

Ask the Expert

Dr. Jamie Reynolds

**OrthoFi, Orthodontic Partners,
Reynolds Orthodontics**



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So it might look like we had all these answers and all the data and that we built the company around that, but it wasn't any of that. It was actually us saying, 'Hey, we need to get better. We have this challenge, we need to try to figure out what it is. Let's get smart people together and figure it out.'

Dr. Jamie Reynolds is a dynamic and dedicated professional and one of the nation's leading voices on high-tech and accelerated orthodontics. He is a leading authority in his field, an in-demand speaker, a relentless innovator, and a successful private-practice orthodontist at Reynolds Orthodontics in Novi, Rochester Hills, Troy, and West Bloomfield, Michigan.

Dedicated to bringing the best in orthodontic care to his local community and beyond, he co-founded OrthoFi to help make cutting-edge orthodontic treatments an affordable option for more people, and the metro-Detroit chapters of Smile for a Lifetime and Smiles Change Lives, two national foundations that provide “smile scholarships” for children of low-income families.

Dr. Reynolds is a Diplomate of the American Board of Orthodontics, member of American Dental Association and the American Association of Orthodontists and Founding Doctor at Orthodontic Partners.

Dustin Burleson:

Welcome everyone. I'm so excited to have Dr. Jamie Reynolds on the show tonight. Jamie, thanks for being here.

Dr. Jamie Reynolds:

Thanks for having me.

Dustin Burleson:

If people have somehow not heard about you, we don't have to go all the way back to birth, but we'll give your backstory. And I want to talk a little bit about your new book and what's new in orthodontics. So how did you get to where you are today?

Dr. Jamie Reynolds:

I went to school to be an athletic trainer, and I think you and I have talked about this before. I want to be my friend in high school's dad was the head athletic trainer for the Lions, Kent Falb was his name. So that's what I went to school for. I went to University of Michigan, taped ankles for a while, realized that wasn't all it was cracked up to be. And was interested in sports medicine, was thinking about orthopedic surgery because I'd seen some surgeries doing that, which I thought was interesting. And then I got a call from a friend of mine whose dad was a dentist. And he didn't try to talk me into dentistry, he tried to talk me into being an orthodontist because I guess that's what he wanted to do if he had to do it all over again. And I hadn't thought about a moment of orthodontics until that phone call. So I decided I was going to take the DAT and the MCAT, the DAT came first. I studied for it and then fast-

forward 20 something years, here I am making teeth straight, so.

Dustin Burleson:

I love it. Talk about OrthoFi. I know a lot of our docs have met you through OrthoFi or they've seen you on stage talking about Ormco. Maybe, how long did it take after you graduated residency to get involved with Ormco and start speaking? And or walk us through when OrthoFi came into the picture.

Dr. Jamie Reynolds:

I started working in 2002 with a guy named Larry Spillane and he had a busy single location practice here in Michigan, Novi. And then we were early on with the Damon system just because Larry and I both, when I started, we were Pepsi challenging Damon and Innovation. And I liked Innovation, Larry liked, he probably liked Innovation better. He made his way to maybe the first or second Damon Forum because he got talked into it by his Ormco rep. At the time, Ormco and Dwight had a much more robust educational platform, so it wasn't just like, "Hey, here's a bracket", it was, "Hey, here's how you use it". And so that really was what made the switch to do Damon stuff. And because we were early on with them, we did a lot of things wrong and learned a lot, met some of the early people, became more involved with Ormco, started doing some clinical trials.

And then we were asked to be part of this group they have, it's called the Insiders, which started out as a lingual group, why they're called Insiders, but then it evolved over the years into a product development think tank-y group. And then that's where I met a lot of the people I've

become close with a lot of my mentors, Dwight and Jeff Kozlowski and Stuart Frost and Todd Bovenizer and all those guys. And so we were just really focused on getting better clinically because that's what we thought was the answer of trying to grow our business. And then we were in Detroit, so the recession here happened before everybody else. We got double recession, so the automotive companies were seeing things coming. They went through a big round of layoffs. So we had the Detroit recession. Then as soon as they started doing better and we're a little bit fiscally responsible, then the banking crisis happened.

And what they didn't plan for was the leasing would evaporate and no one would be able to buy a car. So there was like everybody went to bankruptcy before, and it was pretty bleak here for a while. Through Ormco, I got involved with a product called Insignia, which it's basically what LightForce is today, only instead of being direct printed, it was milled. They started out with Twin and we got involved with a passive self-ligating study. And so Koz and I were doing that. Koz did the original clinical trial and then he called me on the way back from California one time and said, "Hey, would you be interested in trying this out? You wouldn't believe what I'm seeing". And so he and I had more clinical data than everybody else's clinical experience. We started lecturing, he started the Batman. I was of the big picture inspirational stuff and I was the Robin that was like, "Hey, I'm doing it too and I've screwed up all these things so don't make these mistakes".



And so when you make mistakes before everybody else does, it has this funny way of not making you seem stupid for making mistakes, but making you seem clairvoyant even though it's just making mistakes before someone else gets to it. So I started talking about that.

