How you can thrive in a down economy

By Roger P. Levin, DDS

I have to let you in on a little secret — I get concerned when I listen to orthodontists talk about surviving the economy. Just because you survive doesn’t mean you’re thriving, does it? Do you ever wonder how you can thrive in a down economy?

Having worked with so many ortho practices over the years, I know for a fact that most offices operate as much as 30 percent below their capacity. I have watched orthodontic practices that were convinced they had maxed out their production growth exponentially. Consequently, I get a little frustrated when practitioners are content to sigh and accept the loss of revenue and write it off as solely the economy’s fault. The truth is that you can increase production — yes, even now!

Thriving — not merely surviving — needs to be your objective in the current economy. Accept nothing less!

It’s impossible to ignore the economy, but don’t be overwhelmed by it. It’s worth noting that this slow economy may last longer than any we have experienced in the last 75 years. We are so concerned about the housing crisis, which is a major reason for our current difficulties, but energy prices, inflation and unemployment also are contributing to our troubles.

What are the possible ramifications for orthodontists? For one, some practices may begin to perform more orthodontics at their current capacity. For example, in just the last month alone, we have seen three new orthodontic practices arrive at Levin Group that are very representative of what’s happening to ortho practices everywhere these days. One practice was flat and taking action to immediately increase production and profit. Another orthodontist was down 3 to 4 percent and felt that this was enough of a decline to warrant taking steps for ensuring growth rather than decline. The third doctor had dropped a shocking 14 percent in the last six months. A big contributing factor was the fact that two new orthodontics had opened in his area. Can all of these practices be turned around? Absolutely! It’s all about systems. Improving your management and marketing systems will mean significant growth. Many of our clients are performing at the highest levels of increased production we have seen in 25 years. How are they accomplishing results like this?

Because they are refining their systems in response to the changing economy. When the economy was better, ortho practices could operate far below their potential and get away with it. It is no longer possible to just coast along in today’s economy. You have to be proactive to stay on top. Fortunately, there are three steps you can take to grow your ortho practice in good times and bad.

Three ways to grow your ortho practice

It is no secret that orthodontists depend on referrals from general dentists and patients, especially in a down economy. Although patient referrals are more important in orthodontics than many other specialties, you need to account for approximately 70 percent of orthodontic production. In a very real sense, general dentists are the purse strings to your practice. Many orthodontists don’t like to admit this, but it’s a fact of life. The secret, then, to growing your practice without the systems to handle new patients that will result from your expanded base of referring doctors.

Three ways to grow your ortho practice:

1. Increase the effectiveness of your orthodontic treatment coordination.
2. Increase the effectiveness of your business management.
3. Increase the effectiveness of your business management.

Implement a consistent referral marketing program. During a recent seminar for orthodontists, I presented the Ortho Life Map — a Levin Group client activity that helps practitioners plan each year of their careers. In the course of the exercise, orthodontists determine the major steps they will take to grow their practice, the advisors they should consult with and their practice productivity and marketing goals. After going through the exercise, many of the orthodontists were surprised to learn that marketing requires a continuous annual effort. You need a top referral marketing program with at least 15 strategies in place that focus on your referring doctors. If you have less than this, your referral marketing program will likely be ineffective.

Go to lunch with referring doctors when things get slow does not constitute a marketing program.

To operate a successful referral-based marketing program, practices should employ a professional relations coordinator (PRC). This part-time position pioneered by Levin Group focuses on running the marketing program. Doctors who try to manage a marketing program on their own usually let it lapse in less than 90 days because they need to be focused on patient care (as they should be). This is where PRCs are so valuable, taking on the marketing tasks doctors don’t have time for. In any given year, Levin Group works with 300 to 500 PRCs throughout the United States and worldwide, with the vast majority of practices who hire PRCs seeing significant referral growth within five to six months.

Create and implement a master training plan. Team training in an orthodontic practice is usually far below what is actually needed. The demands of patient care leave little time for finding time for training challenging, and team members often do not want to come in extra days for special training sessions. Nonetheless, it is critical to establish a master training plan for each position and then find the time to implement it. One possibility is to use morning and monthly staff meetings as training opportunities. In any case, the goal for team training is a simple one — each person doing his or her job at 99 percent effectiveness while working independently.

Conclusion

Despite the doom and gloom prevalent in financial circles, I have never been more optimistic about the economy affecting ortho practices if they have the correct management and marketing systems. Most practices have potential that orthodontists haven’t even begun to tap. Once they do, it’s smooth sailing even though the sky looks threatening in the distance. Metaphorically speaking, you have a unique sailing vessel that allows you to outrun the worst storm, provided you trim your sails and you know how to chart your course correctly.

Yes, the economy will eventually improve. But it could take awhile. Why sustain lost production for whom knows how long when you don’t have to? I urge each orthodontist to act now. Protect what you have, plan for the future and accept nothing less than the steady growth of your ortho practice — right now!

Don’t let the economy put a dent in your ortho production. Ortho Tribune readers are entitled to a special complimentary eBrochure from Levin Group entitled “10 Tips to Recession Proof Your Ortho Practice.” To receive your eBrochure, email customerservice@levingroup.com with “10 Ortho Tips” in the subject line.

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 orthodontic 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.

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