



Implant Game Changers

A Whitepaper Series By Roger P. Levin, DDS

Implant Game Changers is a monthly whitepaper on an important implant practice management topic. It provides you with a quick and easy way to understand a specific business challenge and how to translate the solution into higher production and profit, greater efficiency, more implant patients, lower stress and greater personal satisfaction.

When Do You Need to Start Marketing Aggressively?

Referral marketing is the key to success in almost every specialty practice. Over time, many practices that had a strong marketing program begin to slow down their marketing efforts. This is not always a problem, but gradually the slowdown in marketing can begin to erode the level of referrals. Many practices wait until referrals have dropped 10%, 20%, or even 30% before they seek help. What they don't realize is that there is a specific stage prior to a referral decline that indicates an aggressive marketing program should be implemented immediately.

The Invisible Indicator That Referrals Will Decline

In any walk of life there are invisible indicators. In health, we have blood pressure. Your blood pressure can rise, and you may have no symptoms and no indication that this is the case. It usually takes a significant increase in blood pressure before you start to feel symptoms like dizziness, weakness, or imbalance.

The same is true for referral marketing strategy. Practices may spend years increasing referrals, fall off on their marketing efforts, and then slowdown in referrals, while still having excellent financial performance and a steady stream of new patients. This is the invisible indicator because there are no symptoms that something is wrong.

The invisible indicator in this case is that the increase in referrals or number of referrals has slowed down. Let's use the following simple case study to understand this invisible indicator:

This specialty practice had 412 referrals three years ago, 505 referrals two years ago and 601 referrals last year. After six months, the practice is tracking to have

573 referrals in the current year and compared to the first six months of the previous year referrals are down approximately 4%. You need to always look at a year-to-year and year-to-date comparison to factor in seasonal fluctuation.

No consultant is going to look at this practice and pull the fire alarm. If the practice drops from 601 referrals in the previous year to 573 referrals in the current year the practice is still financially strong. However, the invisible indicator has now been found. The invisible indicator is that the practice growth is slowing, and in this case the practice is literally in a very slight trend toward decline. This is the point where the practice should immediately implement an aggressive referral marketing program to reinstate the building of powerful relationships with referring doctors and new referral sources.

In my experience as the CEO of a firm that has worked with thousands of specialty practices in referral marketing, this practice will not have a financial problem in the current year, but over the next three years will probably face a continuing slowdown of referrals that can lead to significant declines. I've spoken to many specialists when their practice had gone through its growth phase, hit a plateau and were now down 20% to 30%. While there is no way to know what will happen in this case study over the next three years, there is certainly a good chance that the practice will continue to decline in referrals followed by a decline in financial performance.

The longer you wait...

The longer you wait to identify the invisible indicator of slowing growth or slight decline, the harder it will be to bounce back. Twenty years ago, the bounce back phase was easy and almost automatic as soon as the new

marketing program was implemented. Today, because of the increase in competition in specialty practices, bouncing back can take longer and be more challenging than ever before. The sooner a practice identifies the invisible factor, the more likely it will be able to bounce back to a strong growth trend and increased referrals.

What to do first?

As soon as the invisible indicator has been identified, the practice should assume that it is moving in the wrong direction. Without any panic, a strategic marketing plan should be put in place. The plan should include the following strategies depending on the type of specialty practice:

1. Evaluate the practice's level of customer service.

This can be done by practice surveys or using an outside firm. My recommendation to all practices is to move toward five-star customer service.

Frequently when we see practices that are moving into slower growth or slight decline, it's often because the staff has become complacent in their jobs. This is normal, so customer service training and ongoing follow-up and motivation should be put in place. In some cases, the practice will slow down because patients are less satisfied than in the past and they comment on this to their referring doctors. Customer service should be equally at a five-star level for the staff of referring doctors. Whenever you are contacted by a referring office, they should be treated like VIPs.

2. Increase the amount of contact between the specialty practice and referring practices. Another reason for a slowdown in referral growth, or a slight decline, is that the doctor is not maintaining the level of communication with referring offices that it had in place in the past. This is a very normal scenario and almost every specialist goes through this type of phase at some point. By reverting to the previous high levels of communication with referring offices, which had been a major

contributing factor in increasing referrals, referrals will almost automatically increase. The reason is that the practice has identified the invisible indicator and is acting before momentum starts to work against the practice. There are formulas for how often specialty practices, and the specialist, should be in contact with referring doctors and these can be monitored and managed by a part-time Marketing Coordinator in the specialty practice.

3. A referral marketing calendar should be put in place.

This is a calendar that lays out marketing activities over the next 12 months. Activities should include categories such as education, communication, updates, information, visits by the Marketing Coordinator, fun deliveries, contests for the referring doctor's staff, raffles for the referring doctor's staff, and a host of other possible creative factors. Once again, the Marketing Coordinator can maintain all schedules, administrate the marketing program, and carry out most of the activities.

4. Track results. It's critical to track results when implementing a strong marketing program. First, be aware that a scientific referral marketing program requires five or six months to start producing results. Therefore, you want to act as quickly as you can. Every month with results should be tracked with the following:

- Total number of referrals
- Total referrals per referring practice
- Percentage each referring practice is of the total referral number
- Percentage increase or decrease in total referrals
- Percentage increase or decrease in referrals per referring office

As the referral marketing program becomes more sophisticated, the Market Coordinator will begin to indicate which practices need more attention than others

to increase their referrals. As an example, one client had an extremely successful practice, but over 50% of his referrals came from one referring office. This is a very dangerous situation. If anything happened to the relationship with that referring office, 50% of revenue could disappear overnight. Strategically, two immediate actions were taken. The first was to design a referral marketing program strictly for the practice that referred over 50% of this high-level periodontal practice revenue. The second was to create a broader referral marketing program for other offices so that referrals would increase from multiple sources. You don't want anything to interfere with a high-level referral source, but you do want to build around it.

Summary

The invisible indicator in referral marketing is one of the most important and least understood concepts. Unfortunately, it's not usual for practices to be afflicted by a slowdown or decline in referrals leading to a larger decline over a two to three year period. When a practice is doing well, it's natural to become comfortable and even complacent. However, the level of competition for today's specialty practice is causing declines to come sooner than expected. The earlier any type of slowdown in growth or decline in referrals is addressed, the easier it will be to reverse this trend.

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