And so when you make mistakes before everybody else does, it has this funny way of not making you seem stupid for making mistakes, but making you seem clairvoyant even though it's just making mistakes before someone else gets to it. So I started talking about that. We were doing, we're coming off the back end of that first recession into the second one. And we had had to change what we were doing in Detroit financially, so we had to try some pretty aggressive stuff. We tried everything we could to get people in, huge down payment discounts and really extended financing terms. And some people don't pay us for six or 12 months, but we start your daughter anyway because she really needs it. And anything to keep the lights on. And so when we were doing our lectures for Insignia, we'd always get the same question, faster treatments, better blah, blah, blah. Less visits are better, but how do you get people to pay for it? And we didn't have a great answer.

We weren't great in the sales room. We were the office in town, but we didn't really do a good job. My partner was, Larry was a great guy for business connections. He was a great clinical orthodontist. We didn't really like numbers, so we weren't that office that tracked all the numbers and knew all the things, which is very ironic since that's a lot of what I've been talking about for the last 15 years. But I knew we were bad at it and I knew we needed to find a way to get better at it. So I started asking around with some of the people in the Insiders group and smart doctors that I knew, and Charlene White told me one time that there was a practice that she knew down in the Carolinas that was charging interest for their patients that extending financing and they were making a lot of money on interest.

And I was like, "Well, I wouldn't mind making more money on interest". I was still trying to pay Larry back at the time. So it was just trying to figure out what was going on. And ultimately, a few of us got together, Jeff Kozlowski, Dave Turner, who's a friend of mine from college, and a few other guys, John Graham, Dave Pickett, and a friend of mine named John Lloyd who's a business guy, a finance guy. And we met at the Hawaii AAO and we're like, "How do we solve for this?"

At the time, we had all just taken the Wilckodontics course and we were thinking that that was going to, Wilckodontics plus Insignia was going to be the next big thing, which anybody that's ever done any of that acceleratory treatment knows it's not all it's cracked up to be and not nearly as predictable as it might be nice to be. So anyway, we thought we would build a company that

competed with CareCredit and go into that super accelerated space. And little did we know, my friend John knew, but we had no idea, especially me, that it takes billions of dollars to be lending money out and paying people like CareCredit.

So anyway, we met at the Hawaii AAO and had a couple beers, and I left thinking maybe this idea that we have was stupid, that I had was stupid. And then I came back to my office afterwards and I was asking my office manager, who's always working on the books, I'm like, "Hey, I thought we were doing auto payment, but all I see you doing is spending time doing receivables and what's going on?" She said, "Well, I only spent a little bit every month on the patient stuff, but the insurance stuff takes me all the time. It's unbelievable how much time it takes". And then the light bulb went off. So I called my buddy Dave, and I said, "What if we rolled insurance into it and made it a little bit broader of a product?" And then away it went from there.

So I think Oliver and I, and Oliver is definitely the brains behind the book. I know you know Oliver, he is a really bright guy, but it looks at this point like all this stuff was clairvoyance or that maybe we were the ones that knew stuff that everybody didn't. So we built this company around it and it wasn't that at all. It was, "Hey, we need to get better. We have this challenge, we need to try to figure out what it is. Let's get smart people together and figure it out". And it is way, way, way different and better than I could have ever imagined it, or did imagine it at the time. And there's been so many people that have helped along the way, just all the people at OrthoFi plus a bunch of

really bright doctors, there's too many to mention. And you, of course, you've been helpful, so. So anyway, fast-forward to now, it's a great company and... Go ahead, I'm sorry.

Dustin Burleson:

I was going to say I love, I think there's a lot of great business stories like that where you find your way along the path, you don't know. I mean, had you known it was going to be this wild success that it is today? It's so hard to predict. And I think it's just being open to what the market gives you and then being willing to share the amount of data you guys have gathered, the book just dispels a tremendous number of myths. And I think what's interesting with businesses that are wildly successful is you really never know setting out, you really can't know what it's going to grow into, but having a general direction and a path as a problem to solve for the consumer or something just in your own practice that's frustrating.

I think that the interesting thing is you guys have been really willing, more willing than anyone else to share your data and show orthodontists "Hey, here's what we're finding" and there's these myths and there's these common beliefs in orthodontics for years on. "You've got to charge the patient 25% down." I had this conversation with a resident yesterday who's going to join a practice and they're like, "Our down payment is \$1,500" and I'm like, "That's why you're seeing 12 new patients a month instead of 72 new patients a month". So maybe we'll start there. What's that been like to see the data? What's surprised you in looking at these huge chunks of data

based on OrthoFi's experience and going back and scratching your head with what orthodontists have commonly believed?

Dr. Jamie Reynolds:

Yes. So I didn't have any of the answers, I had the questions, right? So Oliver and I would get together and he had the keys to the data, so a lot of people have been like, "Hey, are you looking at my numbers?" And I only ever had access to my data individually, and then he'll serve up the group data so we can look at it and anonymize, but I don't know anybody's stuff. But anyway, when we first started looking, I had a lot of questions, and as we started getting answers, I woke up one morning and wrote a blog post, Same-Day Starts the data, right? When we had just gotten some of the first information. And I don't know why I wasn't necessarily writing stuff, that just wasn't where I was headed with things, but I was like, "People need to know this information" because I was really curious about it.

