



From Inflection Point To Plateau To Growth

by **Dr. Roger P. Levin**

I recently had the honor of addressing a large group of orthodontists at the AAO in Honolulu. The presentation covered a number of aspects of effective practice management in the post-recession economy. Many in the audience responded with great interest to the concept of the inflection point, so I wanted to elaborate on that subject here.

An inflection point is a moment in the practice's life cycle when a challenge arises that has the potential to profoundly affect the future of the office. It could be the arrival of an aggressive new competitor in town, the unexpected retirement of a top referrer, or a devastating recession.

As you can see in Figure 1, the inflection creates a kind of fork in the road on the growth chart. One path—characterized by complacency and inaction—leads down into a ruinous decline. The other path—representing a swift, positive, and proactive response to the challenge—carries the ortho practice up the chart to greater success on the strength of new management and marketing systems.

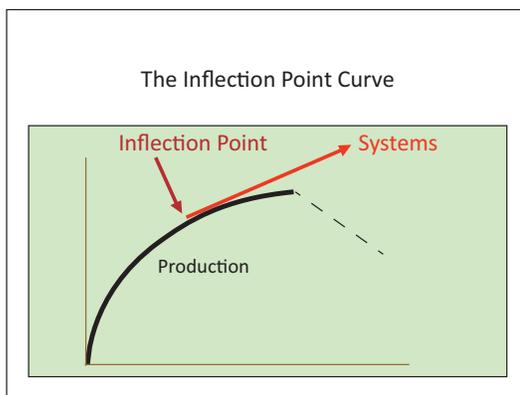


Figure 1

It is impossible to prevent inflection points from occurring. However, by recognizing them as potentially game-changing opportunities and responding decisively, the orthodontist can harness their power to drive growth.

Symptoms Of Inflection

Accomplished business leaders typically identify and respond to inflection points before any damage has been done. Otherwise, an inflection point will become evident for an ortho practice when certain symptoms appear. These generally include:

- Annual practice growth rate of 4% or less.
- Loss of referring doctors.
- Practice systems no longer functioning well and needing to be replaced.

When an orthodontist sees these conditions, it is time to make fundamental changes. Production and profit are already being lost. The practice's forward momentum is slowing, and its growth curve is flattening out into a dangerous situation called a plateau.

The Reasons For Production Plateaus

If an ortho practice is not growing, it's declining. A production plateau is the first stage of decline—the slowdown and pause before the plunge. Having recently experienced what is probably the sharpest inflection point in many decades, it is not surprising that a huge number of dental practices have plateaued. Aggravating the problem for most of them are these deficiencies, which must be corrected if a production decline is to be avoided:

1. Outdated Scheduling Systems

Effective ortho practice management is largely a matter of time management, and the schedule is the key. A good scheduling system facilitates growth, reduces stress, and increases customer satisfaction. An outdated scheduling system has the opposite effect. An ortho practice simply cannot grow out of a plateau until it has an effective

Reprinted from

The Newsletter for Members and Friends of Ortho2
July 2012 - Volume 30 Issue 3

scheduling system.

All practice systems should be completely replaced—not merely tweaked, tuned-up, or updated—every 3 to 5 years. Scheduling is the best starting point for the replacement process because it affects every other system.

2. Inconsistent Marketing

Many ortho practices fall short when it comes to marketing. Even those orthodontists who worked to build referral relationships when their practices were young eventually get out of the habit of communicating consistently with GPs. This is unfortunate, because marketing to both doctors and patients should be consistent. The point when an ortho practice is in trouble is not the time to start marketing. It takes time for marketing strategies to begin getting results, and the flow of referrals, once established, must be maintained. Consistency is essential.

Another factor that can lead to a production plateau relates to targeting. Even practices that have a strong patient program in place often see no reason to motivate doctors to make referrals. Like diversifying an investment portfolio, having diverse sources of referrals makes the most sense. Target both doctors and patients to keep the referrals coming.

3. Lack of Vision and Goals

Where do you want to be in three years?

The answer to this seemingly simple question is the substance of a vision statement for the ortho practice. Effective business leaders always have a current vision statement in writing to guide their decisions. They also have a written set of goals that will serve as stepping stones in the pursuit of the vision.

In an ortho practice, vision and goals should be shared and discussed with all staff members—not just when first introduced but at every monthly business review. This helps make them into a true team, working together with a common purpose.

