



ORTHO2

# Signals and Trends in Orthodontics Today

As we look at trends of the new economy in the months to come it will be imperative to recognize the signals of change. As task oriented professionals, one of the greatest challenges for an orthodontic team is to recognize changes as they occur. Many times negative changes occur within the orthodontic schedule and financial systems as a slow evolution. By the time these irregularities are noticed it is too late to correct them and we are put into the clean up mode. We need to have a checklist to review the trends within the practice to ensure we are proactive with our business protection plans.

**Signal #1: The Schedule** - The orthodontic schedule must be fine tuned on a regular basis to accommodate updated mechanics and progressive delivery systems. Orthodontists are working fewer days per year and becoming more profitable. The trend is a three- or four-day workweek with one day per week or every other week for administrative time. With the combination of progressive mechanics, facility set up and delivery efficiency we can see more patients in fewer hours with less overhead. When efficiency creates open time in the schedule on a regular basis we need to consider closing time. Working less and making more is not a negative. The schedule is the driving force of all income generated in the orthodontic practice. Keep in mind it is not how many days the practice is open, but how many days the practice is productive.

**Signal#2: Financial Systems** - The orthodontic profession over the past five years has emphasized many creative financing options. Many practices have accepted a very high number of paid in full contracts without budgeting the monies for the two-year period. What happens in this case if the economy takes a dip or the referral patterns change? The key to creative financing is to establish your financial goals based on a percentage of how you want to handle the income. Some financial experts say 25%-30% paid in full would be a healthy number with the balance of the contracted accounts being in monthly payments or

by **Char Eash**

automatic debit. Others may recommend taking as many paid in full contracts as possible to generate a positive cash flow. As the value of our dollar declines count the cost. I would recommend budgeting any paid-in-fulls from one year to another to avoid loss of income if starts decline due to unforeseen circumstances. Make sure your collection policies are tight! The number of statements sent should be minimized due to check debits and credit card withdrawals. Orthodontists in general wait too long to dismiss patients due to financial situations. The orthodontic team must clearly understand the protocol for collection issues. Insurance companies have continually slowed payments to offices that do not pursue monies quickly when they are overdue. Is yours a practice that is letting the insurance companies off the hook? Follow the accounts receivable and projected income numbers closely to ensure a healthy financial system.

**Signal #3: Staffing** - As we become more efficient in our practice systems, the possibility of being overstaffed is present. We need to monitor the system of replacing staff. When replacing a staff member, first consider the job design. We often hire to fill an existing position rather than pausing to consider how that position could change to serve the practice at a higher level. Also, be sure to review the contribution of every team member at that time to determine if any duties can be shifted to another position. There is a shortage of staff across the country for all types of business. Finding new personnel with work ethic, skills, commitment and a good attitude is a challenge. The generation of orthodontic auxiliaries who have served our practices for the past 20 to 25 years will be retiring soon and the challenge becomes how to find and train new personnel. I perceive that teams on a true salary-based incentive system are less likely to be overstaffed.

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An incentive system that is progressive and clearly understood by the staff will help create an efficient team that will assist and monitor all job designs.

**Signal #4: Technology** - Is the technology you are using contributing to overall profitability? Each piece of technology that is added costs the practice money. This makes it very important to maximize the use of your computer, imaging and other high tech systems. These systems should save current staff time not create another staff position. Too often the doctor is unaware of the issues the team is having with the technology. Do not add new technology without proper training. When I work with companies like Ortho2 I formulate questions on behalf of my clients for the trainer before the trainer arrives. They can then provide the level of training and implementation the practice needs. When purchasing technology make sure its benefits will add to the bottom line. Technology is all about making life easier.

Just because a system is working does not mean it should not be reviewed on a regular basis. Orthodontics is a unique business in that we may not know a system has been compromised until we feel the effects 24 months later.

According to the Harvard Business Review on Change (Harvard Business School Press, 1998), "Incremental change is not enough for most businesses in the new economy. We don't need to change what is, we need to create what isn't! " This starts by recognizing the signals! ☺

## About the Author

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Char Eash is the founder and CEO of Profit Marketing Systems South, Inc. an Orthodontic Communication Enhancement firm that specializes in efficiency and profitability for the Orthodontic practice. Char possesses an enthusiastic ability to create an office environment that fits the needs of the Doctor(s), Team, and the practice network.

Providing over 15 years of experience in orthodontic consulting with over 200 orthodontic teams across the country. Char is a consultant who strives to create a profitable and enjoyable environment for her clients and their teams.

Her many Seminars and Trainings around the country have been noted as "The best, most practical and useful information to benefit the Orthodontic practice."