So I hammered it out in the morning while the kids were sleeping and then Ben Burris at the time was running a blog. And so I was like, "Hey Ben, I just wrote this. You think people would be interested?" Because I always had these questions, and he was gracious enough to publish it. And then, "Hey Oliver, I have some more questions" and then he would give me answers. And then there was another blog, something and then something else, the data and something else, the data. And then it just started. That was probably the beginning of the path towards the book, however long ago that was, 10 years. And the first stuff that we started publishing, it was crazy because I

sent it to Ben in the morning and I got on a plane and went to the Damon Forum.

And then the next, or no, no, it was the day before. So two days later, I got on a plane and went to the California for the Damon Forum and we're eating at the speakers dinner that night. And there was a doctor from Australia at my table that I hadn't met. People went around, who's this, who's that? And then, "Hey, my name is Jamie", whatever, blah, blah, blah. And it was fine. And then five minutes later, somebody called me Reynolds, because that's what most people call me, and he's like, "Oh, you're the guy that wrote that blog" and he had read the Same-Day Starts blog, and he had read it in Australia and gotten on a plane and come to California and was like, I was just blown away by how fast... That was the first time how small the world is.

Dustin Burleson:

Yeah.

Dr. Jamie Reynolds:

So anyway, as we started to share it, we got lots of arrows thrown our way. And there was a lot of, especially I'm an idiot and everything that OrthoFi is doing is going to ruin our profession and none of the things, just all the stuff. And we like, got nervous, "Oh crap, are we telling people the wrong thing?" And really, I've always, the reason I've gotten involved in, I like working with really smart other people. I love being the dumbest guy in a room and the Ormco Insiders Group is like that, there's just so many brilliant people around. And so I've always been super curious about stuff.



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And as we started to get this information, the only frame I had was like, I would love to know this if it wasn't me who was getting it, so we need to share it. And maybe that's how some of the open-source software and stuff like that goes. Maybe it's some of that same really curious personality, but I never really thought there was any other way to do it. We never thought, "Hey, let's hoard this data and make it some proprietary thing where you have to use it", it was like, "Hey, let's give this to everyone so people can do a better job helping patients end up in the hands of a skilled orthodontist", right? And so as we learned it, it was just really fun to share and I don't know any other way. And as we got more and more data, then it turns out that now, there's over \$5 billion that's gone through the system and practices from all corners of the country, and there's no more supposition and inference anymore, it just is what it is.

And it's not that I'm right or wrong, I just ask questions and the data told me answers and then we can tell it. And it's been fun to see how maybe it's changed the way that our profession thinks about approaching the sales process

and approaching financing agreements and helping people afford treatment. And that's been fun, but it's rewarding to be able to ask questions and answers that I know a lot of people want the answer to. You know what I mean? And then help, because I've gotten help from so many people along the way. Most of what we do in our office is completely plagiarized from all corners of a lot of your stuff as well.

Dustin Burleson:

None of it's mine. There's nothing new under the sun, right? It's like a lot of what we learn, we sat and watched these car commercials going, "You can pay for a GMC truck with no money down over 72 months", why are we asking orthodontic patients to cough up \$1,500 for braces? Those are things you were asking back in 2008. And it's like the common consensus was, well, if they don't pay you before the braces are off, then they're going to stiff you on the bill. And people like you were like, "It's not happening to us". And we were like, "It's not happening to us."

Dr. Jamie Reynolds:

I didn't have a lot of proof, I was just like, "Well, it seems to be working", but we weren't data-driven in the office. And then as I've crawled down the rabbit hole and actually been curious about how all this stuff works, I've learned a lot more about the way that financing works and the banking system works. And turns out, all these 'genius' ideas that we have have been present in many, many, many other businesses for decades and decades and decades. So geez, should I have one or two types of



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financial structures in my portfolio or should I be diversified among them? Wow, what a genius idea that is.

Dustin Burleson:

It's like magic. Yeah. Here's your *one* option for paying us. Yeah, it's amazing.

Dr. Jamie Reynolds:

Yeah. It's brilliant what we come up with in retrospect.

Dustin Burleson:

Yeah. We met a client one time, he's like, he used to have 99-100% collections and we started teaching him some marketing stuff and going after a bigger volume of patients. And he's like, "Yeah, but some of these patients aren't paying me now" and I'm like, so we looked at his collections rate, it was still 96%. I'm like, "I'm no math

genius, but I'd rather have 96% of \$5 million than 100% of \$1.5 million".

Dr. Jamie Reynolds:

Yeah. And other industries, they take a look at our collections and they salivate. You know what I mean? So our bad debt percentage is so low.

Dustin Burleson:

Only orthodontists and perfectionists.

Dr. Jamie Reynolds:

Yeah.

Dustin Burleson:

It's got to be perfect. What's interesting though, with OrthoFi, you actually can collect more than 100%. And if you want to know how that happens, Jamie and I mentioned it, you can charge patients' interest. I think in the book, somewhere around 6% of patients will choose an interest bearing plan. Is that still somewhere in the ballpark?

