



06.16

# **UNDERSTANDING THE GROWING DSO MARKET**

A DTA MEMBER EXCLUSIVE WEBINAR



# Agenda

- ▶ **Fred Freedman, VP of Member Services, DTA**  
Introductions
- ▶ **Bill Neumann, CEO, Group Dentistry Now**
- ▶ **Lori D'Anna, Senior Vice President, Aspen Dental**
- ▶ **Dr. Sam Alkhoury, Founder & President, Simply Dental Management**
- ▶ **Chris Badgley, Executive Director, The Association of Dental Support Organizations**
- ▶ **Q&A**



# Who is this guy ?

## Why is he qualified to talk about DSOs and Groups ?



- Bill Neumann - CEO of Group Dentistry Now and JoinDSO. Digital platforms for the DSO industry
- Started in the dental industry in 2003 at Coltene Whaledent
- Founded DentalSalesPro.com in 2008
- DentalSalesPro.com acquired by MDSI (publisher of *First Impressions*)
- Invented the first disposable infection control sleeve for the iPad - iBarrier
- Co-founded *Efficiency in Group Practice* magazine in 2013 to address the growing DSO and group space
- Consultant to private equity, emerging dental group practices and elite DSOs



“

Everything flows,  
nothing stands  
still.

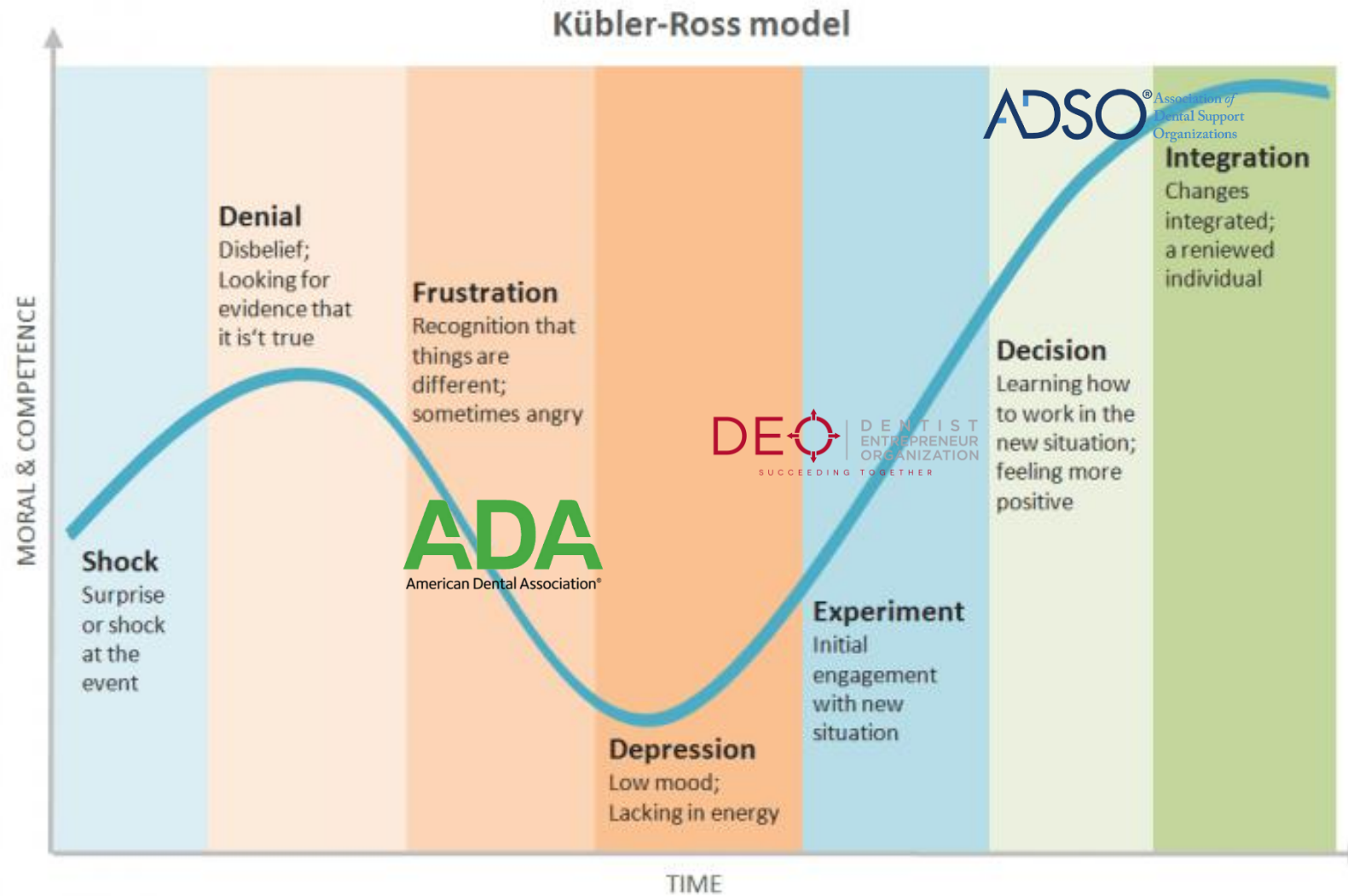
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# The Dental Change Curve

