Moving teeth may be the most straightforward part of an orthodontist’s job, and interacting with young patients may be the best part. But what about the part of orthodontics your training never prepared you for? Very few doctors and team members entered the field because of their love for managing overhead, collections, and practice marketing, but running an orthodontic practice like a small business is a necessity. As practice owners, orthodontists must take on the role of CEO driving operations, efficiencies, and strategy for the business. On top of that, changing patient demands and an evolving industry means that the pressures of practice growth are always changing and the need for teams to be aligned from a business standpoint is essential.

Business intelligence is the outcome from pulling, analyzing, and generating insights for a business based on its data. Leveraging analytics and practice management tools help prepare offices to better handle the challenges they face in today’s market. In this article, we have identified three critical areas of opportunity, or “leaks”, where practices are losing thousands of dollars of production. Using insights from data to find the sources of leaks is the first step toward taking action to stop the flow.

**Call in the Diagnosticians**

Consider Gaidge your practice’s personal data analyst. Based on data pulled from more than 1,500 orthodontic locations, the Conversion Waterfall (to the right, middle) illustrates the funnel of patients who call for an exam through how many actually start treatment. Gaidge has identified three major leaks along the waterfall that can lead to significant production losses.
Leak 1: Not Converting New Patient Calls to Exams

Industry benchmarks suggest 90% of new patients who call to schedule an exam should attend the appointment. Therefore, it’s imperative to have a diligent, high-touch onboarding system in place, as the 10% attrition accounts for prospective patients who were not engaged.

Leak 2: Not Properly Managing Your Observation System

Industry benchmarks guide us to know 20% of exams should move into pre-treatment observation while 20% of starts should come from pre-treatment observation.

In the illustration to the right, 130 new patients were moved to observation (20%) while 53 starts (12.3%) came from patients in observation.

Leak 3: Not Converting Patients From Phase 1 to Phase 2

Did you know industry benchmarks expect an 85% conversion rate from Phase I to Phase II in a practice? Based on the data housed in Gaidge, the conversion rate for the average practice is just 49%.

Increase Production and Prevent Potential Production Losses

If a practice experiences all three of these leaks over the course of a year it could represent as much as $480,000 of missed opportunity. Keep in mind, each office will have its own unique situation and accompanying metrics but every practice should be aware of the critical metrics that not only drive growth, but also those that can minimize or prevent leaks.

About the Author

Gaidge is an essential business management tool that provides business intelligence dashboards, benchmarking and performance comparisons for orthodontic practices. Gaidge fully integrates with Ortho2 Edge Cloud and ViewPoint.

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