

MANAGEMENT & MARKETING

(Editor's Note: This quarterly JCO column is compiled by Contributing Editor Robert Haeger. Every three months, Dr. Haeger presents a successful approach or strategy for a particular aspect of practice management. Your suggestions for future topics or authors are welcome.)

Have you ever wondered what happens in the exam room after you leave a prospective new patient with your treatment coordinator? How well does your TC understand the needs of the patient and communicate the benefits of your office? How does your TC or other factors influence the patient's decision on whether to start treatment? How does one dentist referral pattern compare to another?

Although you could monitor and evaluate your TC's behavior with a hidden camera, people tend to put forth greater effort when they know they're under observation. I have gained much more insight by addressing these questions through monthly reporting. My office now monitors the performance of my TCs for all types of patients (child, adult, Phase I, full treatment, surgical, etc.), along with the return on investment for our marketing dollars and the specific vocabulary used by top referring dentists. All this information helps us target the need for our staff continuing education.

Probably the most crucial part of a detailed analysis is tracking the changes for all these parameters over time, by month, quarter, and year. This allows us to be proactive and take the business of orthodontics forward under challenging economic conditions. Ideally, such reports should be included in practice-management software, which would allow cross-comparisons among different offices.

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Increasing New Patient Starts by Analyzing Referral Sources and Treatment Coordinators

A prospective patient's initial examination may be the most important visit in the entire orthodontic treatment process. The patient's perception of the practice, which starts to form with the referral and the initial telephone call, is largely shaped by his or her experience at this first appointment. It is essential to understand the dynamics involved in attracting new patients to the practice and convincing them that it's the best place for them to receive care. To this end, I have designed a system for my practice to record, monitor, and analyze the success of our marketing campaigns, referrals, and treatment coordinator (TC) activities in terms of converting initial examinations to patient starts. These data are continually updated, allowing me to easily detect changes and trends over time.

Analysis of initial examination appointments



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Referral of new patients to our office is the greatest compliment we can receive. Please take a moment to let us know how you heard about our office. Please check all sources that apply and circle the main reason you selected our office.

Patient: _____

<input type="checkbox"/> Dentist	<input type="checkbox"/> Internet
<input type="checkbox"/> Family member/sibling	<input type="checkbox"/> Insurance company
<input type="checkbox"/> Friends/coworkers	<input type="checkbox"/> Phone book
<input type="checkbox"/> One of Dr. Haeger's employees	<input type="checkbox"/> Church
<input type="checkbox"/> Sports teams/sponsorship	<input type="checkbox"/> Advertisement
<input type="checkbox"/> Other (please state:)	_____

Please list all of your friends who referred you here so that we can thank them properly.

Fig. 1 New patient referral information form.

should focus on the following factors:

- How effective is the TC in persuading patients to begin orthodontic treatment in my practice?
- What are the sources of new patients, and what percentage of patients from each source decide to start treatment?
- What are the patterns of referrals from dentists? Are dentists convincing patients that they need care, and if not, can I help them improve their communication skills?
- How well do we understand the complexities of adult, surgical, and multidisciplinary patients and their decisions about seeking care?

This article demonstrates how the data I have collected can be organized into tables and interpreted to develop concrete strategies for attracting and retaining new patients.

Procedure

To allow maximum versatility in data analysis, the following information is recorded using Microsoft Excel* at the initial examination:

- Dentist
- Patient name
- Age at initial examination
- Examination date/month/quarter
- TC
- Child (up to age 18) or adult

- Proposed treatment:
 - Limited
 - Phase I
 - Full
 - Invisalign**
 - Surgical
 - Multidisciplinary
 - Transfer
 - Nothing for now
- Status upon leaving the office:
 - Start today
 - Start shortly after the examination
 - Memo (treatment needed but decision pending)
 - Observation/recall (not ready to start yet)
 - Treatment declined
 - No treatment needed
- How the patient heard about the office, and the primary reason for the visit (Figure 1 shows the form I give the new patient or responsible party at the initial appointment to collect referral information)
 - Practices with multiple offices, orthodontists, or associates might need to collect several sets of data.

