

US Dental Lab Options Shrinking by Nearly 45% What That Means for Dental Practices?

What You'll Learn:

Dental labs are decreasing at an alarming rate.
In contrast, Dental Practices are growing.

How can the dental practice compete?

Four new strategies to gain a competitive edge.

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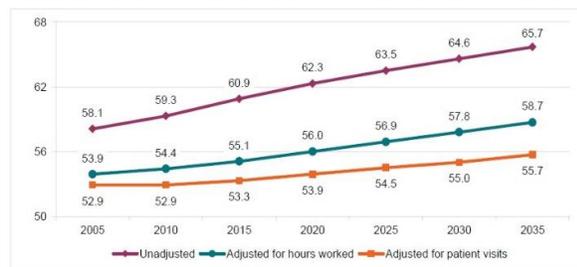
According to a late 2015 survey released by National Association of Dental Laboratories (NADL) there has been a decrease in dental laboratories of nearly 40% since 2006 a change from 12,250 to 7,732 US based labs. Another 3.6% decrease is expected this year dropping the total labs to less than 7500. 2018 – 2020 could see an even greater reduction. What's driving the extreme change?

The reasons are two-fold- 1) Smaller lab owners are retiring, and 2) Mergers and acquisitions.

Now juxtapose the decrease in dental labs to the growth trends in dental practices: According to the ADA, in 2015 there were 195,722 practicing dentists or approximately 60.9 dentists per 100,000 people. This same report projects growth rates through 2035 of nearly 8% or an increase of nearly 66 Dental Practitioners per 100K people, or well over 500K practices. The dental practice competition is fierce.

The impact of the competitive lab options for dental practices could be significant – compromising quality, reliability, pricing, and time efficiencies – all occurring at a time when Practitioners need to have a reliable support system for their own practices to thrive. The opportunity for dental labs to increase prices, by the sheer supply & demand economics is significant, and certainly a big reason why the mergers and acquisitions have been so rampant.

Figure 1: Historical and Projected Dentists per 100,000 Population in the U.S., Baseline Scenario



Sources: ADA Health Policy Institute analysis of ADA masterfile; ADA Survey of Dental Practice; ADA Survey of Dental Education; U.S. Census Bureau, Intercensal Estimates and National Population Projections. Notes: Data for 2005, 2010 and 2015 are based on the ADA masterfile. Results after 2015 are projected. Assumptions: (a.) U.S. total annual dental school graduates will increase until 2020 and then remain constant (b.) future outflow rates are same as 2010-15 historical percentages.

Can a Dental Lab Help the Dentist Practitioner Compete?

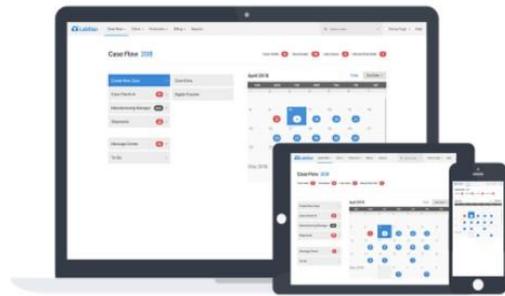
Considering the changes to the competitive landscape - the days of “build it and they will come” are quickly dissipating. Marketing your practice and competing for business doesn't have an easy formula. Patients have more choices than ever before making the cost to acquire a new patient an expense that can quickly eat into margins that are already slim. The cost to re-acquire a patient can be 3-6 times more expensive than the originating acquisition cost. How should a dental practice compete? The answer may be in re-thinking the way your practice selects and works with your Dental Lab.

Growth Criteria

For years, most dental practices have made their lab selection based on price and item, and then on consistency. Although price and item will always be important, changing the selection criteria could be one of the most cost efficient approaches to competing, and evaluating the lab of choice as a “partner” in your practice vs. a 3rd party vendor resource. The shift could prove to be a valuable competitive alliance as both parties benefit through joined forces. The best place to start – begin with a patient focused strategy and consider the list of reasons why patients will remain loyal to their dentist and how a “lab partner” can help separate your Dental Practice.

1. Timeliness

In an era of what seems like “on-demand” everything, Dentists unfortunately don’t get a pass from the expectations – the younger the patient, the shorter the patience. From crowns, to removables, to implants - treatments and procedures take time and certainly don’t fit the “on-demand” psyche. Fortunately, the advancement of dental technology can significantly reduce the “wait times”. Consider the following:



Case Submissions – today submitting a case should be as quick as the time it takes to upload patient files. Dental labs that support the relatively new cloud based platforms offer dentists a quick method to submit and track cases as they are processing.

3D All-In-One Scanning - labs that have adopted 3D technology are able to convert the traditional 5 step process into 1 simple step by accepting a complete case in one scan – sometimes resulting in a time savings equivalent to multiple days.