## The 5 stages of Grief



## **Categories / Stats - Dental Group Practices [ DSOs ]**

- National – NDSO [ 100 locations ] = 25 organizations
- Regional – RDSO [ 20 – 99 locations ] = 80 + organizations
- Local – LDSO [ 5 – 19 locations ] = 800 + organizations
- 62 PE backed platforms
- Canada – 16% DSO platforms
- 30% consolidation by 2021 - William Blair
- Collaborative provider culture



Global DSO









# Walmart Health



## Walmart Health Services Summary Price List



### Primary & Urgent Care

Office visit	\$40
Annual checkup	\$30
Annual checkup - youth	\$20

### Add-ons

Lipid test	\$10
A1C test	\$10
Pregnancy test	\$10
Flu test	\$20
Strep test	\$20
Mono test	\$20

Stitches & other	\$116*
Flu immunization	\$40*
Flu HD immunization	\$70
Other immunization	Varies
External lab tests	Varies

### Dental

Patient exam (including X-Rays)	\$25
Teeth cleaning - adult	starting at \$25
Teeth cleaning - youth	starting at \$15
Porcelain crown	\$675*
Teeth whitening	\$225
Deep cleaning (per quad)	\$75
Emergency treatment for pain	\$50
Filling	\$75-\$125
Clear aligner	\$1,800

### Counseling

New patient intake	\$60
Individual counseling (45 min)	\$45
Family counseling	\$70
Couples counseling	\$70

### Optometry

Routine vision exam	\$45
Contact lens fitting	\$55

### Hearing

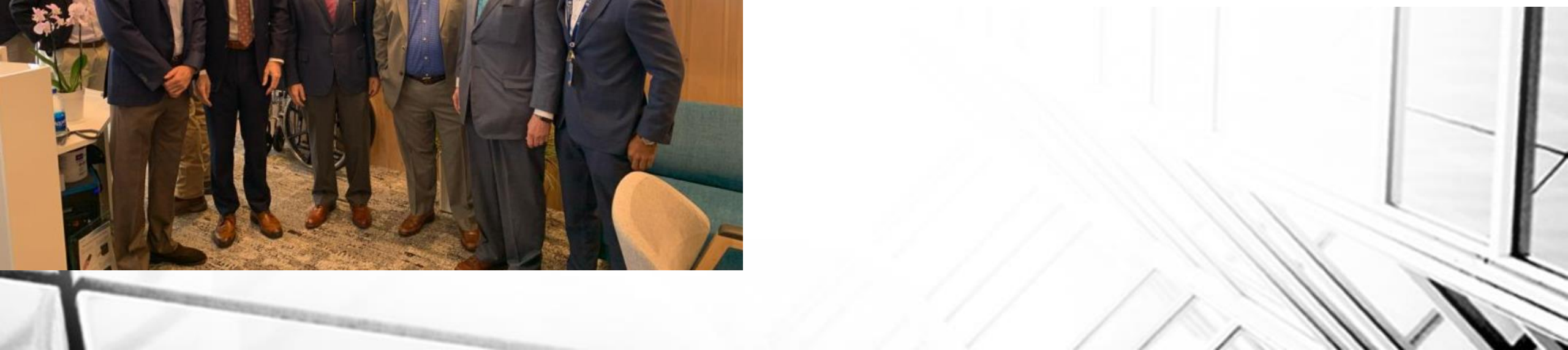
Hearing exam	Free
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### Other

Tivity health & fitness classes	Varies
Health insurance enrollment	Free
Community resource consultations	Free