*Microsoft Corp., Redmond, WA; www.microsoft.com. We are in the process of incorporating these charts into the Oasys practice-management system (Oasys Practice, 370 Winkler Drive, Suite A, Alpharetta, GA 30004; www.oasys-practice.com), which will make the data less time-consuming to enter and easier to format.

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TABLE 1
OVERALL SIX-MONTH RESULTS OF INITIAL EXAMINATION APPOINTMENTS

Month	Start Today	Start Later	Memo	Observation	Decline	Not Needed	Total
Jan	12 25.0%	1 2.1%	3 6.3%	17 35.4%	15 31.3%	0 0.0%	48 100.0%
Feb	5 38.5%	3 23.1%	0 0.0%	4 30.8%	1 7.7%	0 0.0%	13 100.0%
Mar	24 32.4%	4 5.4%	8 10.8%	24 32.4%	13 17.6%	1 1.4%	74 100.0%
April	17 37.8%	1 2.2%	6 13.3%	17 37.8%	4 8.9%	0 0.0%	45 100.0%
May	18 36.0%	1 2.0%	16 32.0%	13 26.0%	2 4.0%	0 0.0%	50 100.0%
Jun	18 47.4%	0 0.0%	11 28.9%	5 13.2%	2 5.3%	2 5.3%	38 100.0%
Total	94 35.1%	10 3.7%	44 16.4%	80 29.9%	37 13.8%	3 1.1%	268 100.0%

TABLE 2
SIX-MONTH RESULTS FOR ONE TREATMENT COORDINATOR (TC A)

Month	Start Today	Start Later	Memo	Observation	Decline	Not Needed	Total
Jan	8 26.7%	1 3.3%	3 10.0%	11 36.7%	7 23.3%	0 0.0%	30 100.0%
Feb	4 44.4%	3 33.3%	0 0.0%	2 22.2%	0 0.0%	0 0.0%	9 100.0%
Mar	15 37.5%	2 5.0%	7 17.5%	12 30.0%	3 7.5%	1 2.5%	40 100.0%
April	12 42.9%	1 3.6%	6 21.4%	8 28.6%	1 3.6%	0 0.0%	28 100.0%
May	9 28.1%	1 3.1%	13 40.6%	8 25.0%	1 3.1%	0 0.0%	32 100.0%
Jun	10 40.0%	0 0.0%	7 28.0%	4 16.0%	2 8.0%	2 8.0%	25 100.0%
Total	58 35.4%	8 4.9%	36 22.0%	45 27.4%	14 8.5%	3 1.8%	164 100.0%

Data Tabulation and Analysis

Table 1 provides a good overview of the results of initial examination appointments. Combining the data in the “Start Today” and “Start Later” columns yields the total percentage of patients who committed to treatment, which is one of the most important pieces of data collected. Although this general information is valuable for

monitoring the overall health of a practice, we need to examine the data in more detail to understand how office policies or the communication styles of particular TCs affect the results of initial appointments.

Table 2 goes one step further by examining the results of the initial appointments of a particular TC (let’s call her TC A). In January, 30.0% of A’s patients started treatment, while 36.7% were

**TABLE 3
QUARTERLY SUMMARY OF RESULTS FOR ONE TREATMENT COORDINATOR (TC A)**

Quarter	Start Today	Start Later	Memo	Observation	Decline	Not Needed	Total
1	27	6	8	25	10	1	77
	35.1%	7.8%	10.4%	32.5%	13.0%	1.3%	100.0%
2	31	2	28	20	4	2	87
	35.6%	2.3%	32.2%	23.0%	4.6%	2.3%	100.0%
Total	58	8	36	45	14	3	164
	35.4%	4.9%	22.0%	27.4%	8.5%	1.8%	100.0%