Dr. Jamie Reynolds:

It depends where you're from, geographically. For a while, there was up around 10%, 11%. I think it's probably in that 7% to 10% range depending where you're at. And so when I first thought about interest, I was like, "Hey, I can make money charging interest", right? And then I quickly realized that the reason why banks make money on interest is because they're banks, they loan you money and they get less than what they loan you back, and they have to make more money in order to make profit, right?



And so interest is an incredibly poor mechanism for an orthodontist to make money. What it is, is it's a great subliminal influencer to keep people to pay only as long as they need to. And then it's a hedge against any of the additional default that you might acquire by becoming more flexible.

And so interest is an incredibly poor mechanism for an orthodontist to make money. What it is, is it's a great subliminal influencer to keep people to pay only as long as they need to. And then it's a hedge against any of the additional default that you might acquire by becoming more flexible. And there's a lot of areas that, so the highest OrthoFi has charged is 6% to 7%.

And the reason it was set like that is that's the maximum allowable interest chargeable in the State of Michigan. It wasn't any genius idea. We probably would've charged more, but that's as much as we could, and it turned out to be actually the smart amount because it does get to be influential in a buying decision as you get higher interest, and you don't want someone to not choose your treatment over the interest rate, right? You just want to add a little bit of a hedge. So some practices collect 100%, 101%, 102% when you factor in that interest income. Some of them in areas that are less affluent, their collections might be 95%,

but they get extra couple of juice points from the interest collections. And then it manages your cashflow by having, if you do just 0% interest as long as you want, then why wouldn't you charge a, or why wouldn't you just pick the longer one? Right?

Dustin Burleson:

Yep.

Dr. Jamie Reynolds:

So if you or I were the ones that were being selected, we might say pay in full just to be done with it, or if not, it was up to 48 months, so I might as well take 48 months of your money than 48 months of my money. So that's not great for your cashflow. You got bills to pay and stuff like that, so you don't want everybody coming in and picking that. So it's less about making tons of profit, more about being a hedge, both for the risk, and mostly about keeping your cashflow in the right spot. We call it being intelligently flexible rather than trying to be more flexible and going from \$2,000 down to zero down \$99 a month. It's like be flexible for the people that need it and then encourage people that don't to pay a little shorter and then offer maybe a little bit bigger discounts for people who can pay all the way in full. So we introduced the pay in full, the pay in 75% and the pay in 50% discounts as well, so it's a sliding scale of discounts depending on your down payment. And a lot of people pick those. You wouldn't think 1% or 2% discount would be worth it, but a lot of people do.

Dustin Burleson:

Yeah.

Dr. Jamie Reynolds:

So all the stuff we've learned along the way.

Dustin Burleson:

But across the board, increased starts for OrthoFi members, right? I mean, it's all about helping more patients choose, correct?

Dr. Jamie Reynolds:

Doctors make money from treating patients, that's where all the profit is, right? So the goal is enable people to afford treatment and don't get stuck in your craw that that one Invisalign guy two years ago walked out and I paid \$1,500 for lab bill, and then you make all of your financial policies around that one a-hole, right? So turns out, that's not very smart.

Dustin Burleson:

No one said we were smart. We're very *emotional* creatures.

Dr. Jamie Reynolds:

Yeah. We did that for a long time. I laugh at it. Like I said, I wasn't clairvoyant in all of this. We did all of the things that I would tell you now, were not smart. I did them all, that's why I know we're not smart.

Dustin Burleson:

Yeah. Yeah. I mean, I had opened a from-scratch practice and I was three-appointment starting people like I did in residency. I'd bring them in, talk about what I saw on the exam, schedule some records, bring them back. And one

day, this mom leans across the table, she's like, "When are you going to put the braces on? This is our third time here". And we're like, duh. I'm like, "Oh, I could do it today. How's that? Does that sound good?"

Dr. Jamie Reynolds:

She says, "That'd be amazing", right?

Dustin Burleson:

Wouldn't that be great?

Dr. Jamie Reynolds:

Turns out that's actually what she wanted – what's most convenient for her.

Dustin Burleson:

That's why I'm here.

Dr. Jamie Reynolds:

Yeah.

Dustin Burleson:

Man. It's like yeah, a lot of the stuff too, people were like, "How did you do that?" We did it the wrong way and parents demanded something different from us. Yeah.

Dr. Jamie Reynolds:

Just to comment on that topic, a lot of people have been talking about Same-Day Starts, including me and a bunch of others, and the frame is that somehow, Same-Day Starts are pushy and they're just a sales tactic. And I think the data behind it would tell you that your sales performance is better if you offer it, right?



A lot of people have been talking about Same-Day Starts, including me and a bunch of others, and the frame is that somehow, Same-Day Starts are pushy and they're just a sales tactic. And I think the data behind it would tell you that your sales performance is better if you offer it.

Dustin Burleson:

Yep.

Dr. Jamie Reynolds:

But most of the time, that's what the patients want. And if you've ever done a Same-Day Start at 4:30 and the clinic is empty and the mom's sitting there at the after party and people are vacuuming and they know that you're there for them to help them be more convenient, they walk out of there super grateful, right? They're really happy about it. So we've reframed and we don't call it the Same-Day Start in our office anymore, we call it Same-Day Convenience in order to make the team culturally believe more that it's about convenience.