\*Charges with an asterisk are the average prices customers are expected to pay, but actual cost will be determined on a case by case basis. Any price without an asterisk is the actual price.  
To schedule appointments, please visit [WalmartHealth.com](https://www.walmart.com/health).  
As of 9/23/2019

## Price List



# COVID-19 impact on Dental Groups & Industry

- Heartland Dental and Affordable Care debt ratings were downgraded in late March / early April.
- Slower growth for larger groups – focus on same store growth vs expansion
- Emerging groups that not overleveraged eye adding practices
- North American Dental Group , Mortenson Dental, Pacific Dental, Aspen Dental
- Short Term Multiples for practices drop by .5x to 1x EBITDA [4x-5x pre-Covid]
- Some practices may sell charts – fire sale
- More consolidation as dentists seek shelter
- Chapter 11? – Restructuring/reorganization / Some banks calling in loans

# Manufacturer and Distribution Trends

- 2017 - 2019 – growth of special market teams
- 2020 - Several manufacturers and distributors downsizing or eliminating DSO sales teams (several were pre-COVID)
- New technology – Chargeback automation and outsourcing
- Many manufacturers pivot to PPE or hand sanitizer production
- Increased COVID crisis support , resources, financing
- Successful manufacturers and distributors will invest and support for the DSO space



# DSO Procurement Survey 2020

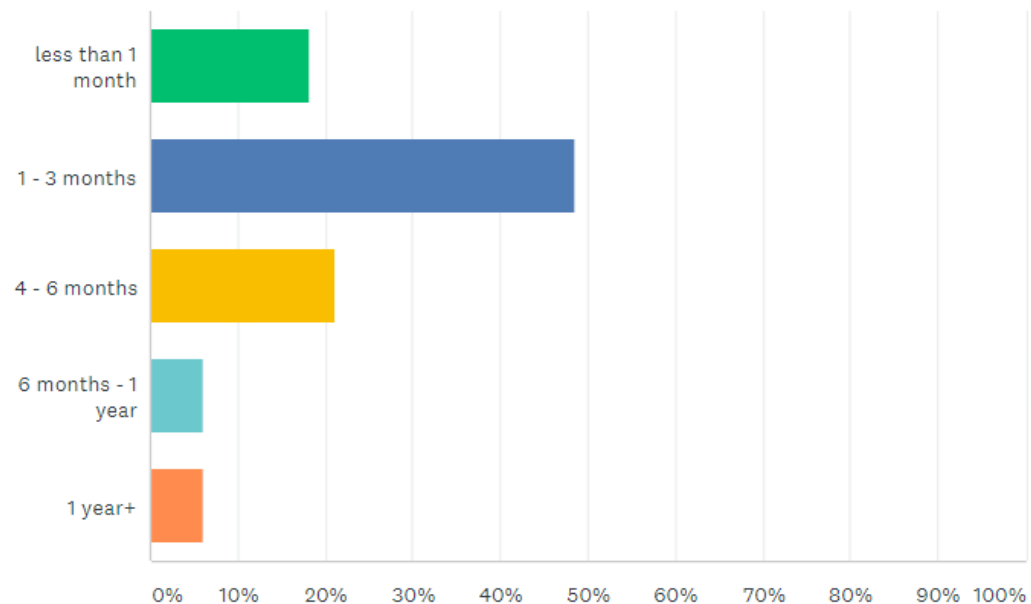
- North American DSOs Surveyed / European DSOs Surveyed
- North American Survey – 36 Platforms – Over 5,960 practices represented
- European Survey – 18 Platforms – Over 1,100 practices represented
- 10 Questions
- 2<sup>nd</sup> Year
- Full Recap forthcoming on Group Dentistry Now and Discussion at DentalForum 2020

# Questions

- How many practice locations does your DSO have?
- Who makes the decision for products used at DSO practice?
- Number of people involved in procurement process?
- Length of time for a product to become part of formulary.
- Rank by importance – Price, Quality, Service, Country of Origin, Brand , Cost of Conversion
- Rank the way you prefer to be contacted by vendor
- % of clinicians that adhere to formulary
- How difficult has it been to acquire PPE?
- Are you evaluating any new products or services as a result of COVID-19?