**TABLE 4
ONE-MONTH RESULTS BY PATIENT TYPE
FOR THREE DIFFERENT TREATMENT COORDINATORS**

	TC	Start Today	Start Later	Memo	Observation	Decline	Not Needed	Total
Child	A	6	0	2	11	2	0	21
		28.6%	0.0%	9.5%	52.4%	9.5%	0.0%	100.0%
	B	1	0	0	2	1	0	4
		25.0%	0.0%	0.0%	50.0%	25.0%	0.0%	100.0%
	C	2	0	0	4	2	0	8
		25.0%	0.0%	0.0%	50.0%	25.0%	0.0%	100.0%
Child Total		9	0	2	17	5	0	33
		27.3%	0.0%	6.1%	51.5%	15.2%	0.0%	100.0%
Adult	A	2	1	1	0	5	0	9
		22.2%	11.1%	11.1%	0.0%	55.6%	0.0%	100.0%
	B	1	0	0	0	3	0	4
		25.0%	0.0%	0.0%	0.0%	75.0%	0.0%	100.0%
	C	0	0	0	0	2	0	2
		0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Adult Total		3	1	1	0	10	0	15
		20.0%	6.7%	6.7%	0.0%	66.7%	0.0%	100.0%
Overall Total		12	1	3	17	15	0	48
		25.0%	2.1%	6.3%	35.4%	31.3%	0.0%	100.0%

not ready to start (“Observation” column). In February, 77.7% of A’s patients started care. Table 3 shows a quarterly summary of A’s patient statistics. All this information can offer some insight into the communication skills of each TC in the office, and is also valuable in setting goals and determining bonuses.

The true power of collecting and analyzing data becomes evident when we examine the results of particular TCs for specific categories of patients.

Patients can be grouped by age or by the type of treatment recommended. Table 4 divides each TC’s patients into children and adults, allowing us to track their success with these two very different groups. Although this table includes data for only one month, quarterly and annual tracking can also be performed. Such information can help identify strategies for communicating with specific types of patients that can be discussed in staff meetings and used to develop continuing-education classes.

TABLE 5
ONE-MONTH RESULTS FOR PATIENTS NEEDING FULL TREATMENT

	TC	Start Today	Start Later	Memo	Observation	Decline	Not Needed	Total
Child	A	5 41.7%	0 0.0%	2 16.7%	0 0.0%	5 41.7%	0 0.0%	12 100.0%
	B	14 77.8%	0 0.0%	2 11.1%	0 0.0%	2 11.1%	0 0.0%	18 100.0%
	C	33 57.9%	2 3.5%	16 28.1%	0 0.0%	6 10.5%	0 0.0%	57 100.0%
Child Total	52 59.8%	2 2.3%	20 23.0%	0 0.0%	13 14.9%	0 0.0%	87 100.0%	
Adult	A	4 36.4%	1 9.1%	2 18.2%	0 0.0%	4 36.4%	0 0.0%	11 100.0%
	B	7 46.7%	1 6.7%	1 6.7%	0 0.0%	6 40.0%	0 0.0%	15 100.0%
	C	18 43.9%	2 4.9%	14 34.2%	0 0.0%	6 14.6%	1 2.4%	41 100.0%
Adult Total	29 43.3%	4 6.0%	17 25.4%	0 0.0%	16 23.9%	1 1.5%	67 100.0%	

The traditional conversion rate (starts/exams) assumes that patients under observation will eventually start treatment, but this assumption may or may not be correct. Evaluating only the data for patients needing full treatment provides a better indication of our communication skills at the initial appointment. Table 5 shows the results for each TC, again grouped by patient age. This information is also compiled for surgical, multidisciplinary, Phase I, and Invisalign patients.

