

# Bentson Clark reSource

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## Does Your Practice Overhead Rate Compare?

By: Chris Bentson & Doug Copple

When you're in the business of valuing orthodontic practices and structuring transitions, it becomes apparent there are many different business models that yield successful results for practice owners. It is also obvious that there are many ways to successfully manage and operate an orthodontic practice. From high-end boutique practices to value-driven insurance branded practices, and all levels between, orthodontic practice owners have shown that one size (or strategy) does not fit all. This is true when it comes to practice philosophy, treatment modality and overhead structure. However, understanding overhead averages for the orthodontic profession can be useful for any practice owner regardless of the particular business model, philosophy or treatment modality deployed. This article and two articles that will follow in the *Bentson Clark reSource* presents data on the average orthodontic practice overhead extracted from two different time periods. This will allow practice owners to gain a sense of not only the averages, but also the rate or change in certain expense categories over the last five years.

## Let's Play: Engage Patients Through Social Rewards, Contests & Gamification

By: Brenda Ashwell

Patients today are very different from the patients of yesteryears. Many have never known a life without technology. The Internet is their playground, and they swing across online monkey bars with ease. These days, it's not uncommon even for kindergarteners to receive iPads with their nap pads upon enrollment! Social networking, video sharing and online gaming - all accessed instantaneously via smart devices in the palm of one's hand - are fixtures of today's culture. Games in particular top the charts of application downloads. As such, they've become one of the most important trends in recent technology. Today's youth have been immersed in the language and metaphors of gaming their entire lives. Not surprisingly, marketers recognize the essential role games and contests play in driving customer incentive and loyalty. There's even a word for the attempt to influence behavior by engaging participants in fun activities: "Gamification."

## The Balancing Act...It's Simple - Part 5 of 5

By: Maria Bailey

When talking about moms and how to relate to and engage with them, there are five core values that enable them to reach their goal of nurturing their children in the best, most efficient way possible: Health and Safety, Value, Child Enrichment, Simplicity and Saving Time. The last to cover in this newsletter series is Simplicity, a value that is usually coupled with Balance. Following the definition of balance and simplicity plus examples in the consumer/retail categories, I'll offer a few examples of meeting this important value as a health care provider and give a final note on Quality Service.

The search for simplicity and balance includes simplifying one's life, growing spiritually and just feeling good. For moms, this means finding solutions to handle tasks, from the occasional to the everyday variety, which ultimately adds more time in the day.

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## For What It's Worth!

*By: Mary Kay Miller*

**D**oes the Internet factor into the buying and selling of a practice? Can a web marketing presence be quantified? What is a website worth? For that matter, what's the value of a page one ranking in local search when negotiating a sale? Is it reasonable for buyers to expect a complete transfer of ownership of all marketing tools that are Internet-related?

There is no one answer to these questions since everything is subjective when brokering a business. Indeed, very little information exists on this topic, and ownership guidelines are murky at best. It is a challenge for both the buyer and the seller to determine how a web presence impacts future marketing viability, but as a valuable asset it should be factored into negotiations of a sale.

## An Enforceable Non-Compete Covenant: We'll Know It When We See It

*By: Daniel Sroka*

**N**on-compete laws are as varied across our country as accents, NFL allegiances and pizza preferences. However, if there is a predominant legal standard used by courts to evaluate whether or not a non-competition covenant is enforceable, it is something akin to the infamous Supreme Court proviso: We know it when we see it. Moreover, almost every published decision addressing non-competes includes a statement along the lines of "courts generally disfavor non-competition covenants." Therefore, you should look askance, or worse, at anyone who states that any particular non-competition covenant is ironclad. With that as the primer, what follows will, hopefully, serve as at least a rough diagram of this briar patch.

When the negotiation of a purchase of an interest in an orthodontic practice or an associate employment agreement turns to the topic of non-competes, the lawyers on the call are actually thinking of four separate covenants: (1) a non-competition covenant, (2) a covenant not to solicit patients, (3) a covenant not to solicit employees and (4) a covenant not to solicit referring dentists.

## Increasing Word-of-Mouth Endorsements By Embracing New Technology

*An Interview with Dr. Robert A. Miller*

**I**t's perhaps particularly appropriate in the business of orthodontics to acknowledge the fact that the best form of advertising is word-of-mouth. No television or radio spot, magazine spread or direct mail piece consistently has the credibility and power of persuasion of a direct personalized endorsement. Of course, word-of-mouth encompasses much more than it did just a few years ago. Social media such as Facebook, along with consumer opinion-driven online sites such as Yelp and Angie's List, have revolutionized the way consumers share experiences of goods and services, including orthodontic practices.

One orthodontist who has seen first hand the importance of embracing new technology is Dr. Robert A. Miller whose practices are located in Culpeper and Warrenton, VA. After serving three years with the US Air Force as Chief of Orthodontics at Clark Air Force Base in the Philippines, he returned to Virginia where he built the Culpeper practice and made it his own in 2001. He then opened his Warrenton practice in 2010.

## Gaidge: Why to Consider this Tool to Help Manage One's Practice

*An Interview with Katie Odegard*

**W**e last spoke with Gaidge (formerly OrthoMetrics) in the Second Quarter 2011 edition of the *Bentson Clark reSource* ("OrthoMetrics: Bridge to Data Efficiency," Volume VI, Issue II). Two years later we wanted to provide an update to our readers on this innovative analytics tool for two reasons. First, it is increasingly important for doctor/owners to improve their level of sophistication with regard to analyzing practice performance. Secondly, a more competitive marketplace, a consumer that examines orthodontic treatment options with greater scrutiny, and slow but steady trends showing increases in practice overhead all make understanding and knowing the numbers and trends in a practice a must for the doctor who wants to truly manage and make strategic decisions that will allow the practice to grow and prosper in the current environment.

We've observed that practices that employ Gaidge have a grasp on the numbers and knowledge of critical operational and financial metrics that, taken together, are allowing for quicker and better decision making about what to focus on, where to spend training time and marketing dollars, and how to best position their practice for growth. Since OrthoMetrics has matured and experienced a name change, we interviewed their account executive, Katie Odegard for an update.