And so a lot of people I've heard try to encourage Same-Day Starts by offering a discount for Same-Day Starts. And I think that's a really bad idea because what I think it tells the patient is that what am I missing as to why I'm just getting a discount for

staying today, or somehow me staying today is better for the doctor than it is for me because they're giving me a discount, right?

And I think if you haven't, they haven't booked the appointment yet, so in order to do a Same-Day Start, it takes operational aptitude in order to do that, to part the Cs, to put the braces on, to move your other patients out of the way, not run behind, et cetera, et cetera. So it's not easy for us to do that, and it's much better for the patient. If it were me, I would pay extra to not have to come back.

And so I think that the Same-Day Start discount is a really bad idea, both... And I think it sets the wrong message for the team and especially the wrong message for the patient. It is better for them if they stay. And then the way you avoid being pushy is you talk to them ahead of time so they can consider the idea that they're going to start that day before you actually tell them when you're asking them for money. If the first time they hear about that is when you ask them for money, then it's going to be really difficult for you to not feel pushy, right? But if they talk about it first phone call and confirmation call and the day before and when they walk in and all those things, then they have time to consider it and they will realize that it's better for them to do it.

Dustin Burleson:

Yeah, and it's all over the place in other smart industries. So the smart tailor will offer you same-day tailoring or it's like if you're in a rush and you've got to get a suit for a wedding, it's like, well, if you buy the suit today, we'll throw in free tailoring. It's just how good customer

service is done. I think the guy we buy our cars from, I got my son's driving now, he's got a little Volkswagen SUV, and he sent some pictures of it, they found it in Topeka and he drove it to our house and we said, "Yeah, that's cool". And I handed him a check and off he went. He didn't fist bump his co-partner like, "Another sale, another same-day start". It's what's best, what's most convenient for us as a family.

Dr. Jamie Reynolds:

And even if he did, it's okay to have win-win scenarios, right?

Dustin Burleson:

Yeah.

Dr. Jamie Reynolds:

So if it makes your conversion percentage better, which drives the success of your business, because the number one, as you know, **the number one fastest way to increase your profit without spending a dime is to just convert more patients.** You've already spent everything and it's the fastest profitability. And if you do it in a way that helps your customer like, "What's the big deal? That's great", win-win scenarios are great. Nobody should feel guilty about building a successful business that gives great value to their customers, it's just really hard to do. And so if you make profit from it, great. And if you feel really guilty, be really philanthropic. Get back, treat your team like a million bucks, don't just do the right thing. That's what you're supposed to do.

Dustin Burleson:

Yeah, I mean, ours is always just anecdotally because we don't have \$5 billion worth of data points to go look at, but just most of our clients are one or two more starts per day from achieving everything they want to achieve in the practice, and they're already there. They don't have to grab one or two more new patient phone calls per day, they just need to convert the ones that are already there. And it's often-

Dr. Jamie Reynolds:

Yeah, and probably some answering the phone that they need to do, too. That's the other thing, is answer the phone.

Dustin Burleson:

Yeah, and that's why I love what OrthoFi does. We're getting data from the very beginning all the way through. And the one that, obviously, I'm biased, I love when I see data inside of your data set to confirm what I believe.

Dr. Jamie Reynolds:

Yeah, probably something to that, right?

Dustin Burleson:

Right, but the whole, with this making new patients wait six weeks to get the appointment time they want, I mean, we're just lighting ourselves on fire because we would monitor the phones and the first thing we'd do for a new member is turn on CallRail or some data-based phone tracking system, and most of them were missing phone calls 40% of the time. And we would, it's like, I can grow your business 25% and it's like this because we're going to

measure the phones and make sure you're answering them, but we would look at the doctor and they'd usually have an office manager there. We say, "Well, what's your most popular new patient exam slot?" They're like, "Oh, four o'clock, right? Four o'clock". And I said, "So when can I get a four o'clock?" And the doctor's like, "Oh, you can get a four o'clock within two weeks".

We'd be like, "You want to bet on it?" We're like, well, first of all, these meetings were usually on Fridays and Saturdays, so I'd say, "Are you sure your office is even there, they're going to answer the phone?" And they're like, "Yeah, maybe they'll answer". So we would just get out the phone and we would put it on speaker and we'd call their office. And four out of 10 wouldn't answer. The ones that did answer, we would insist, "So hey, I'm new to town. Do you guys do Invisalign? How much do braces cost?"

And we try to trip them up, but then we just like, "Hey, well, I don't really need a four o'clock because I can't get the kids out of school and I work" and it was six, seven, eight weeks to get that appointment slot. And then finally, OrthoFi is like, "Hey, if you're making them wait more than three weeks, you really have a no-show problem". And so they might get the appointment they want, but it's so far out, the mom's either forgotten, right? Or they've maybe gone somewhere else. Is that data still holding true? I'm assuming they're still getting the new patient pushing all that to the left like we're-

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We ran another data set recently and we compared people who started and who didn't start, and it was hugely overwhelming. The ones that started were all under 14 days for their booking window (i.e., how long from when you call until when you get the appointment). It's the biggest correlation that we've seen in all of OrthoFi relative to starting or not starting.

