



## A Bad Economy is a Terrible Thing to Waste



By now, we all had hopes that the economy would be on its way back, a recovery would be underway and that we'd be charting a course for prosperity with a renewed optimism. Instead the economy is going sideways, the recovery is MIA and we're clearly in uncharted territory. Rather than dwell on the negative, it's time to focus on what's next.

Whether our current situation is part of an economic aberration or the beginning of the new normal remains to be seen. The question is - how will you respond? You could raise your prices (too reactionary) or try the latest online coupon craze (again, reactionary - and maybe even desperate). Better yet, you can respond by meeting an existing demand that's within your business' primary skill set; that is, you can react positively and respond proactively to a negative situation.

One of our primary objectives in *The Progressive Dentist* magazine is to identify and share resources with our subscribers. In our previous edition, Dr. Tony Stefanou wrote an article on passive profit programs for the dental practice. Here, we'll take this concept a little further as we introduce our first Certified Revenue Replacement® solution - another important and often overlooked income stream. Let's focus on replacing lost revenue and perhaps—should we dare to dream—to position ourselves to come out of this thing stronger and better prepared for whatever the future may hold.

In our recent discussions with a number of doctors who have successfully and profitably implemented additional services in their practices, we found a common theme that we felt compelled to elaborate on here.

**One of the most consistently untapped opportunities for service expansion in dental practices today is in-office custom appliance fabrication. This includes everything from bleach trays, to night guards, to sports mouthguards, to orthodontic retainers and aligners and TMJ stents, to name a few possibilities.**

## THE REASONS FOR PROVIDING THESE SERVICES ARE AMPLE:

- Technology has improved the ease of fabrication and the overall performance of custom appliances.
- Custom appliances are a logical expansion of your existing services as it promotes care and attention to improved dental health.
- Millions of children – and now adults – need sports mouthguards to protect their teeth.
- As young patients develop, so too will the need for new functional and preventive appliances, which creates a recurring service from the existing patient base.
- Custom appliances can generate new patients through referrals to you, not to the “big box stores” for more over the counter products.
- There’s strong parent appeal to protect the investment of recent orthodontic treatment and/or other cosmetic procedures.
- It’s an untapped revenue stream that turns staff downtime into a booming bottom-line.

## SUPPORTED BY THE FACTS

In a focus group of 40 general dentists conducted at the Chicago Midwinter Meeting in 2011, it was determined that most of these clinicians didn’t view custom appliance fabrication as a traditional or routine part of their business. However, as illustrated by the experiences of many doctors we interviewed and the surrounding buzz in the industry about the increasing demand for sports mouthguards, they certainly should be. Think about tooth whitening, clear aligner orthodontics and web-based practice marketing. While there was a time when many dentists were skeptical about these services, they have now become mainstream. With 45 million people suffering from bruxism and TMD alone, a significant practice building opportunity is already sitting in your waiting room.

## SO LET’S TALK SPECIFICS

When you think of in-office appliance fabrication, a bleach tray or maybe even a sports mouthguard is probably your first thought. Bleach trays are often the loss leader of many practices, used to drive referrals due to the low cost of in-office production. That’s the point! Bleach trays are so easy to make, they fill valuable staff downtime, and cost next to nothing to produce. So, why stop there? Custom appliance fabrication can become an essential part of your practice – especially if you expand your capability to include night guards, sports

mouthguards, clear retainers, orthodontic aligners, pontics, provisionals, temporary partials, denture repair, denture base plates, and implant surgical guides. All of these can easily be made in-office without expensive lab fees. The truth is, there’s an abundance of opportunity just waiting to be had. The real questions are: Who’s doing this successfully? How hard and/or time consuming is it? Finally, is there really any money in it? Hang on ’cause this is where it gets fun!

To help answer the above questions, we asked a few clinicians to share their experiences with in-office appliance fabrication to help us better paint the picture for you.



