Grow & Thrive or Shrivels & 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

1. Sufficient Population to Sustain Practice

Number is changing to 2,200+

“Demographics Whetherman”

1. Sufficient Population to Sustain Practice

2,000 12-to-18 year olds per orthodontist in a middle income area typical.
How Demographics Predict Success

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

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.
Trends to Track:

- Population Size
- Changes in Size
- Character of Change
- Employment Rate & Type
- Consumption Potential
- Demographic Character
- Churning
- Birthrate (Fertility Rate)

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Demographic Character:

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

Short Term Demographic Trends:

- 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

Out on a Limb Predictions:

- 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.