he goes into a company? Without hesitation, the executive stated that he spends a great deal of time analyzing the firm from many different aspects. “The mistake many CEOs make,” he said, “is they start instituting changes such as slashing expenses, cutting departments, and laying people off without ever knowing where their company really stands.”

The executive explained that he never forgets that he is an outside consultant and he needs to keep an outsider’s unbiased perspective to accurately assess a business. Frequently, company employees are reluctant to tell him the truth because everyone wants to spin the information they are giving him. Sometimes, they do not even realize that they are spinning information because misconceptions have become so deeply ingrained in the corporate culture over time.

## Why Ortho Practices Benefit From Analysis

This man’s story reminded me why analyzing any business, including ortho practices, is so important. In today’s economic environment, many ortho practices have

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suffered flat and declining production, and are in need of a turnaround.

However, similar to the turnaround specialist’s advice, I do not recommend making significant changes that can be costly and time-consuming without first analyzing the ortho practice. Levin Group analyzes hundreds of ortho practices each year and the detailed reports we compile speak volumes about the state of orthodontics.

## Assessing The Practice And Establishing Targets

The process of analyzing ortho practices begins with an in-depth examination of Key Practice Expanders™, including:

- New Patients
- Starts
- GP Referrals
- Patient Referrals
- Debond Rate
- Observation Patients
- Adult Patients
- Scheduling Capacity vs. Actual Scheduled Patients
- Collections

Once these areas are examined, a clearer picture emerges of where the practice needs to make changes. The list of possible challenges in an ortho practice can be extensive. The only way to positively rectify each one is to establish performance measurements known as targets, which become an integral part of the assessment process. For example:

- Insufficient Starts

When new patients and parents come into the practice, they must feel there is no need to put off treatment

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or shop other orthodontic offices. If parents view orthodontics as a commodity, that perception should cease the minute they enter your office. The new patient experience should be motivating for patients and parents. Integral to this process is the ortho treatment coordinator (TC), an individual who is vital for converting prospects into patients.

**Target:** Start more than 90% of ortho consults with a TC.

- Declining Referrals

Losing a single top referrer can have a significant impact on an ortho practice. Often, a top referrer is responsible for \$100,000 to \$250,000 in ortho production a year (and sometimes more). Without an effective referral marketing program in place, new referral sources cannot be cultivated.

**Target:** Institute a structured referral marketing program to gain one additional top referrer in the next three months.

- Few Patient Referrals

No matter how satisfied they are with the practice, few patients and parents will think to refer others unless ortho teams specifically ask them to. A strong patient referral program should be in place that uses proven strategies such as patient appreciation programs, patient testimonials, messages in patient correspondence, brochures, and mailers.

**Target:** Increase patient referrals by 30% in six months.

- High Overdue Debond Rate

Missed appointments eventually slow down the treatment process, which easily leads to patients being overdue for their debond appointments. As a result, production growth will be compromised and the practice will never reach its full potential. Ortho practices must track and monitor patient compliance and quickly bring back patients who have missed appointments.

**Target:** Lower overdue debonds to less than 2%.

- Ineffective Observation Patient Programs

Some orthodontists see observation patients as an obstacle taking up valuable chair time. Nothing can be further from the truth. The more observation patients an ortho practice has, the higher practice production will be when they become ortho patients. This group

is as important to the practice as new patient starts. Observation patients should be scheduled to be seen every six months.

**Target:** Convert 95% of observation patients within the next 12 months.

- An Uneven Schedule

Are after-school hours overbooked while morning hours have multiple openings in the schedule? Many ortho practices unconsciously allow patients to run the schedule more so than the practice. Effective scripting should be in place to guide patients and parents into appointments times that are more convenient for the practice.

**Target:** Transition 20% of after-school appointments to morning and mid-day.

- Overdue Collections

As the economy continues to underperform, more patients and parents face difficulties paying for ortho treatment. Should down payments be lowered? Does the practice have accounts overdue by more than 30 days? 60 days? 90 days? Ortho practices must rein in overdue accounts as soon as possible with effective scripting and efficient tracking.

**Target:** Within the next five months, create a system to track payments and follow up quickly.

- Unwritten and Undocumented Systems

When long-term team members leave the practice, they often take knowledge of most of the practice's unwritten and undocumented systems with them. The practice faces significant challenges when new individuals fill these positions. The orthodontist and the rest of the team invariably suffer greater stress as a result. Documented systems are the best way to train the team.

**Target:** Implement documented, step-by-step systems within eight months.

- Ineffective Marketing

Many ortho practices tend to market only when production numbers are down. In fact, marketing is a year-round activity comprised of at least 15 customized strategies for both GPs and patients.

**Target:** Increase referrals by 20–30% via an effective referral marketing program.

- Staff Issues

A smooth running team adds to practice growth. A dysfunctional team detracts from it. There are many possible staff challenges. Is there conflict between team members? Are staff members properly trained? Are they capable of doing what is being asked of them? What additional skills do they need?

**Target:** Establish training protocols for all team members in the next six months.

- Out-of-Date Practice Management Software

The lack of up-to-date practice management software serves to compound an ortho practice's challenges. The doctor and staff members struggle with outdated software that has failed to provide a smooth workflow. A software system, such as Ortho2's Edge or ViewPoint, that integrates with their systems solves such problems.

**Target:** Replace outdated management software in the next three months.

In addition to the preceding issues, ortho practices face a host of challenges that, in some cases, did not even exist 20 or 30 years ago. There are new competitors, such as national dental service organizations opening a practice in the area. Also, there could be new orthodontic systems that other ortho or GP practices are using extremely well to attract patients.

These and many other factors illustrate one point quite clearly—practice analysis is not a simple undertaking. It encompasses many facets, including production numbers, staff evaluation, and even doctor leadership.

There are remarkable growth opportunities for ortho practices that understand their challenges and the targets they should establish as benchmarks for success. In the course of an analysis, orthodontists should get a clear idea of their practice's strengths and weaknesses. What are the opportunities and what threats does the practice face?

One of the most important aspects of ortho leadership is understanding that orthodontists cannot do everything themselves. It requires a talented team, established targets, and proven systems to take a practice to the next level. The practice that understands the value of systems and trains staff on those systems is the office that grows in all economic climates.

At times, it can be difficult to see the forest for the trees. No matter how hard orthodontists try, they often cannot figure out why their practice is slowing down. As practice owners and top producers, they are at a disadvantage when trying to look at their practices in a truly objective manner.

Frequently, orthodontists find it hard to take a step back and remove themselves from the practice when they are so connected to it. At times, an outside opinion about practice performance and operations is crucial. ☺

## About the Author

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To learn more about how to grow your ortho practice, attend Dr. Roger P. Levin's seminar at the annual AAO meeting on May 5, 2012. Unable to attend? Please visit [www.levingroup.com/aa0](http://www.levingroup.com/aa0) for free educational materials.