Orthodontists have a second chance to own the technology their patients really care about and to prevent GPs from becoming the technology leaders

By Brett Blake, President and CEO, AcceptX

Let me begin with two disclosures: 1) I am not an orthodontist, and my arguments are made from a business and strategy perspective not a clinical perspective; and 2) I don’t consult or sell for Align Technology. No one there asked me to write this article; in fact, no one there read it prior to publication. I am writing this article not because I care about Align or its shareholders, but because I am genuinely concerned for the orthodontics industry and the practitioners I know in this industry.

This summer, my third child started orthodontic treatment, and even though my eldest two are getting their braces off before the end of the year, they were upset when they found out their young sibling’s treatment would be much shorter. Even though her teeth look worse than my eldest two when they started treatment, my youngest will be in braces just 12 months, compared to nearly three years for my oldest son and two for my oldest daughter.

The difference? My youngest will be treated with SureSmile and Damon brackets by a trained orthodontist.

Three years ago, my wife and I assumed the pediatric dentist with the largest orthodontics practice in town was, in fact, as qualified as any other doctor in town. I didn’t learn until months later that a GP could put “orthodontics” on his or her door with little or no formal training.

Apparently, I’m not alone. In fact, according to estimates made by Piper Jaffray, since 2005, more parents have gone to their GPs for orthodontics than to orthodontists. To add insult to injury, GP-performed orthodontics is growing rapidly, even as orthodontists are seeing a slowing and/or decline in the number of new cases they are treating.

The industry is changing and orthodontists will forever lose their market position if they don’t recognize the impact of new technology and move quickly to take back the high-tech frontier.

What does technology have to do with the industry slowing? What does Invisalign Teen have to do with the answer?

Those of you who have been around a few years will remember that Align Technology wasn’t always a large, publicly traded company. The company struggled to gain market share, and most orthodontists rejected the new technology as ineffective compared with metal braces (many practitioners still feel that way).

As I said earlier, I am not qualified or interested in arguing about the effectiveness of Align’s treatments. This column is designed to raise business considerations and to provide a consumer’s perspective. I also hope it helps orthodontists realize there is more to choosing technology than a clinician’s assessment of the technology’s relative effectiveness.

Align Technology initially held its technology exclusively for orthodontists — no GPs allowed. But orthodontists (as a whole) snubbed their nose at the treatment and, not recognizing the determination of Align’s investors, hoped it would go away. It did go away — in part. Align went away from its ortho-only pledge and started to train and sell to GPs. Its technology made it easy for GPs to get into the orthodontic business and started a flood of GP competitors. For GPs, orthodontics is a much more profitable business (even with Align’s lab fees) than the general dentistry business they were used to.

The rest is history. Year after year, month after month, more and more GPs hang an “orthodontics” sign on their door, and more and more parents (like me) ignorantly suppose they will find the same treatment inside. The frightening part of the whole story is the fact there is a disconnect between what parents and patients care about in terms of new technology and what doctors consider good and new technology.

When it comes to innovation in orthodontics, parents and patients care about two things — treatment time and the cosmetics of the treatment (they hate metal braces). However, practitioners know more, and they can analyze technology in terms of its effectiveness, its feasibility and its ability to deliver long-term quality treatment. Many orthodontists are using their criteria to reject new technology such as Invisalign or SureSmile and feel justified in doing so.

Here is the frightening truth: In the minds of the general consumer (your patients), orthodontists are giving up the technology frontier to the GPs.

Now history is repeating itself. OraMetrix is trying to keep its technology exclusively for orthodontists, and Invisalign Teen has been introduced as an orthodontists-only technology. Orthodontists can ignore these technologies, but they will not go away — they will go to the GPs. If that happens, GPs will be left with two branded technologies that deliver on the two things patients and parents care most about — time and cosmetics.

My advice to orthodontists is not to abandon their commitment to quality, but to focus on improving these technologies in a way that they become a competitive advantage to the specialty. Find a way to keep them out of the hands of the GPs and to employ them in ways that provide high-quality treatment.

The shareholders of these two companies will continue to invest and will spend what is required on advertising to drive their adoption. The shareholders have the resource to win the war of public perception and public education. The good news is both of these companies want to work with orthodontists. They want you to have exclusives, and they are willing to turn away from the tens of thousands of GPs who want the margins these orthodontic treatments could generate for them in their practice.

Will history repeat itself? Will orthodontists reject Invisalign Teen and force Align Technology to take the product to the GP community? Will the GPs continue to perform more and more orthodontic cases until the orthodontics industry is “right sized?”

I hope not. The orthodontic industry has a rare opportunity to revisit a disastrous decision made just a few years ago. I hope it gets it right the second time around.

About the author

Brett Blake is president and CEO of Utah-based AcceptX Financial Solutions, Inc. where he helps doctors increase case starts and cash flow using Internet-enabled software. In 2007, he was selected a Top 100 Venture Entrepreneur in Utah. Blake advises Wall Street analysts and investment bankers as a Scholar Member of the Gerson Lehrman Group Council. He earned an MBA from the Harvard Business School and graduated cum laude from Brigham Young University. Blake is available to lead study group discussions and can be reached at brett.blake@acceptx.com or (801) 797-9000.