## Average length of time for a product to become "preferred" or part of your formulary

Answered: 33 Skipped: 1

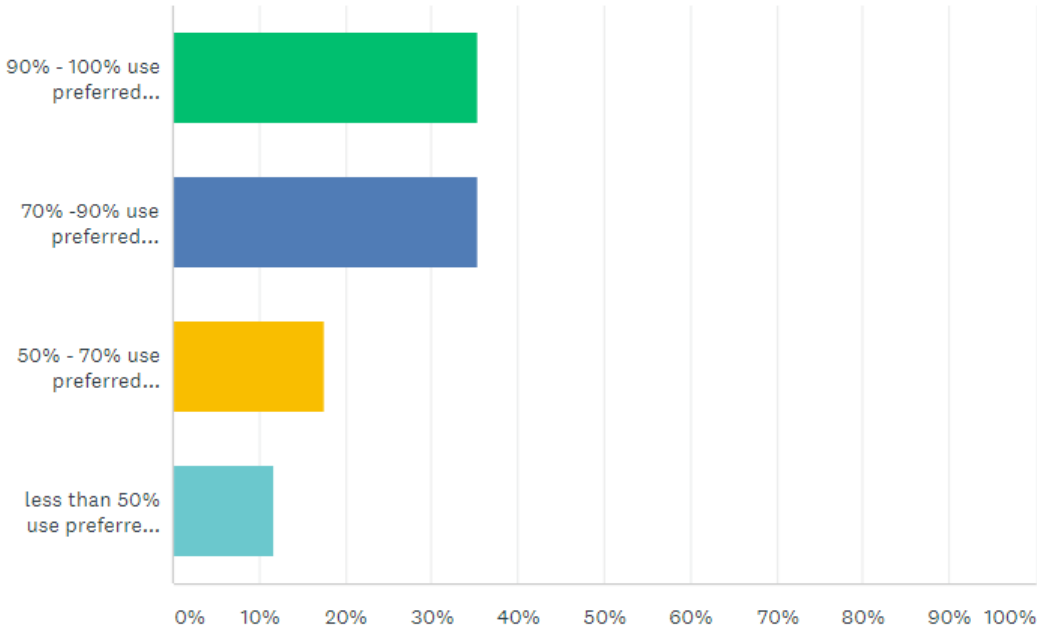


ANSWER CHOICES	RESPONSES
less than 1 month	18.18% 6
1 - 3 months	48.48% 16
4 - 6 months	21.21% 7
6 months - 1 year	6.06% 2
1 year+	6.06% 2



If you have preferred products or a formulary, approximately what is the percentage of clinicians that adhere to the formulary.

Answered: 34    Skipped: 0



ANSWER CHOICES	RESPONSES	
▼ 90% - 100% use preferred products	35.29%	12
▼ 70% - 90% use preferred products	35.29%	12
▼ 50% - 70% use preferred products	17.65%	6
▼ less than 50% use preferred products	11.76%	4
TOTAL	34	

# 82% of North American DSOs are evaluating new products as a result of COVID-19

- HVAC Filtration
- Air Purifiers
- Reusable/disposable gowns
- Aerosol mitigation products
- PPE – Face shields, thermometers, fit testing
- Hand sanitizers
- Teledentistry
- Foggers



- Questions?
- Subscribe to Group Dentistry Now



Contact – Bill Neumann p.917.341.8490  
[William.Neumann@GroupDentistryNow.com](mailto:William.Neumann@GroupDentistryNow.com)  
1250 South Bethlehem Pike Suite 400  
Hatfield, PA 19440



# Aspen Dental & ADMI

AspenDental®

# Lori D'Anna

ADMI, Senior Vice President, Field Operations



Lori D'Anna has been with ADMI, Inc. since its inception in 1998. Lori currently serves as Senior Vice President of Field Operations, overseeing full operations across more than 820 Aspen Dental-branded offices in 42 states. Her career began as an office manager in an Aspen Dental private practice and has progressed through all aspects of office operations. Specifically, she served as a Regional Manager, Director of Operations, and Territory and Division Vice Presidents. Lori's experience extends beyond field operations. She is a licensed dental hygienist, who practiced in a Aspen Dental location in Connecticut.



