PRACTICE**Mojo**®

INEFFECTIVE RECARE: THE BLACK HOLE OF RECURRING REVENUES

IS IT TIME TO UPGRADE YOUR RECARE SYSTEM?

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INTRODUCTION

No dentist or office manager needs a lecture on the importance of patient recare. It's a fundamental rule in any business, not just dentistry, that acquiring new customers is vastly more expensive than retaining existing ones—six to seven times more expensive, in fact.[1] Add to that the $5,000 in production each patient represents, and the case for effective recare is even more compelling.[2] Most recare systems, however, are merely 25% effective, meaning most of your patients are unwittingly neglected—not good for their health or your practice.[3]

In this whitepaper you will learn what your own recare system is costing you and what you could make with a system that truly fills your appointment book. If your dental practice uses a manual process, we will show you in hard numbers why it pays to automate. Then we'll quickly take you through the key components of a truly effective recare system. When we're done, you will be better equipped to determine if it is time to ditch your existing system for one that delivers the goods—a steady stream of new appointments.

A Word about Finances

First—before we delve into charts and numbers—a word about finances. Dentists become dentists, as opposed to accountants,

Acquiring new patients is vastly more expensive than retaining existing ones. An effective recare system helps keep new patient acquisition costs lower while increasing profitability.

because they would rather treat patients than crunch numbers. Perhaps that's why most dentists who run their own practice are not very familiar with their financial and production figures.[4] Many dentists don't know how much money they are making, let alone how much they're losing.

Nonetheless, to continue helping patients and sustain an enjoyable work/life balance, your practice must be profitable. More-effective recare will help you do exactly that.

HOW MUCH MONEY ARE YOU LOSING?

Mark Twain is purported to have said, "The lack of money is the root of all evil." How much money do you lack because of your current recare system?

To estimate this we will need to agree on a few basic points. Then we'll do the calculations and show you the results in a series of charts. And, just like you tell your patients, this may sting a little. That's why we recommend a glass-half-full approach: look at every dollar you are losing as a potential additional dollar to be made.

The Basics

A recare system should, above all else, increase your percentage of active patients through reactivation and a reduction of no-shows. Every percentage-point increase is more revenue for the practice; inversely, every point decrease is less. Therefore we need to first define and estimate your percentage of active and inactive patients.

How many active patients do you have?

To keep it simple, we define an active patient as any individual who has visited your practice within the past 24 months. Although this number varies from practice to practice, depending on the number of years in business, types of insurance accepted, number of days worked per week and so on, we know from experience that a range of 1,000 to 2,000 active patients is typical for a solo-doctor general dentistry practice.

How many inactive patients do you have?

An inactive patient is one who has not been in the practice for dental services in the past 24 months. This number is more difficult to estimate. To keep it simple and to have our calculations apply to a variety of practices, in our charts below we've included a group of typical patient base totals ranging from 1,000 to 5,000; then we subtracted the number of active patients to estimate the number of inactive patients.

How much production does each patient represent?

One study conservatively estimated that each patient brings to your practice $500 in production annually over his or her lifetime (e.g., 10 years). That's an average of $5,000 production value per patient.[2]

What is your percentage of active to inactive patients?

Again, to keep things simple we've included predetermined percentages in the following charts.

A recare system should increase your percentage of active patients through reactivation and reduction of no-shows. Use the chart on the following page to learn how much income you're losing from inactive patients.

CHARTS: LOST INCOME FROM INACTIVE PATIENTS

To calculate your practice's numbers, first estimate the percentage of your patient base that is active, then find the closest percentage in one of the following five tables. From there, select the figure that is closest to your total patient base, then move across horizontally to the rightmost column. That is how much money you are losing with your current recare system—or how much more money you could be making with a system upgrade.

TABLE 1
25% Active Patients

Total Patients	# Active Patients	# Inactive Patients	% Active Patients	Annual Income Lost
5,000	1,250	3,750	25%	$1,875,000
4,000	1,000	3,000	25%	$1,500,000
3,000	750	2,250	25%	$1,125,000
2000	500	1,500	25%	$750,000
1,000	250	750	25%	$375,000

TABLE 2
35% Active Patients

Total Patients	# Active Patients	# Inactive Patients	% Active Patients	Annual Income Lost
5,000	1,750	3,250	35%	$1,625,000
4,000	1,400	2,600	35%	$1,300,000
3,000	1,050	1,950	35%	$975,000
2000	700	1,300	35%	$650,000
1,000	350	650	35%	$325,000