Dr. Jamie Reynolds:

Yeah, we actually ran another data set recently and we compared people who started and who didn't start, and it was hugely overwhelming. Maybe I can get you, I don't know if you do show notes or something and I can get you that chart, but the ones that started were all under 14 days. We call that booking window, how long from when you call it or when you get the time. And the ones that were 21 days and up, it's the biggest correlation that we've seen in all of OrthoFi relative to starting or not starting was the booking window. So a huge percentage of the non-starts or the no-shows never showed were that north of 21-day booking window. And so I think there's two types, right? There's the type that like, "Oh yeah, sure, I got an appointment in two weeks" and turns out, they don't.

And the other part is like, "Well, my office is six weeks to get into and I'm really sweet", right? And then what they don't know is the downstream effect is that all the no-shows, they've showed up at your office in between now and then and same-day started even though they haven't called your office to cancel their appointment, there's all this data now that you have to get them in. People are incredibly impatient. And I don't know about you, but my, well, you're retired now so you don't have to worry about it, but the amount of people that no-show or call within a half an hour to break their appointment is through the roof. It's probably double or triple what it was before Covid, so it's just a different consumer now. It's more important than ever I think to have the immediacy of it.

Dustin Burleson:

Yep.

Dr. Jamie Reynolds:

And then it's convenience. We know convenience is super important.

Dustin Burleson:

Yes. Speaking of convenience, what's your view on where you put new patients? Are you still shoehorning them into one-hour consults that have to be in the new patient room? Have you expanded your idea of that? Will you do them with the chair, or how many new patients do you feel like a solo owner operator could see or should see in a day?

Dr. Jamie Reynolds:

So we've shrunk our time to 45 minutes and then we have the TCs run it. What we have done is we've shrank our time, we try to do some of the work ahead of time, especially the insurance. So getting the insurance before the day of exam is super important. So the more you can do that, the better your conversion percentage is. I think it's obvious.

Dustin Burleson:

Yeah.

Dr. Jamie Reynolds:

And then I think we've added our days to have two treatment coordinators as much as possible. Even if that makes the morning empty, they can still do their follow-up and everything, but I'd rather have the availability for all the new patients or first thing in the morning and afternoon exams, even if the morning is empty because I think the treatment coordinator are way more than pace themselves to be idle on the in-between. And then our office has moved our OBS-not-readies, or our between-phases-not-readies into the clinic.

Dustin Burleson:

Yeah.

Dr. Jamie Reynolds:

So then we see them there because I feel like the treatment coordinator, their job is to take patients who are considering treatment and turn them into patients, right? Customers who are considering to turn them into patients. So if I know that that's not going to be a function

of that appointment, then putting them in with that person with the unique skillset doesn't make a lot of sense. And I'm going to see them still, so I'll come over to the chair and say, "Hey, whatever", and then tell them, "Well, you're good" or, "Next time, we're probably going to be ready for braces, so we'll save time for you for that day" to set them up for success later, but I don't think you need a treatment coordinator to do that.

Dustin Burleson:

Yep, I agree. That's awesome. You really opened our eyes to it and we were playing around with it with CRM, but you built a real system that really, for lack of better phrase, just opened my eyes to this batch processing that happens in orthodontic clinics. So for the patients who don't star, someone listening to this saying, because I mean, we still enlist members and do secret shopping and we see treatment coordinators writing on a paper and sliding it back to the mom with-

Dr. Jamie Reynolds:

You're right.

Dustin Burleson:

Even if I go, I'm like, "Oh my God, it's 1980". And then so they've got this handwritten fee presentation and then the mom goes, "Well, I got to think about it and talk to dad". What would you say to someone listening or watching and says, "Okay, there's no way we can keep track of all these new... There's just no way to keep track of everyone who hasn't started"? Can you open our eyes for what that could look like if we're doing Just-in-Time processing using something like OrthoFi?

Dr. Jamie Reynolds:

Yeah, I mean, there's a few things. First, there's the Batch versus Kanban or the lean processing Just-in-Time. And so an example of that, for those who don't know, is you do all your stuff in one sitting. So you run your payments on the 15th of every month and then you don't run them again until the 15th of the next month, right? And so if someone becomes delinquent, and there's I think two types of delinquencies, there's intentional and unintentional, right? So the ones that are trying the game system few and far between, the ones that run into financial trouble and intend to pay you, but just can't, more likely, right? So then all the people, let's say they become delinquent on the 15th and something has happened, everyone who calls them between the time they missed your call and the next month gets paid and then by the time you get there, they don't have any money left, they're paying all the other people.

