How an orthodontic practice experiences exponential growth

By Roger P. Levin, DDS

Many orthodontists have flourishing practices that lead to financial and personal success. They have made significant investments of time and resources to develop and refine their skills. Generally, all the effort pays off. After years of hard work, orthodontists wind up on the life path that leads them to financial independence on their terms. Or do they?

Let us examine the path of one Levin Group client who saw his orthodontic practice under-producing when he was getting closer to his retirement years. What did it take to turn things around? Let’s find out.

Case study: taking an orthodontic practice from ‘good’ to ‘great’

When Dr. Paul Smith contacted Levin Group, he was relatively happy. He had been in orthodontic practice more than 20 years, lived in a nice community and was happily married with two sons in college. He enjoyed a good income, but wanted more time to spend with his family. His life was good, but he knew it could be better. He decided Levin Group could get him where he wanted to be.

As it turned out, Dr. Smith’s practice production over the previous two years grew only 3 percent. While his practice was successful, he knew he was not realizing his potential. Like many orthodontists, he was simply trying to get through the schedule, survive the after-school crunch and head home.

During an on-site visit, Levin Group identified issues that limited efficiency and practice capacity. Inefficient systems were having an adverse affect on the doctor, the team, patients and parents.

After Levin Group’s on-site analysis and subsequent conversations with his consultant, Dr. Smith came to understand that implementing new systems or updating existing ones would reduce stress, improve performance and increase productivity.

He soon realized that implementing better systems and developing a more professional team would allow his practice to experience the profitability he wanted.

Dr. Smith’s situation was not unusual. Many orthodontic practices put off redesigning their systems. It is very easy to do when things are going fairly well. Over the years, Dr. Smith took the position of, “We’ll get to it.” Now he realized he had to. Something had to change. To get the most out of his practice and his life, Dr. Smith turned to Levin Group for the answers.

He quickly found out that one of the most important elements to reach his goals was a Total Success™ Life Map.

Dr. Smith’s Life Map — building the practice and creating more free time

A Life Map is a year-by-year blueprint of the orthodontist’s professional and personal life, from the present through retirement. After creating hundreds of Life Maps for clients, we focus on key events that will affect an orthodontist’s practice and life. A Life Map evaluates the doctor’s age, financial position, spending habits, lifestyle, children, tuition needs and large financial events over a lifetime.

How does a Life Map work? Let’s look at Dr. Smith’s situation.

In 2003, Paul Smith was a 53-year-old orthodontist whose practice was producing $1.1 million. The practice was busy, and his numbers for starts were good. However, Dr. Smith wasn’t reaching his growth goals and was working more days than he wanted.

Paul has been married to his wife, Nancy, for 25 years. Their two children at the time were 19 and 21. Putting his sons through college, along with personal retirement, was proving to be more difficult than anticipated.
Here are some of the elements that were included in his Life Map:

2003
Faced with flat growth and profitability, along with an uncertain retirement date, Dr. Smith chooses to embark on both Levin Group’s Total Ortho Success™ Management and Referral Marketing Programs.

Dr. Smith begins the goal-setting process during the management program and determines he needs a financial plan and elects to engage a certified financial planner.

His Levin Group consultant quickly identifies a problem. Dr. Smith tends to put more emphasis on patient referrals than GP referrals. In his referral marketing program, Dr. Smith begins to aggressively target GP referrals.

2004: production increase — 16 percent
The practice continues to experience significant growth in both number of new patients and starts.

Dr. Smith sets a goal of adding an associate to the practice and reducing the number of days he is chairside with patients.

Dr. Smith and Nancy would like to purchase a vacation home at the beach for weekend trips.

2005: production increase — 20 percent
Dr. Smith hires an associate. Beyond the immediate plan to reduce his time chairside, Dr. Smith hopes this person will become a partner and eventually buy the practice when he retires. He retains a legal consulting advisor with dental experience.

Dr. Smith reduces the number of days working in the practice to three days per week without lowering his share of the profit. He is able to focus on personal interests such as skiing and his love for fine wine.

Dr. Smith and Nancy acquire their dream vacation home, allowing for more quality time for family.

2006: production increase — 19 percent
Referrals continue to grow at an exponential rate. The practice is now far outpacing all previous growth.

Dr. Smith’s associate requests a buy-in option. Dr. Smith’s legal consultant facilitates the negotiation and draws up the agreement.

The Smiths update their financial plan.

2007: production increase — 18 percent
Dr. Smith reaches financial independence. He sets a plan to retire in 2011. To celebrate, he and his wife take a two-week vacation to Italy to explore the wine country.

A Life Map is vital for any orthodontist who seeks to grow professionally and personally. A Life Map helps orthodontists and their spouses identify short- and long-term goals and place them on a Life Map year by year.

Once the vision and goals have been determined, the appropriate actions and advisors help position the doctor for greater success. A Life Map begins with understanding the orthodontist’s vision and goals, which change over time. In many cases, we see Life Maps help orthodontists reach for new goals they never thought possible.

Conclusion
What improves your quality of life? Is it what happens in your practice? Is it what happens outside of it? The answer is — both! As a result, all aspects of a Life Map are equally significant. The goal is not to grow rich at the expense of one’s well-being. What’s the point of accumulating a great deal of money if you can’t enjoy your practice? As Dr. Smith found out, a Life Map helps you achieve comprehensive success in all areas of your life, both personal and professional.

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1 Case study based on actual Levin Group client information.

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About the author

Dr. Roger P. Levin is founder and chief executive officer of Levin Group, Inc., the leading orthodontic practice management firm. Levin Group provides Total Orthodontic Success™, the premier comprehensive consulting solution for lifetime success to orthodontists in the United States and around the world. A third-generation dentist, Dr. Levin is one of the profession’s most sought-after speakers, bringing his Total Orthodontic Success Seminar Series to thousands of orthodontists and ortho professionals each year. For more than two decades, Dr. Levin and Levin Group have been dedicated to improving the lives of orthodontists. Levin Group may be reached at (888) 973-0000 and customerservice@levingroup.com.