TABLE 3
45% Active Patients

Total Patients	# Active Patients	# Inactive Patients	% Active Patients	Annual Income Lost
5,000	2,250	2,750	45%	$1,250,000
4,000	2,000	2,000	45%	$1,000,000
3,000	1,500	1,650	45%	$750,000
2000	1,000	1,100	45%	$500,000
1,000	500	550	45%	$250,000

TABLE 4
50% Active Patients

Total Patients	# Active Patients	# Inactive Patients	% Active Patients	Annual Income Lost
5,000	2,500	2,500	50%	$1,250,000
4,000	2,000	2,000	50%	$1,000,000
3,000	1,500	1,500	50%	$750,000
2000	1,000	1,000	50%	$500,000
1,000	500	500	50%	$250,000

TABLE 5
75% Active Patients

Total Patients	# Active Patients	# Inactive Patients	% Active Patients	Annual Income Lost
5,000	3,750	1,250	75%	$625,000
4,000	3,000	1,000	75%	$500,000
3,000	2,250	750	75%	$375,000
2000	1,500	500	75%	$250,000
1,000	750	250	75%	$125,000

If your practice numbers don't fall into any of the above ranges, just follow this formula:

*# inactive patients × $500 = annual income lost*

THE CASE FOR AUTOMATED RECARE

INFORMATION TECHNOLOGY AND BUSINESS ARE BECOMING INEXTRICABLY INTERWOVEN. I DON'T THINK ANYBODY CAN TALK MEANINGFULLY ABOUT ONE WITHOUT TALKING ABOUT THE OTHER. —BILL GATES

The technology learning curve can be daunting and the move from a manual to an automated system seemingly too disruptive. However, a brief time-out to get up and running on an automated system will bring rapid improvements to your no-show rate and number of new appointments made.

The Pain Points of a Manual System

Automation eliminates the inherent flaws of a manual system. First, you'll save staff 20 to 40 hours of phone calls every month, trying to fill the hygiene schedule.[5] Second, you'll avoid unintentional (yet unavoidable) human error in recalling past-due patients. Third, your recare will be automatic. Manual systems drop out when the office gets busy. Then, once busyness dies down due to neglected recare, someone will resume the process once again. Thus, a practice goes through cyclical contraction rather than steady expansion.
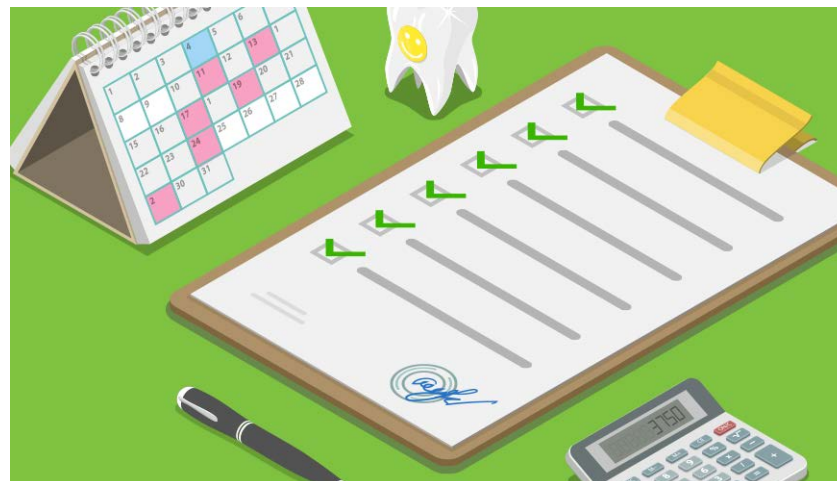
73% of doctors report that automated appointment reminder systems help them reduce no-shows.

Studies reveal that 85% of doctors using automated appointment reminder systems consider them important to the success of their practice. Another 73% report that such systems reduce no-shows.[6] Though prices vary, an automated recare system costs around $250 per month ($3,000/year). If the system prevented just one patient per month from missing an appointment, an estimated $250 in production, you'd make your money back right there. If the system activated just one more patient each month than your manual system, you'd make an additional $6,000 that year—that is 200% return on your investment with a minimal response.

WHAT TO ASK WHEN SHOPPING FOR AUTOMATED RECARE

When pondering an upgrade to your recare system, there are some key questions to ask each system provider.

1. Will your system work with my practice management software?

Ask this question first, as it's vital that any recare system be compatible with your existing practice management system. And while you're at it, confirm all the technical requirements to ensure that the product will run on your network.