# Aspen Dental Offices

- Aspen Dental branded offices are committed to **breaking down the barriers to oral care**, so that patients can get the care they need today
- Professionals in the Aspen Dental network believe **everyone has the right to quality, affordable oral health care**
- **820+ offices** that provide patients a **safe, clean, judgment-free environment** to address their dental needs—everything from comprehensive exams and cleanings to extractions, fillings, oral surgery, denture and implant services, clear aligner therapy, and more
- **42 states** and **5.5 million patient visits** in 2019





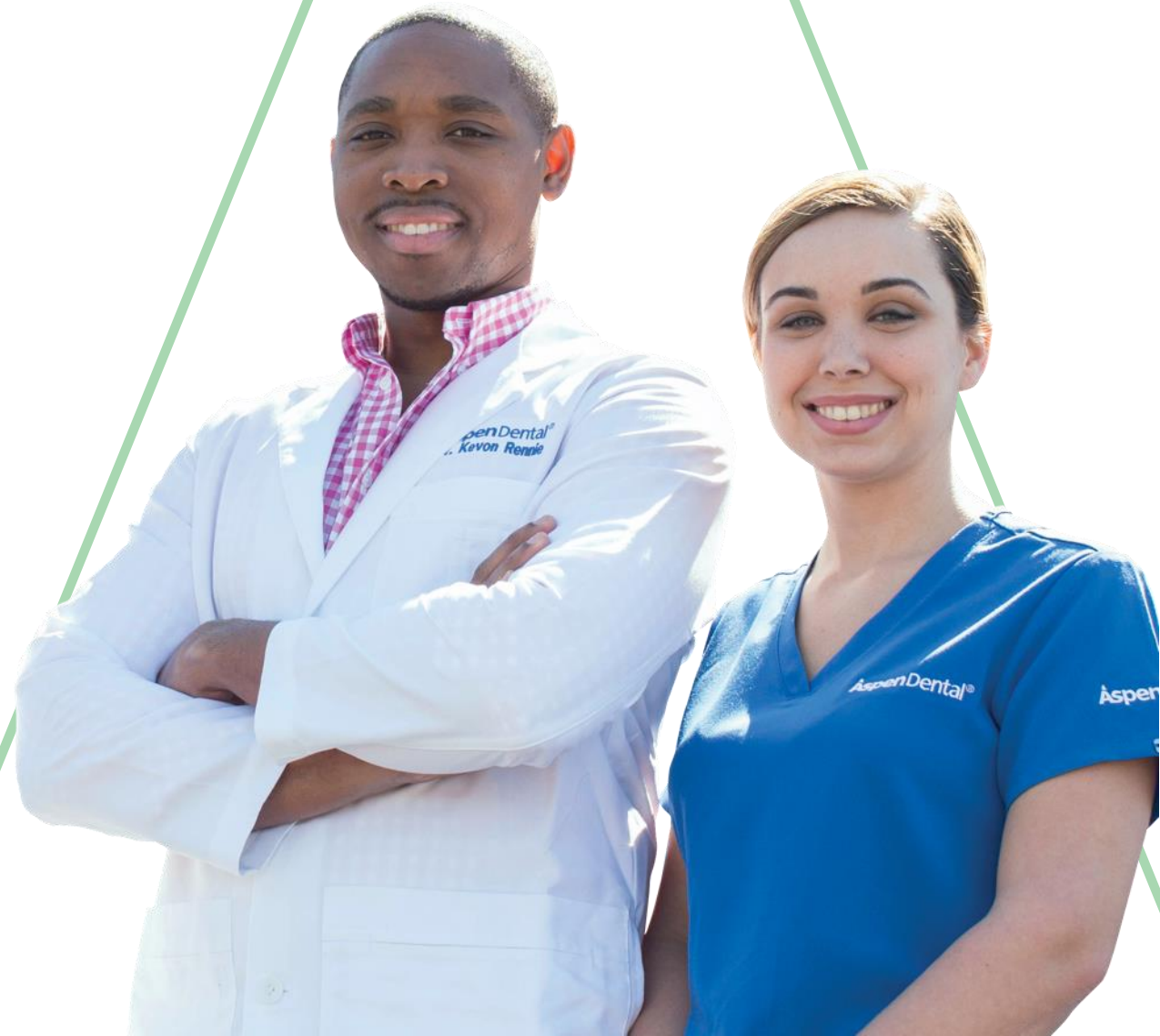
# Aspen Dental Management, Inc. (ADMI)

- ADMI helps **streamline and consolidate business support services** across more than 820 Aspen Dental branded practices, allowing offices the benefit of shared infrastructure and technology
- An **innovative model** that takes non-clinical business and administrative services out of the dental office
- Support makes it easier for dentists and care teams in every Aspen Dental private practice to **focus on what they do best**: practice dentistry with clinical autonomy, while delivering the quality care that patients expect in today's changing healthcare environment
- Support includes: location selection, leasing, acquiring state-of-the-art equipment, accounting and marketing