Tables 6 through 9 break down referral sources to show the impact of marketing programs or referrals by particular dentists on patient statistics. Table 6 covers the various means by which patients learn about our office. For example, 91% of all new adult patients are referred by their dentists or family members. New child patients are three times as likely as adults to learn about the practice from friends. We use this information to help determine how to spend our marketing dollars; a practice with multiple marketing campaigns could evaluate which ones are most successful for each patient age group.

By combining information on referrals with data on the percentages of patients who start or decline treatment, we can identify the most fruitful referral sources. Table 7 shows that 28.4% of

TABLE 6
SOURCES OF NEW PATIENTS
(JANUARY-JUNE)

	Child	Adult	Total
Dentist	109 60.9%	64 71.9%	173 64.6%
Family	33 18.4%	17 19.1%	50 18.7%
Friends	30 16.8%	5 5.6%	35 13.1%
Employee	1 0.6%	0 0.0%	1 0.4%
Internet	3 1.7%	1 1.1%	4 1.5%
Insurance	2 1.1%	1 1.1%	3 1.1%
Yellow Pages	1 0.6%	1 1.1%	2 0.8%
Total	179 100.0%	89 100.0%	268 100.0%

child referrals from dentists start treatment, compared to 42.4% of those referred by family members who have been treated in my practice. Eleven

**TABLE 7
RESULTS FOR PATIENTS REFERRED BY DENTISTS VS. FAMILY MEMBERS
(JANUARY-JUNE)**

	Start Today	Start Later	Memo	Observation	Decline	Not Needed	Total
<i>Dentist</i>							
Child	30	1	16	50	12	0	109
	27.5%	0.9%	14.7%	45.9%	11.0%	0.0%	100.0%
Adult	26	3	17	0	15	3	64
	40.6%	4.7%	26.6%	0.0%	23.4%	4.7%	100.0%
Total	56	4	33	50	27	3	173
	32.4%	2.3%	19.1%	28.9%	15.6%	1.7%	100.0%
<i>Family Member</i>							
Child	13	1	5	12	2	0	33
	39.4%	3.0%	15.2%	36.4%	6.1%	0.0%	100.0%
Adult	8	1	3	1	4	0	17
	47.1%	5.9%	17.7%	5.9%	23.5%	0.0%	100.0%
Total	21	2	8	13	6	0	50
	42.0%	4.0%	16.0%	26.0%	12.0%	0.0%	100.0%

**TABLE 8
RESULTS FOR PATIENTS REFERRED BY PARTICULAR DENTISTS
(JANUARY-JUNE)**

	Start Today	Start Later	Memo	Observation	Decline	Not Needed	Total
<i>Dentist A</i>							
Child	0	0	0	6	2	0	8
	0.0%	0.0%	0.0%	75.0%	25.0%	0.0%	100.0%
Adult	0	0	1	0	1	0	2
	0.0%	0.0%	50.0%	0.0%	50.0%	0.0%	100.0%
Total	0	0	1	6	3	0	10
	0.0%	0.0%	10.0%	60.0%	30.0%	0.0%	100.0
<i>Dentist B</i>							
Child	2	1	0	3	1	0	7
	28.6%	14.3%	0.0%	42.9%	14.3%	0.0%	100.0%
Adult	2	0	1	0	1	0	4
	50.0%	0.0%	25.0%	0.0%	25.0%	0.0%	100.0%
Total	4	1	1	3	2	0	11
	36.4%	9.1%	9.1%	27.3%	18.2%	0.0%	100.0%

TABLE 9
RESULTS FOR PARTICULAR REFERRING DENTISTS BY TREATMENT TYPE
(JANUARY-JUNE)

