

# Bentson Clark reSource

1<sup>st</sup> Quarter 2014

A Quarterly Publication For Students

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## Looking Back at the Practice Valuations of 2013

By: Chris Bentson & Doug Copple

The first 2014 edition of the *Bentson Clark reSource* leads with our annual review of practice valuation metrics. Since 2006, Bentson Clark & Copple, LLC has compiled several high level statistics from orthodontic practice valuations that were completed during the previous year and reported them in the 1<sup>st</sup> quarter edition of the *reSource*. As in previous years, we have selected 25 valuations completed during the 2013 calendar year. This article will provide an overall review of these valuations, offering a window into the current values of orthodontic practices as seen by Bentson Clark & Copple. These statistics will offer some measurement data that can be used to compare non-valued orthodontic practices against some recent market data. A summary of the averages for the data published over the last seven years in the *Bentson Clark reSource* is provided in Chart 2 of this article. The summary data represents a total of 175 practice valuations completed by Bentson Clark & Copple between 2007 and 2013.

As with prior reviews, 2013 data presents rounded net collections, practice income, adjusted overhead rate, debt-free value, value expressed as a percent of collections and number of locations for each respective practice. As always, we caution that solely looking at the high level data presented in this annual analysis does not provide the full complement of data used to accurately value any given practice. Other factors needed in order to fully understand an individual practice include, but are not limited to, current and historical financial and operational data, demographic data, condition of the practice's physical facilities, competitive environment operating systems, referring patterns, marketing program(s) and staff. In order for a valuator to place a reliable fair market value on any individual practice, he or she should thoroughly analyze and understand all of this data, perform an on-site visit of the practice and utilize recognized valuation principles and methodologies.

## Are Your New Patients Sold On YOU?

By: Betty Zuelke

Patients come to an orthodontic office and end up with braces, aligners, or orthodontic appliances of some sort - or they stay in the decision mode and are often never seen or heard from again. Since I specialize in Case Acceptance, I commonly see that no matter how hard some doctors and Treatment Coordinators (TC's) try, their patient (or the parent) is still not sold on the reasons orthodontic treatment is necessary and the method by which the correction will be accomplished. If I needed my appendix removed I would understand the necessity and urgency of the procedure and I would completely agree that the removal process was indeed what had to be done. However, orthodontics is far more elective than an appendectomy.

Recently, a TC in a client's office had just had knee replacement surgery. She told me that she went "out of network" to a surgeon with the best reputation because she wanted to be able to walk pain free again. I have a friend who recently chose a plastic surgeon for liposuction based on his excellent reputation, because she didn't want to "wake up lumpy!" These are simple examples of how patients get sold on the reputation of the doctor and their vision of the end result. The reputation of the doctor must stand out as amazing in a sea of lesser choices, and the vision of the end result must be firmly planted in the patient's/parent's mind.

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## Mari's List: What Practice Owners Need to Know

*An Interview with Mari Sawtelle-Dunn*

**M**ari Sawtelle-Dunn has a long history in orthodontics. Now, as the owner of Mari's List®, her company is providing orthodontic practice owners with a review of supply costs and offering a solution to profoundly affect a practice's bottom line. With an A-team list of clients who are raving about her services, we wanted to learn more and recently interviewed Mari about her new company, Mari's List®.

**Q: Tell us a little about your background in orthodontics and how you came to start Mari's List®.**

A: Well, I actually started out as a lab tech and orthodontic assistant. I then spent over 25 years in the field as a rep working for four of the largest orthodontic companies. Following that, I then went inside working for a multi-state, 12-doctor practice as their Director of Purchasing and Business Development. I created that company's inventory formulary and system, negotiated pricing, and opened several new offices. In fact, in my first year, I saved the company over a million dollars, which is what led me to ultimately start Mari's List®.

I have had the advantage in my professional life of working on both sides of orthodontics, for both the vendors and the practices. I loved both, and the core of it for me was always my relationships with the doctors and their teams. When I saw what I was able to do for a large ortho group, I wanted to figure out how to do the same for every practice, large or small.

## Exploring Pacific Dental: An Alternative Orthodontic Environment

*An Interview with Sheila Bracker*

**R**ecently I, Chris Bentson, had the opportunity to share dinner with Sheila Bracker, Director of Strategic Business Development, Orthodontics, and Thomas Von Sydow, Vice President of Specialties at Pacific Dental Services® (PDS®). As we talked, it became clear to me that PDS-supported owner dentists have a big vision for dentistry and for hiring specialists to complement their growth objectives. I found this privately-held company to have a very high degree of integrity, with a philosophy of caring and giving back to the profession, and to be a good resource for orthodontists who desire an alternative to traditional associate positions and the corporate dental environment. Today, PDS-supported clinicians employ over 100 orthodontists, and they have a vision to expand their footprint. We thought you might want to learn more about them, so we interviewed Sheila Bracker.

**Q: Can you give us some background on Pacific Dental Services? How it got started, the company's mission, vision?**

A: Pacific Dental Services was founded in 1994 by Stephen Thorne, Founder, CEO and President. Pacific Dental Services provides a full scope of business and administrative support services to dentists including marketing, real estate, payroll, human resources, billing and accounting.

## Word of Mouth Marketing - It's Alive!

*By: Laura Overcash*

**W**ord of Mouth (WOM) marketing is alive and well. It is running rampant in today's world of social media. As social media's presence in our everyday lives grows, the speed and frequency of WOM is expected to increase. This can become a two-edged sword; as quickly as positive stories are exposed, negative WOM seems to travel even faster.

There is no denying that WOM is very powerful. *Business E-Coach* reports that a happy customer will tell four others about their positive experience, while dissatisfied customers will tell 12 about a negative experience. According to the White House Office of Consumer Affairs, approximately 13% of dissatisfied customers tell more than 20 people. However, don't let these facts frighten you; simply use it to your advantage when emphasizing the importance of 5-star customer service in your orthodontic practice.

Things have changed a bit over time and now we have Facebook, Twitter, Instagram, Vine – the list goes on and on. Today, in the world of social networks, Facebook is king with moms and dads, according to *Marketing to Moms Coalition's 2012 State of the American Mom Report*. It is the most regularly used social networking tool among all generations of moms. Seventy-three percent (73%) of moms and 68% of dads regularly use Facebook, compared with much lower usage for other platforms. New research also indicates that Facebook is now the most trusted online source people use to get recommendations for products and services.