### BLEACH TRAYS

DEBORAH RUDDELL, DDS (FT.MEYERS, FL)

Everyone has a vacuum machine and knows the profit story of making bleach trays. Yes, we’re losing the whitening battle to OTC products today and frankly our patients are getting mixed results. But the one thing we all know is that there’s only one place a patient can get same day results and higher concentrations of whitening to take with them: from us. Bleach trays cost no more than \$10 for a full set of uppers and lowers and can be sold for upwards of \$300.00 per set. That’s a 97% profit margin. 10 full mouth bleaching trays a month at \$300.00 generate approx. \$36,000.00 in incremental revenue per year and \$34,800.00 in profit.



### NIGHTGUARDS / TMJ STENTS

Of the 45 million patients who suffer from bruxism and TMD, it’s reported that only 8 million nightguards are created by dental professionals (clinicians and labs). As a good friend of mine in sales says... “Sometimes you just gotta ask”. I started doing just that. My lab guy charged me \$150 lab fee for something my assistant can now do in-office for about \$12.00. That’s \$138.00 of profit lost...right off the top. At \$12 cost per appliance, I can charge a one-time average fee of about \$350 for a custom night guard and generate a profit of \$338.00. We make about 10 nightguards per month with an annual profit of about \$40,000. This is all done utilizing staff downtime - time that I’m already paying for. The value-add to the patient is that if they ever lose it, I already have the model so I can simply make them a replacement at no charge. Just call and ask me.

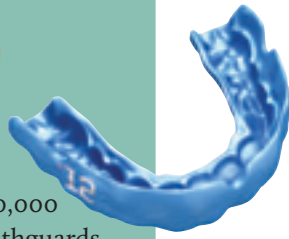


## SPORTS MOUTHGUARDS

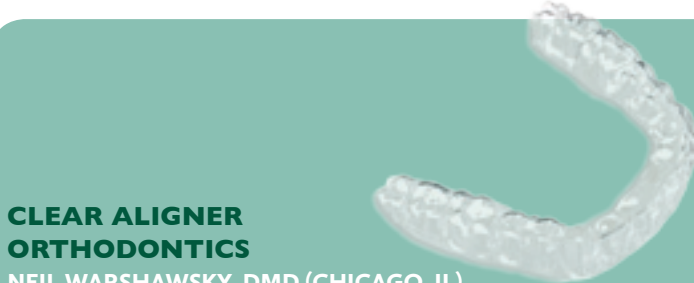
RAY PADILLA, DDS (HAWTHORNE, CA)

We've all seen the statistics. In the USA over 200,000 oral injuries<sup>1</sup> are prevented annually by sports mouthguards. Unfortunately, 5,000,000 teeth are lost each year in sporting activities<sup>2</sup>. Starting now, we should be asking all patients if they play sports. Any variant on the word yes should prompt a quick discussion of sports mouthguards...even if you don't provide them. I can all but guarantee you that when you explain the minimal investment of a custom sports mouthguard versus the investment parents make into dental procedures and the potential future financial burden faced from a sports related dental injury...it's a no brainer.

When it comes to profit, in-office fabrication (\$12.00 cost/mouthguard) vs. lab fabrication (\$95.00 avg lab fee), we net \$83.00 in lab fee savings per sports mouthguard. At a patient price of \$250 each, we're turning a 95% profit margin for in-office fabrication. Now think about this...we produce 500 sports mouthguards per year in my practice... the revenue and profitability is most certainly real.



The learning curve for thermoforming, which is the basis of everything we're talking about here, really is modest and it's something your assistant, hygienist or even your office manager can learn to do in an afternoon.



## CLEAR ALIGNER ORTHODONTICS

NEIL WARSHAWSKY, DMD (CHICAGO, IL)

I've utilized several clear aligner systems over the last 10 years to treat minor to moderate misalignments in my practice. While lab based systems are great, they're not always the most economical for either the clinician or the patient. I discovered an in-office system from Raintree Essix called MTM Clear Aligner that really fits the bill.