# Navigating operations: New normal

- **Temporary closures** across more than 500 locations to address early wellbeing concerns
- Transition to **emergency only care** across many locations in accordance with state and local guidelines
- **Re-opening in accordance** with state and local guidelines as communities adjust to new normal safe, clean
- Heightened diligence **around patient and care team well-being**, including new patient experience protocol and **Smile Wide, Smile Safe Promise**



**Thank you  
& Questions**

**AspenDental®**

Dr. Sam Alkhoury

President and Founder  
Simply Dental Management





# BACKGROUND

- Originally From Syria, became a dentist at 22 y/o and an orthodontist at 24 y/o
- Moved to the US in 1997
- Graduate Boston University 2001, NYU ortho 2003
- Associated at OCA for two years
- Purchased two practices in 2005 founded Simply Orthodontics
- Founded Simply Dental Management in 2016 with no PE backing

# BACKGROUND

- Since 2016, grew revenue 100% year over year
- 2019 Inc 5000 (#2362) and NE Entrepreneur of the year
- Today 36 locations across NH, MA, CT and NY
- 250 employees
- Locations: 17 Ortho, 10 GP and 7 Pedo/Ortho
- 15 Denovos and 21 acquisitions
- Strive to constantly redefine quality care for group dental practices







# Consistent Growth through Core Values

At Simply Dental Management, you will find that we place our commitment to our patients' experiences at the forefront of everything we do. Our entire team is devoted to our five core values:

- 🌀 We Care
- 🌀 Do What's Right
- 🌀 Integrity and Respect
- 🌀 Encourage Individual Growth and Development
- 🌀 Bring Your Smile

We have dedicated ourselves to upholding each of these values across each practice so that you can achieve consistent growth while bettering the lives of your team and the community you serve.

**Our Core Focus**  
***Smile Better, Live Better.***

[Learn More](#)



**Simply Dental  
Management**



# Our Services

Simply Dental Management



Human  
Resources



Marketing



Accounting  
& Finance



Billing &  
Collections



Compliance



NESS - New  
England  
Support &  
Services (IT)



Recruitment  
& Hiring



Procurement



Credentialing

# During COVID-19 shutdown

- Crisis management (sanity)
- HR management (know the law, permanent terminations)
- Financial management (cash flow analysis, forecasting)
- PPEs (load up)
- 3 TRUSTs
- Focus on safety (team and patients) – keep it fun
- Strategic hires (CFO and Director of Marketing)
- ADSO weekly call
- **Marketing Marketing Marketing**

# Ramping up after COVID-19

- **Marketing Marketing Marketing Marketing**
- Skeleton crew
- Watch daily production/payroll
- Pause CAPEX
- Watch procurement (small orders)
- Watch PPEs
- Watch new patient appointments

# BUSINESS STRATEGY

- Keep it SIMPLE! Process and Systems
- Establishing culture
- Invest in People – Focus on Employee Satisfaction
- Promoting from within
- IT Integration –Cloud9 & OpenDental
- KPI dashboard Gaidge and Practice Analytics
- Understanding Patient Needs –providing quality patient care
- Networking and learning YPO and ADSO
- Reliable Source of information (Group Dentistry Now!)



# UNDERSTANDING PATIENT NEEDS

Understanding Patient Needs –providing quality patient care

Being both a doctor and an entrepreneur is rewarding, but it also comes with its own unique challenge.

**Empathy remains the driving force in both roles.**

*“No one will believe in you until  
you start believing in yourself”*

Thank you!

[salkhoury@simplydentalmanagement](mailto:salkhoury@simplydentalmanagement)





# Chris Badgley

**Executive Director**

**The Association of Dental Support Organization**

- Extensive experience in government affairs and association management.
- Led the state government affairs function at Pfizer (formerly Wyeth).
- Pharmaceutical Research and Manufacturers of America (PhRMA) Senior VP of State Government Affairs.
- Deputy Chief of Staff managing the pharmaceutical industry's campaign to support passage of the Affordable Care Act.
- Senior Vice President Commercial Policy & State Government Affairs at CompTIA (TechAmerica) and working on member recruitment and retention, as well as events and program development
- Senior Director, Public Policy and Government Affairs at Daiichi Sankyo, Inc.
- He has also served on several of the advocacy and public affairs professions' executive committees and advisory boards.



# Questions

Type your questions into the 'Questions' pane in your control panel.







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