

US Orthodontic Market Industry Trends

Chris Bentson, President of Bentson Clark & Copple, LLC

It was once stated that the only constant is change. Certainly, the current economic environment has introduced new and, in some cases, dramatic changes into the world of orthodontics. Beyond the near-term effects of the current economy, there are many subtle changes and trends being seen in the US orthodontic marketplace.

Practice Overhead

In Bentson Clark & Copple's 2008 Annual Valuation Summary, practice overheads increased 4.4% from the previous year (2007). In fact, practice overhead averages over the past four years have displayed an increasing trend. The majority of this increase can be traced back to the practice's staff expense. As downward pressure on growth continues, doctors have not managed variable expenses, particularly staff expenses, as they have encountered lower practice revenues. Many practices are overstaffed, resulting in doctors/owners taking home less money than in previous years.

Capital Preservation & Wealth Accumulation with Bonds

Tom Cartee, Vice President of Sheets Smith Wealth Management

As battle-weary investors have fled the turmoil and carnage of the stock market over the past several months, many have sought refuge in the world of fixed income securities. Many investors have a new focus on capital preservation. The quest for capital appreciation has lost its allure for hordes of disappointed and disillusioned investors. For many folks, the exodus from equities is a journey toward bonds. Wisdom dictates that a properly balanced portfolio should have an allocation to bonds. John Bogle, the founder of Vanguard, suggests that the allocation to bonds in your portfolio should equal your age.

Brief Glimpse into Annual Resident Survey Results

Laura Overcash, Director of Marketing at Bentson Clark & Copple, LLC

Bentson Clark & Copple recently surveyed 120 residents throughout the country about their anticipated plans after completing their residency. A variety of questions were asked regarding the overall process of searching for an orthodontic practice, income/salary expectations, and future career plans. For some residents, selecting a practice type and location is easy because they plan to work with a family member, but others find the entire process extremely difficult and challenging. We will share the entire survey results in the 3rd Quarter 2009 issue of the reSource, but we wanted to share a couple of the results here because we found the data fascinating.

A New Tool in Patient Care Management

An Interview with Paul Zuelke, President & Founder of Zuelke & Associates

Bentson Clark & Copple recently had the opportunity to speak with Mr. Zuelke to find out more about his new product, ZACC. This new, web-based tool automates and streamlines the "Zuelke" credit grade system. This product is an easy-to-use web application based on the credit management program Mr. Zuelke implements and monitors in his client's practices.

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Getting Organized in a Slow Economy

Mary Beth Kirkpatrick, Managing Partner of impact360

The slowdown in the economy may offer an opportunity for your practice to accomplish some tasks that have been on the back of your desk for a while - tasks that can reduce overhead, streamline systems, and increase efficiency which will serve you well over time. In the short term, it is an opportunity to tackle some projects you have been postponing as well as refocus on each patient's experience at your office.

Note the Trends

- Stable to decreasing production
- Greater discrepancy in number of new patient calls versus actual exams
- Decreased or delayed case acceptance
- Creative financial arrangements and increased use of third party financing
- Fewer patients paying in full at the beginning of treatment

Sign on the Dotted Line

Laurance Jerrold, DDS, JD, Dean & Program Director of the School of Orthodontics at Jacksonville University

Bentson Clark & Copple, LLC visits many of our clients' practices during the valuation and transition process. We have noticed that the number and type of contracts that orthodontists require their patients to sign vary widely from office to office, sometimes requiring virtually none at all. Therefore, to give a general idea of the various documents and agreements orthodontic patients should complete and sign, we asked Laurance Jerrold, DDS, JD, to provide an overview of the documents and risks to be considered. Below is what he had to say:

Doctors often do not fully understand or appreciate the reasons why certain forms require a patient's/ parent's signature. This article will discuss the various forms that we all use (or should be using) in our practices that require an appropriate signature. At the outset, I always provide the following disclaimer that nothing that is written here is to be construed as legal advice. There is no attorney/client relationship contemplated between myself and anyone reading this piece. So, now that the formalities have been dispensed with, let's get to it.