	Start Today	Start Later	Memo	Observation	Decline	Not Needed	Total
<i>Dentist A</i>							
Full	3	0	1	0	2	0	6
	50.0%	0.0%	16.7%	0.0%	33.3%	0.0%	100.0%
Limited	1	1	0	0	0	0	2
	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Nothing now	0	0	0	3	0	0	3
	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
Total	4	1	1	3	2	0	11
	36.4%	9.1%	9.1%	27.3%	18.2%	0.0%	100.0%
<i>Dentist B</i>							
Full	3	0	1	0	0	0	4
	75.0%	0.0%	25.0%	0.0%	0.0%	0.0%	100.0%
Limited	0	0	1	0	0	0	1
	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Phase I	1	0	0	0	0	0	1
	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Invisalign	0	0	1	0	0	0	1
	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Surgical	0	1	0	0	1	0	2
	0.0%	50.0%	0.0%	0.0%	50.0%	0.0%	100.0%
Multidisciplinary	1	0	0	0	0	0	1
	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Nothing now	0	0	0	2	0	1	3
	0.0%	0.0%	0.0%	66.7%	0.0%	33.3%	100.0%
Total	5	1	3	2	1	1	13
	38.5%	7.7%	23.1%	15.4%	7.7%	7.7%	100.0%

percent of the children referred by their dentists decline treatment, compared to only 6% of the siblings.

Proper data collection also allows for analysis of specific dentists and their referral patterns, as shown in Table 8. Such information can lay the groundwork for fruitful discussions with these dentists over lunch or at conferences. For example, why does one dentist have a much higher start rate for adults than for children? What is that dentist saying to his adult patients that makes so many of them start orthodontic treatment? The table shows

that none of Dentist A's patients have committed to starting treatment, although 75% of them are under observation. A discussion with Dentist A would focus on when he is referring patients and what criteria my office uses to assess the need for Phase I treatment.

Table 9 breaks up each dentist's referrals by the type of orthodontic treatment recommended. The orthodontist can use this information to analyze his or her own success in communicating with specific types of patients, as well as to track the referral patterns of each dentist.

Discussion

Analyzing start rates for new patients points us toward several strategies for improving our practices and patient care. The obvious starting point is to evaluate the effectiveness of TCs in communicating with prospective patients about the benefits of orthodontic treatment and why they should choose our practice. Historical data can help us establish reasonable goals for each type of patient and guide us in training new TCs. Our data-collection process allows us to determine which TCs are generating more starts for children, adult, Phase I, Invisalign, surgical, multidisciplinary, and transfer patients. This gives us a clear picture of the strengths and weaknesses of each TC and helps us identify TCs who are particularly successful with certain types of patients. Those individuals can then share their techniques with the entire staff, while TCs who are struggling can be targeted for additional training.

Our second major area of study is referral sources. By recording the primary source of each referral, we can track the revenue generated by specific marketing strategies and better direct future expenditures. The most meaningful information for our office pertains to referring dentists. Careful analysis has resulted in several strategies:

- A particular dental office had extremely high conversion rates for adult, surgical, and multidisciplinary patients. I met with the dentist to find out the specific language he and his colleague used when making these referrals. Now, when I

meet with other dentists, I convey this same wording to them.

- Certain dental offices refer patients who invariably end up under observation. When I meet with these dentists, I describe my approach to Phase I treatment and how our pretreatment recall system works. We also try to schedule shorter exam appointments for patients from these offices.
- By monitoring referral data over time, we quickly notice any changes in referral patterns and conversion rates of particular dental offices. This allows us to investigate the reasons for these changes and take any action needed.
- One office hired a new associate whose referrals seldom started treatment. We invited this dentist to sit in on an initial examination and discussed successful referral techniques. These efforts have brought the associate's conversion rate up to a normal level.

The same kind of analysis can be used for multiple practice locations, associate orthodontists, or recall patient visits.

Keeping our practices successful in this challenging economic climate will require increasingly strategic business techniques. The best way to understand your practice is to record concrete data, monitor it over time, and analyze the information regularly. The result will be the best possible use of your marketing funds. Proactive offices that employ procedures such as those described here will have the best chance of weathering the economic downturn. □