Emergency Services – by definition, emergencies are unpredictable, and frequently occur outside of normal office hours. In these rare instances, the dentist should consider a lab partner which is just as committed to reacting with the same haste as the patient expects from their dentist – this type of immediacy is a win, win, win for all parties committed to providing the best care possible regardless of circumstances.

2. Communication

Patients want clear communication with their dentist – over-communicating is rarely, if ever, a reason to leave your dentist. However, when a dentist is reliant on a lab to complete the treatment or necessary procedure, labs need to go the extra mile to provide the dentist with “peace of mind” their patient assurances will meet or exceed expectations.

Accessible Patient Case Data, Any Time – a good lab will provide the dentist or dental assistants with information and critical updates with a few key strokes. Your data, and your patient’s data including case updates, invoices, billing, and digital files should always be available in a safe and encrypted intranet portal.

Keep the Patient Involved in the Procedure – one of the most effective means of communication is to keep the patient involved with the treatment plan. 3D technology enables patients to try out their new smile before final treatment by creating a mockup model and matrix based on the design. The approach is inclusive and significantly reduces patient anxiety by simply knowing what the outcome will look like when complete.

High Quality Fit and Perfect Color Match the First Time – with short patience spans, the room for error has significantly decreased. 3D technology provides the ability to accurately match 2D photos with 3D designs. The benefit for the dentist and their patients - Enable patients to try out their new smile before final treatment by creating a mockup model and matrix based on the design.

3. Trust

Trust is a critical part of the patient, dental relationship. Without trust, the odds are likely the patient will move on to an alternative dental practitioner. Dentists should be able to think of a dental lab as a silent partner that must play their part in



strengthening that relationship. Trust is typically an earned attribute, but there are reliable methods to accelerate the process and gather assurances prior to making a decision to engage a dental lab:

Reviews - regardless of how you feel about social media, access to professional services reviews are abundant. Your dental lab of choice, should have a wide variety of testimonials and on-line references. Taking the time to read reviews, will typically provide a base line of what to expect from the dental lab, or prompt additional questions that may be important to your particular practice.

Lab Cases - some treatment plans are very straightforward, others are not. The latter is the information that will lend critical insight on how much you and your practice should be able to rely on the dental lab to support not only the easy cases, but the complex case. Does the lab involve the most experienced technician(s)? Do they treat the complex case as a high-touch project - closely monitoring quality, fitting, coloring, etc. throughout the entire production process.

Pricing – it may seem strange to introduce pricing as an attribute of trust, but if there isn't a mutual trust that pricing is fair and competitive, the breakdown can become an unwelcomed distraction and disruptive to the entire relationship.

4. Technology Adoption

Despite the industry's inherently slow technology adoption rate, a few dental labs have seized the opportunity to support their dental clients. When compared to other industries, technology in the dental industry is just getting started. Like any new products that come on the market, there can be a significant cost to making the decision to invest the capital and time needed for training. Smart labs can see past the adoption and cost curves, and quickly translate the benefits toward providing exceptional service to their dental partners. However, not all technology should be considered equal. The most advanced labs will embrace technological solutions that provide meaningful value for the long-term vs. a new "toy" that creates short-term distractions. Consider the following:



Does it Increase Efficiency? – the right tech solutions will add time productive efficiencies by as much as 40% for both the lab and their dental partners.

Does it Increase Quality? – quality is often an attribute that can be quickly determined by the dentist. The patient may or may not understand the definition of quality, but they do have an expectation that their implant, removable, or any other appliance will not be short lived.

Does it Increase Product Consistency? – dentists have little patience or time when it comes to lab product inconsistencies. 3D scanners and printers nearly eliminate this issue. While certain 3D solutions can also provide a wide range of 3D indications to significantly narrow the products that require the milling process.

The competitive dental industry is a challenge for practices of all sizes. And with competition, comes the even greater challenge of how best to acquire and retain patients. Add to this, the potential of increased pricing due to the significant reduction in dental lab options. Dentists who are eager to grow their practice have an opportunity to deploy a strategy that leverages a dental lab partnership, like Golden Ceramic Dental Labs, to harness the advantages of combining resources to help acquire and retain new patients.

About Golden Ceramic Dental Lab

Invested In Exceeding Your Expectations

After nearly 20 years of dental lab service, we've earned the trust of 100's of dentists across the country. We work hard to align ourselves as dental practice partners vs. a resource with no stake in the success of the practice. Here's what you can expect:

- We offer the **Most Competitive Prices** in the industry helping you improve your bottom line.
- Our high-quality craftsmanship comes with a one-year, **No-Hassle Product Guarantee**.
- Golden Ceramic Lab is a **US owned** and managed company.
- We attract and employ highly skilled technicians who are required to have a **minimum of 5 years of bench experience**.
- Each product goes through a **Three-Step Quality Control** process
- All materials used to produce restorations are made in the United States and Germany, including Ivoclar, Capttek, Empress & Valplast.



Our success formula is simple –
great service, high quality and consistent output.
When our Dental partners are successful,
we're successful.