

Grow & Thrive or Shrivel & Die

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Determination of Success for Orthodontics

- What it takes to grow:
 - Favorable Demographics
 - Economic Health
 - Appropriate Business Model
 - Insights into Lifestyles
 - Adequate Funding
 - Ongoing Research
- What it takes to shrivel:
 - Shrinking Population
 - Unreal Expectations
 - Personal Distractions
 - Inappropriate Ego
 - Distain for Staff and Patient-Base
 - Inadequate Research

How Demographics Predict Success

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“Demographics Whetherman”

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How Demographics Predict Success

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1. Sufficient Population to Sustain Practice

How Demographics Predict Success

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1. Sufficient Population to Sustain Practice

2,000 12-to-18 year olds per orthodontist in a middle income area typical.
Number is changing to 2,200+.

How Demographics Predict Success

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1. Sufficient Population to Sustain Practice
2. Demographic Character Will Affect Practice Type

How Demographics Predict Success

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1. Sufficient Population to Sustain Practice
2. Demographic Character Will Affect Practice Type
Education, Ethnicity/Culture, Income, Housing Type

How Demographics Predict Success

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1. Sufficient Population to Sustain Practice
2. Demographic Character Will Affect Practice Type
3. Value of Practice by Demographics

Key Indicators of Potential

- Economic Growth
- Population Growth
- Employment Growth
- Demographic Characteristics
- Psychographic Profile

Chicken and the Egg

EITHER

Find the demographic character of a population



OR

Find a place where the people have the characteristics you desire

Theory of Demographics & Market Segmentation

1. All populations are made up of better or worse "publics" when it comes to orthodontics.
2. The differences between publics are identifiable by their demographic character. "The past is prologue."
3. Messages that motivate some people will be ineffective in motivating others.
4. Media in which these messages are expressed will be more or less effective based upon the demographic character of the public.
5. Demographic character is better or worse on the aggregate level. This means some locations are better than others.



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Trends to Track

- Population Size
- Changes in Size
- Character of Change
- Employment Rate & Type
- Consumption Potential
- Demographic Character
- Churning
- Birthrate (Fertility Rate)
- Subscribe to our Podcast for VERY recent trends.
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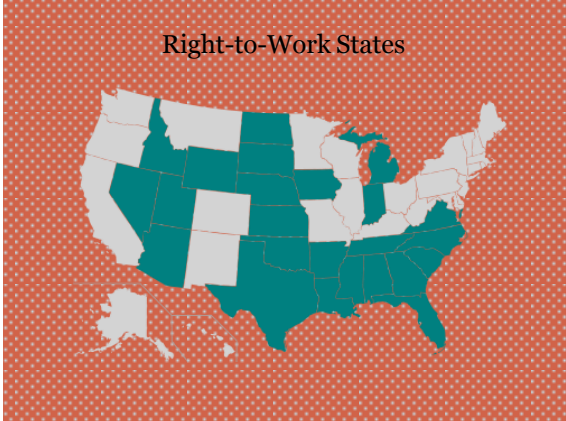
Demographic Character

- Age
- Income
- Education
- Housing
- Race/Ethnicity/Culture/
- Credit Worthiness

Short Term Demographic Trends

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- Housing Market Recovery
- Immigrant Market Changing
- Population "Going Home"
- Alternatives to Dental Insurance and Payment Options
- New "Centers of Gravity"
- Role and Nature of Orthodontic Staff
- Competition from Unexpected Quarters
- Right-to-Work States



Long-Term Demographic Trends

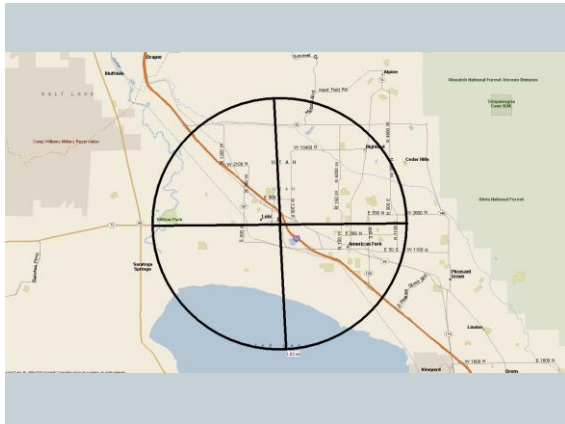
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- Birthrate Decline
- Older Retirement Age
- America Still Growing
- Tax Rates Will Determine Market Potential
- Manufacturing Jobs Continue Decline
- Public Section Employee Revolution
- Race Mix and Race Separation
- **Bad Credit Far More Common in Future**

Out on a Limb Predictions

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- The ACA will force orthodontic practices to rethink insurance and funding mechanisms.
- Adult orthodontics will become a bigger percentage of your production.
- In practice transition, transferring "good will" will be more important than almost any other consideration.



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