There's certain people that can't pay, right? So just a function of doing it every single day rather than doing it once a month, or if Sally's on vacation the one month and then it goes two months without. Same thing with the pending follow-up. So if you don't follow up with them immediately, the chances we have that curve where the chances that, adults especially, but both kids and adults will start to decrease dramatically as soon as they leave. And after 45 days, your chances are down to 10%, 15% that they might actually start. So following it up both when the phone with text messages, with emails is important, right? You don't want to be pushy about it. Now, I think a lot of people think the way to not be pushy

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There are two types of delinquencies – intentional and unintentional. If you're batch processing accounts receivable on the 15th of each month, you're probably reaching consumers too late in the cycle and they've already paid other companies who reached out to them just-in-time.

is to never have someone tell you that you're pushy. And I think if you do any kind of follow-up whatsoever, you'll get somebody once in a while that lights themselves on fire and they're like, "You guys are so pushy, screw you. I'm never coming there", right?

They weren't coming there anyway, they just were annoyed that you called them about it. So you will get that once in a while, but it should be once every few months, once every six months, and that's okay. That just means you're doing follow-up. A lot of the other people you'll hear way more often, "Hey, I just want to let you know I started with you because you're the only one that followed up with me and I had a bunch of exams and you gave me great information and I built a relationship with you and that's why I started", you'll hear that far more often. And the way we used to keep track of that is stick

your nose in the treatment coordinator room and say, "Hey, Rose, how's the pending follow-up coming?" And she's like, "It's going great". And you're like, "Okay, perfect. Great job, Rose".

And once we start to look in the math, it's like, oh my God. When we first turned on OrthoFi's data measuring thing the first week or two it was on, I was asking the CEO, I'm like, "Hey, I think this OrthoFi thing is broken" because our conversion percent was 30% or 35%, I forget the number. And he's like, "No, dude, that's what it is". I was like-

Dustin Burleson:

It is what it is.

Dr. Jamie Reynolds:

So we 'stole' the idea for this from Gmail. You can snooze your emails. Actually, there was an app that came out called Mailbox, I think it was, that got bought by Gmail.

Dustin Burleson:

That's right.

Dr. Jamie Reynolds:

And they had this cool feature where you could swipe to snooze it and then you could deal. And all of a sudden, I had a clean inbox for my first time. And then two days later, it would pop up and like, "Ooh, I've got to email Dustin", right? I was like, "This is amazing".

Dustin Burleson:

Yeah.

Dr. Jamie Reynolds:

And I was like, Oliver and Dave, the CEO, I'm like, "We got to build something in like this because if your TCs got 50 things to do on that day, then it's going to be overwhelming, right? But if they have three or four things that pop up that day that decide to say, 'Hey, deal with me today', then they can clean their dashboard at the end of the day and away they go".

Dustin Burleson:

Yep.

Dr. Jamie Reynolds:

And so we built this system to help you organize all the things. And then after we did that, now there's some automated touchpoints in there. So on day one, they get an email. On day whatever, there's a text and you're supposed to call on there. And so when things pop up in the dashboard and they keep tweaking the dials on that, but just that gentle stuff works. And if you ever want to see what you're doing is oppressive, the five or six or seven touch points that you build in go into one of the direct to consumer places and watch them like the barrage of 57 touch points that come once you set foot in there.

Dustin Burleson:

Yep. Yeah. If everyone listening hasn't at least played prospect with SmileDirect's new little Smile Visualizer or bought aligners with one of our largest groups out of Phoenix years ago, they sent a couple of employees in and said, "Here's \$1,800, go buy SmileDirect and let's see what

shows up in the mail and let's see what shows up on your phone". And yeah, it's not one or two text messages, it's [inaudible].

Dr. Jamie Reynolds:

Yeah. And they're not dumb either, right? The reason why they're doing and built this big sophisticated thing is because they've built a lot of big sophisticated businesses and that's what works.

Dustin Burleson:

Yes. They're letting the data show them. Yeah, I will tell you, OrthoFi and that feature, making the TCs life easier. I don't think I've ever shared this with you. We've had TCs in large groups who husband or spouse gets relocated, and they will use that as a differentiator when they're looking at places to go work, the TC will ask, "Do you use OrthoFi?" Because if they've come from an OrthoFi practice, they want to go to another practice that uses OrthoFi, which is cool, so-

Dr. Jamie Reynolds:

I'll tell you a funny story. So when we first did OrthoFi, my two TCs, one of which has retired since then, one of which still works with us, and she's amazing, and they were pretty grumpy about what do we need this OrthoFi thing for anyway? And when we started measuring them, they didn't like that at all. And when we found out our conversion percentage wasn't very good, they didn't like that at all. And then we got some coaching and brought in outside consulting, didn't like that at all. And so there was a lot of grumpiness surrounding it, and I think a lot of

people go through that when they put in their thing, right?

And so it was Fall and Jimmy Kimmel does this thing where he has parents videotape their kids when he says, "Hey, I ate all your Halloween candy last night" and the kids lose it and they drop F-bombs and do all this stuff. So I set up a camera in the room and I sat in with the TCs and I was like, "Hey, I just want to let you know that we're going to do an experiment and we're going to turn off OrthoFi for the foreseeable future, and we're going to experiment with all the different things", right? And we've been using it for about four or five months. And those same ones that were really grouchy with me, they did the Jimmy Kimmel thing. One of them dropped a bunch of F-bombs and-

Dustin Burleson:

Oh, you'd have to. Well, going back to-

Dr. Jamie Reynolds:

It was pretty funny. So I think once you get used to it, they don't want you to take it away.