2. How does your system meet the specific needs of dental offices?

Some automated recare systems are developed for all health-care practices. The approach is generic to accommodate various branches of medicine. But dental marketing—which recare is—is a much different discipline than marketing to cardio patients and expectant mothers. Dental patients have their own needs and concerns, as do dentists. For the best results, go with a system specifically designed for dental practices by a company that knows the industry.

Make the right decision and ask these questions when choosing a patient communications provider.

3. How can I measure the volume of new business generated by your system?

Some automated recare systems obscure their results—or lack thereof—by tracking all new appointments made, regardless of whether the system prompted them or not. Ask the provider if the product tracks the number of new appointments it generates, along with the response rate to the various communications it sends out.

4. What if your system does not perform as promised?

Whether you are dealing with a lab or an equipment vendor, you want accountability if a supplier fails to deliver what was promised. Is your satisfaction guaranteed? How will the provider respond if results are lackluster or the system has technical flaws? If you are dissatisfied with the answers you get, keep shopping.

5. I am missing email addresses for some patients and mobile numbers for others. How will your system reach all of my patients?

Some systems offer limited methods of communication, such as texts or emails only. If you are missing email addresses or mobile numbers for patients, the recare system won't reach them. Be sure to choose a system that employs all means of communication, including phone calls, text messages, emails, and postcards.

6. Can I customize patients' records to accommodate their preferences for type, frequency, and timing of communications?

Every dental practice and every patient is different. You have your own needs and preferences, as do your patients. Millennials may prefer texts, whereas seniors may prefer phone calls. Some patients want just one reminder, while others need several. Look for a system that is flexible enough to meet your patients' needs as well as your practice's.

7. Is your system user-friendly?

Ease of use is one of those overused technology terms we've been hearing for decades. To find out if a system is truly easy to use, request a demo and try some specific routine tasks. For instance, ask how your staff would send a recare email featuring smile makeovers to all female patients 40 years and older who have not visited the practice for more than two years.

8. My staff has neither the time nor the skill set to design effective recare messages and campaigns. How does your system address this issue?

There is more to automated recare than meets the eye. Eliciting a positive response from dental patients requires marketing know-how. Your office manager or front desk person would need to know what to say to whom, when and how often to say it, and through what communication channels. Understanding demographics is also required. Rather than put your staff through mental gymnastics just to send out a reminder, look for a system with prebuilt marketing campaigns based on proven best practices for dentists.

9. What are your support and training policies?

This is the time to read the fine print. Find out what the provider's training and support policies are. How are your staff to be trained? What are the support hours? How often is the system updated with feature enhancements? Are there additional costs?

10. What are your pricing plans, and which services are included?

Here you can do some comparison shopping on price. Be on the lookout for hidden fees and add-on services. It's also important to ensure that the services included are a good fit for your practice. In the long run, paying for something your team doesn't need or won't use is never a bargain, regardless of the cost.

11. Will I be locked into a contract?

Like many technology companies, recare vendors are fond of contracts because they protect their own revenues while doing absolutely nothing for their customers. Try to find a contract-free provider so you don't get stuck with an unsatisfactory service. If there is a contract, read the fine print and ask the provider's sales rep or legal department to explain in writing any unclear points.

12. Can I talk to some of your dental office users?

Don't be shy about asking for references. Contact a few of the provider's current users and find out how the product is working for them. Ask pointed questions: find out what they like and dislike about the system, what they wish they could improve, and, above all else, if it has increased their active patient base.

With these questions answered, you will have a clear understanding of whether the provider's automated recare system is a good fit for your practice. We're not through quite yet, however. There is one more critical point to investigate: **customer service.**

ALL-IMPORTANT CUSTOMER SERVICE

Have you ever called a tech company for support help, waited on hold for a half hour, spent another 30 minutes discussing your issue with the rep, only to hang up with no resolution in sight and an hour of your time wasted? That's an all-too-typical scenario. It's no wonder 86% of Americans would change suppliers due to a bad customer service experience.[1]

When you shop for a new recare system provider, check out the quality of their customer service, including tech support.

- **Attitude.** How do the provider's reps treat the customer? Is their manner warm and friendly or is it uncaring? Make a "secret shopper" call to customer service and tech support to find out for yourself.

- **Dental industry experience.** Are the reps familiar with the dental industry and what recare is all about? Do they understand what you or your staff are trying to achieve with the system? Check user reviews while bearing in mind that there are always a couple of rotten apples who post negative reviews no matter what.