4. Overworked Orthodontists

The scenario can be depressing. The orthodontist is working at a breakneck pace, getting fatigued every day, yet the practice is plateaued, or even declining. How can production be increased under these circumstances? Delegation is the key.

Overworked orthodontists are usually performing many administrative, marketing, and other non-clinical tasks

that can be delegated readily to staff members. In conjunction with the implementation of more efficient management and marketing systems, staff should be trained to handle these new responsibilities. This preserves the orthodontist's energy for patient care, empowers the team, and creates the scheduling capacity needed for increasing production and growing the practice.

5. Ineffective Case Presentation

Case presentation is an area where even the best orthodontists often fall short, because clinical knowledge and skills have almost no bearing on case acceptance. In fact, most of the consult should be handled by someone else—the ortho treatment coordinator (TC). The TC lays all the groundwork for case acceptance using what Levin Group calls Value Creation Scripting™, and then the orthodontist arrives to add professional weight to the treatment recommendation. In addition to being a highly effective presentation technique, this team approach also frees the orthodontist for more production.

The plateaued or declining ortho practice must also upgrade the communication skills involved in the consult. An impersonal manner, boring delivery of facts, focus on technical details, and unwillingness to strongly recommend treatment are all common errors which weaken presentations and reduce acceptance rates.

To make it easy for parents and patients to say yes to treatment, they must be persuaded that the practice, treatment, financing, and time are right. Rather than merely explaining treatment, the orthodontist and TC should establish rapport, earn trust and confidence, focus on the benefits of the recommended treatment, and ask for a commitment to move forward with treatment.

Plateaus As Natural Jumping Off Points

Production plateaus are normal in the life of any ortho practice. As Figure 2 shows, they tend to occur at regular, predictable intervals, unless precipitated and accentuated by an inflection point.

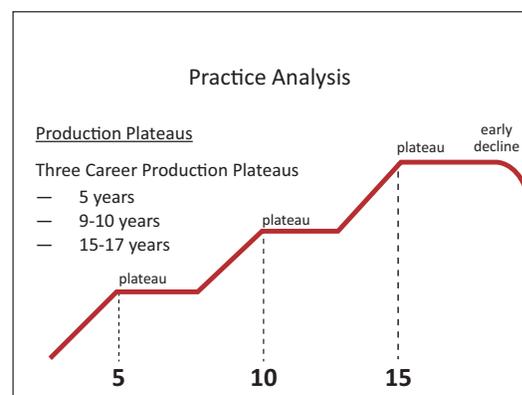


Figure 2

The first plateau typically occurs about five years after the practice opens. It is a sign that the original energy level, relationship building, practice systems, and other characteristics of a start-up office are no longer sufficient. The practice is ready for the next growth stage. By striving to reach a new set of goals, replacing systems, and implementing effective marketing programs that increase production, the practice will spend minimal time plateaued before moving forward again.

The second and third natural practice career plateaus usually appear at or near the 10- and 15-year marks. Like the first, they signal the need to make changes in response to new conditions. Ortho practices that are aware of the plateau phenomenon and tracking production numbers regularly can identify the early onset of a slowdown, and begin working on countermeasures.

The Great Recession seems to have altered the historic patterns of plateaus and declines in two ways. First, it has reshaped—perhaps permanently—the economic landscape. Consumer psychology has changed, resulting in more ortho “shopping.” Second, this tightening of the market has shortened the time between plateaus as well as the length of plateaus, allowing practices to slip more quickly into decline. The bottom line is that ortho practices must be extremely vigilant if they are to avoid getting caught in a downward spiral.

Inflection points are challenges to the continued success of an ortho practice, characterized by a plateau and eventually decline in production. They also signify the need for the office to make meaningful changes in how it operates.

These should include writing a new vision and goals, replacing all practice management systems, implementing a more effective marketing program for patients and GPs, delegating all non-clinical activities, targeted training for team members, and strengthening case presentation.

Given the financial pressures created by the Great Recession, it is more important than ever for orthodontists to understand these events in the practice life cycle, and how to use them as jumping off points for greater practice growth. ◊

About the Author



Dr. Roger P. Levin is Chairman and CEO of Levin Group, Inc. Levin Group provides premier, comprehensive consulting solutions that deliver Total Ortho Success™ to orthodontists in the U.S. and around the world.