A plan B for tough times

By Chris Roussos, CEO of OrthoSynetics

Remember when being a good orthodontist was enough? You could hang a sign and the patients would find you. The game has certainly changed, and the clinicians who are thriving have implemented a plan B to aggressively recruit new patients. These orthodontists are not only surviving, they are thriving.

It is critical to your longevity that you fully accept and adapt to economic conditions. Some practices have been too slow to reign in expenses, which are continuing to rise for many practitioners. If your revenue is flat or, worse yet, declining and expenses remain the same or are even increasing, you will not be able to survive. It is that simple.

The cost of not advertising
One expense you cannot afford to cut is advertising. Cutting advertising will have a negative effect on your practice’s performance both now and in the future. A sophisticated advertising strategy that leverages the cost efficiencies of technology and social media will provide you a tremendous bang for your buck.

An online marketing strategy can do hundreds of leads to your door. With the fading economic situation where most practices have tightened their marketing budgets, search engine optimization provides major benefits, primarily because it is the cheapest form of advertising with an extremely high conversion rate.

Unlike direct mail and other forms of advertising, your Web site is constantly advertising for you 24/7, 365 days a year. Customers can find you anytime, anywhere. Imagine 150 new visitors finding out about you from your Web site. Compare that with the cost involved in news media acquisition for each new customer.

Reap what you sow
Every time your phone rings, there is an associated cost. Your goal should be to convert every phone call and consult into a funding. Focus on what we call the “contract to banding gap.”

Take a look at how many contracts you have signed in the past six months versus how many patients have begun treatment. Currently we are seeing many patients signing contracts, but they are getting “buyers’ remorse” and not following through with bandings.

Many clinicians are moving aggressively to address this gap. Are you? A potential solution is to provide opportunities for the patient to get started (banded) the same day the contract is signed.

You probably are questioning the logistics of this suggestion. How do you band same day when the schedule is probably already set? This brings me to my next point.

Team motivation
Make no mistake: money is a big motivator. If you are giving regular pay increases regardless of practice performance, you are missing out on an opportunity to motivate your team and align team goals with the practice goals. A motivated team with clear goals can accomplish many tasks that seem difficult to reach today.

Everyone needs feedback as it allows the employee and the supervisor an opportunity to share expectations and observations, clarify objectives and plan for future development.

However, it is extremely important to remember a performance appraisal is not always accompanied by a salary increase. Contrary to popular belief, it is not standard practice to automatically give every employee another dollar per hour just because it is January. No matter how exceptional an employee’s performance is during any given time frame, if your practice has not seen an increase in profits, then where will you get the funds for merit increases?

It is your job to set the expectation from the start. Team performance and goals should be aligned with practice performance.

A team fully engaged in the practice will put the practice needs above its own. Cutting short a lunch hour or staying later in the evening to fit in a handing becomes your team’s reality. With the right incentive in place, there is nothing you and your team cannot do.

Managing your managed care
If you are already participating in managed care plans, it is critical to review the reimbursements specific to HMO and carriers that will provide PPO fee schedules. An immediate review would be warranted if you have had a significant increase in fees.

Having the right payer mix is crucial to a successful practice. Utilizing managed care plans can increase patient basing, increase revenue and ensure less empty chair time during down periods in the schedule.

Demographic research of employers and knowing what plans are offered is a key component to increasing or enhancing your payer mix. Looking at national carriers initially is recommended as the majority of the groups signed are on a corporate level capturing the largest employee base.

During this economic downturn, it is possible to grow your practice if you recognize the situation and act accordingly by implementing plan B. If you need assistance with your plan B, call one of our business development specialists today at (888) 622-7845.

Chris Roussos is CEO of OrthoSynetics Inc. (OSI), a business service company in the orthodontic and dental industries. He has more than 20 years of management experience with top companies such as PepsiCo and Newell Rubbermaid, and in the health-care industry running national hospice, home health and outpatient physical therapy companies as president. For more information, visit www.orthosynetics.com.

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