- **Accessibility.** How easy is it to get online tech support or a customer service rep on the phone? What are their tech support hours? This information should be readily available on the provider's website.

Don't make the wrong decision when choosing a patient communications provider. Ask these questions when shopping around.

- **The extra mile.** Will the reps go the extra mile for you, the customer? Here again, check reviews as well as company testimonials. Is this point repeatedly mentioned? If so, that's a good sign.

You can also check the provider's Better Business Bureau rating or other business review sites, such as Yelp, Google+, and Facebook.

CONCLUSION

There is probably no more effective way to rapidly boost production and revenue than through refreshing your recare system. Even a 1% increase in active patients can translate to tens of thousands of dollars for your practice. If that means upgrading to a new system, hopefully we've demonstrated that it's well worth the relatively small investment of time and effort.

And if your practice still uses index cards or other manual tickler system, we recommend reviewing the process with your staff. Encourage them to speak candidly about difficulties they've encountered and to weigh in on computerizing the procedure. Besides the metrics cited in this paper, numerous studies have found that automated systems improve recare response.

Finally, whether you seek to automate for the first time or to upgrade to a more effective computerized system, choosing the right provider is essential to your success. While recare services may seem similar, they differ in ways that can affect your practice—particularly in quality of customer service and support. Use our suggested provider questions as a guide.

In the end, a more effective recare system means a higher standard of care for your patients, a more efficient workflow for your team, and additional revenue for your practice.
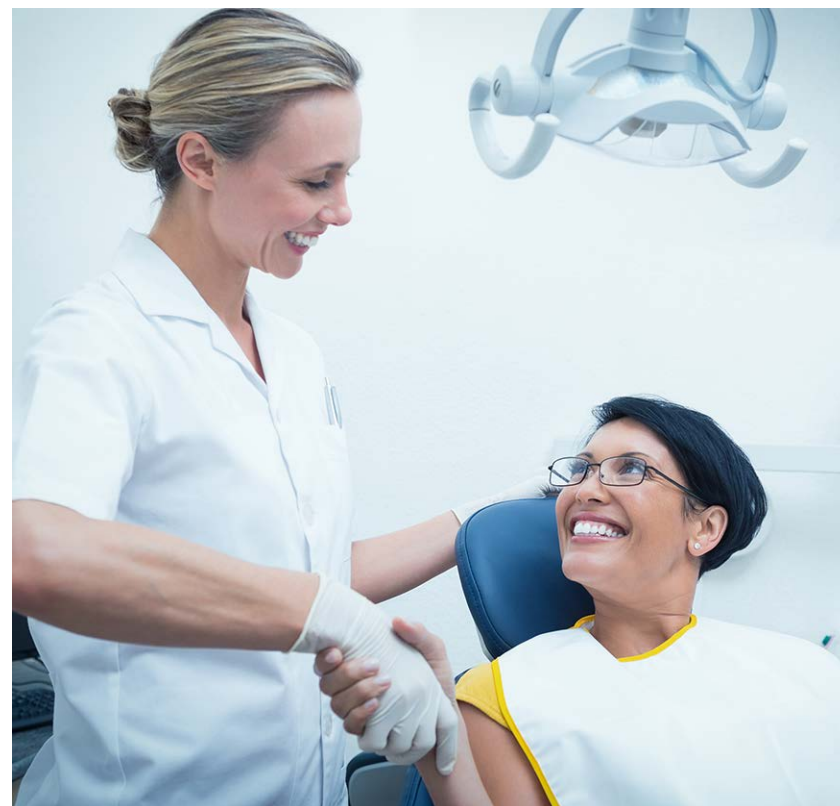
Effective recare means more efficiency for your team and additional revenue for your practice.

ABOUT PRACTICEMOJO

PracticeMojo is a leading provider of automated patient communications that helps dentists grow their practices by reducing no-shows and increasing patient loyalty. With effective PracticeMojo solutions, dentists can reach 100% of patients via phone, text message, email, or postcard. On average, PracticeMojo helps dentists:

- Add 2.5 new appointments per day to their practice

- Get $50 back for every dollar they spend with PracticeMojo

- Save more than a week's worth of work each month with fully automated communications

PracticeMojo is an extension of ProSites, a leading provider of website design and online marketing solutions for dental practices. Combined, ProSites and PracticeMojo help more than 8,500 dentists with their marketing and communications needs. To learn more about PracticeMojo or to get a free demo, call (800) 556-2580 or visit www.practicemojo.com

Discover why PracticeMojo is the lading provider of automated patient communications.

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