To give you an idea, let's compare a recent MTM Clear Aligner case with another lab based system<sup>3</sup>. The patient needed UR1 and UL1 (Or #'s 8 and 9) tipped and rotated. My treatment options: (1) Pre-fabricated lab system cost for treatment: \$899.00. (2) MTM In-Office cost for entire treatment: \$50.00. I chose MTM, charged the patient \$1,650, which was within her budget, and grossed \$1,600.00. The end result was a 200%+ increase in profit vs. the lab system, a 97% profit return on the procedure, and 3 referral patients from her treatment. This simple in-office solution is ideal for any orthodontist or general dentist to perform.

## OVERCOMING THE "FEAR FACTOR"

If you've read this far but haven't started researching the equipment necessary to make the above appliances in-house, you're probably not questioning the financial upside, but instead struggling with "How hard is it?" Yes, we're all stretched thin enough as it is. And the idea of learning a new technique or machine may not be all that appealing. Here's the secret: You don't have to!

The learning curve for thermoforming, which is the basis of everything we're talking about here, really is modest and it's something your assistant, hygienist or even your office manager can learn to do in an afternoon. You can place the "ownership" on your staff and motivate them to build your practice with incentives you'll earn from this. Have fun with it. Set goals and reward them for it!

We mentioned a common theme as we talked to these various clinicians. Here it is. They all have at least one (some of them several) of the Druformat Scan machine. (It's available from DENTSPLY Raintree Essix.) The reason they all have this machine – not only is it an effective piece of equipment for fabricating all of these appliances, but they appear to be the only company who offers an abundance of on-site, personalized staff training and support. They all report that it's easy to operate (intuitive in the modern parlance), but there's peace of mind in knowing that they can get in-office lunch & learn training that can have your staff churning out mouthguards that same day. If you don't need that level of assistance, a simple Google search will reveal many "how to" videos posted all over the web. The topics range from "how to use" and "how to market your practice" to "how to master the

machine” and many more.

The Drufomat even offers an attachment called the “Funky Tool” that allows you to get artistic with the designs. At the very least, the DENTSPLY sponsored videos, found on [Essix.com](http://Essix.com), give you the entire “how to” in under ten minutes of streaming video. It really is that easy.

We’ll leave you with this parting thought. There’s a well known speaker on the dental circuit who closes every lecture he does, and he does a lot of them, by saying, “If you don’t think you can make real money at this, just know that I’ve

put my son through UC Berkley with the lab fee savings alone from my sports mouthguard business!” When you’re considering whether or not to try to offset this tricky economy by expanding your patient services with in-office appliance fabrication, take a look at the average cost of college, your child’s first car, or your overhead expenses. It’s a pretty incredible way to see the “up side of down”. Don’t waste this so-called “bad economy”. Take it as your cue to expand your horizons and differentiate yourself from other dental practices.

APPLIANCE	Arch (Single / Dual)	Avg. Patient Fee	In-Office Avg. Cost <sup>1</sup>	In-Office Profit	Avg. Lab Fee	Lab Service Profit
Bleach Tray	Dual	\$300.00	\$10.00	\$290.00	\$90.00	\$210.00
Retainers	Dual	\$300.00	\$10.00	\$290.00	\$90.00	\$210.00
Sports MG (Dual layer)	Single	\$250.00	\$12.00	\$238.00	\$95.00	\$155.00
Night Guards	Single	\$350.00	\$12.00	\$338.00	\$150.00	\$200.00
<b>TOTALS</b>		\$1,200.00	\$44.00	\$1,156.00	\$425.00	\$775.00
<b>% PROFIT AFTER FABRICATION</b>				<b>96%</b>		<b>65%</b>

<sup>1</sup> Staff time is calculated as part of current fixed overhead costs

<sup>2</sup> Bureau of Health Education and Audiovisual Services, Council on Dental Materials, Instruments and Equipment: Mouth protectors and sports team dentists, Journal of the ADA 1984; 109:8  
 Dental Injury Fact Sheet., National Youth Sports Foundation for the Prevention of Athletic Injury Inc., Needham, Massachusetts, C 1992.  
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## A very special thank you to these participating doctors for their contribution:



Deborah Ruddell, DDS  
Ft.Meyers, FL



Ray Padilla, DDS  
Hawthorne, CA



Neil Warshawsky, DMD  
Chicago, IL

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