Dustin Burleson:

That's awesome. Yeah. "Well, I'm going to go back to pen and paper? What are you, crazy?" It's like giving your kid a car and then taking it away and giving him a bicycle.

Dr. Jamie Reynolds:

Yeah.

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We were part of the clinical trial group for Spark, so we've done I think around 1,400 cases. We've been treating almost exclusively with Spark for a couple of years now.

Dustin Burleson:

Anytime I can spend with you and learning stuff, I'm in. What's your experience been with Spark Aligners? We had Dr. Emory-Carter come in the program, we had them come down to the university and talk to the residents. We're very excited about it. Are you using a lot of Spark? Just maybe share your experience with Clear Aligners and where you are today.

Dr. Jamie Reynolds:

Yeah. So I'm still in the clinic. Quite a bit now, we've had a rash of babies in the office, and so I'm working a lot, maybe more than I want to at the moment. And I still love Clinical Ortho, that's my passion in all of this, which is I think surprising for some people. But we were part of the clinical trial group for Spark, so we've done I think around 1,400 cases of it. I think we're a handful of docs that have done over a thousand. Now, we have a leg up because we got more than one doc in the practice, but we've been treating almost exclusively with Spark for a couple of years now.

Dustin Burleson:

Cool.

Dr. Jamie Reynolds:

At first, we're like, "Hey, will people demand Invisalign?" And it turns out that they'll do whatever your recommendation is. I think Invisalign is a great product, by the way, so this isn't meant to bag them in any stretch of the imagination, but we're enjoying Spark and I'm treating my son with it. And Koz and I, and maybe it's just this legacy familiarity, but the Insignia software that we used to use, it's called Approver that did Insignia, is a fancier version and a cleaner UI, is what they use now. So it feels very familiar to me, too. I think they've done a great job with it. I like Ormco's company. I get paid by them to lecture for them, although I haven't been asked in, I don't know, a while. It's been a minute, which is fine.

Dustin Burleson:

You don't have any time.

Dr. Jamie Reynolds:

Yeah, but I think it's a nice product. So to me, the two leaders in the clubhouse are Invisalign and Spark, and we're having good success with it, so-

Dustin Burleson:

Cool. What's that like with multiple docs setting up the treatment plans in the software, do you have assistants who get it close? And then do you separate it by office, or I get that question a lot and it seems like we have more digital homework than we used to. I'm curious how you're handling that.

Dr. Jamie Reynolds:

We do. We haven't gotten to the point where we have any assistant do any of it. They submit it, so I don't sit down at the computer and type in all the things. We have a little sheet we fill out and then it goes and we dictate that to them at the chair, but the doctors run it forward and then whichever doctor did the treatment plan, there's a spot for notes and we just put their initials in there and then the delivery date and then they do it.

Dustin Burleson:

Cool.

Dr. Jamie Reynolds:

So not anything more sophisticated than that.

Dustin Burleson:

Yeah, yeah. It's amazing how many you can crank through if you pick a day or pick a time and just make it part of your routine. What percent, do you have a rough idea of percent Fixed versus Clear Aligners in your practice?

Dr. Jamie Reynolds:

With Phase One and Fixed, we don't really do many aligners for phase one. We have the off case once in a while that asked for it, but I don't do a ton of phase one, so I reserve it for the nasty cases with big problems when that, to me, Invisalign first or Spark is not the answer a lot of times, but I think we used to be maybe 10% aligners. We're probably +30% now.

Dustin Burleson:

Okay.

Dr. Jamie Reynolds:

I would say, at least in my opinion, the last several years, there's been an inflection both in the creativity of the doctors that are putting what I would call a hybrid treatment, different types of elastics and buttons and things like that. And then the changing the plastic, the chemistry, making things a little bit more elastic has made it work better. The other thing I would say as a commentary is that I've never been one to, I'm a Damon guy, right? But I've never been one to sell braces. I've never been one to sell Invisalign or Spark or aligners. I want to offer, I want to get to know the customer and find out what they want.

Dustin Burleson:

Yep.

Dr. Jamie Reynolds:

And then as my skill has built and the aligners perform better, I feel comfortable if they say, "Well, I don't really care, which one would you pick?" Recommending them more when I believe it, but the ones that are, I'm an only aligner practice or I'm only braces, or I'm this or I'm that, I've never really identified with that strategy because I think it's limiting.

Dustin Burleson:

Yep. Cool, I love that. I mean, it's again, whoever solves the problem for the customer the best, quickest, the

highest rating and referrals seems to be the leader in the market.

Dr. Jamie Reynolds:

Yeah, I don't think it's more complicated than that.

Dustin Burleson:

Yeah, I mean, it's overly simplistic, but man, it's so amazing. I used to say I'm like the kid in the sixth sense, and so I like that sees dead people. I just see new patients fleeing from orthodontic offices because we transcribe these new patient calls and these new patient exams, and it's like the stuff we say and the hoops we make them jump through, I'm like, it's amazing for some of these offices that 40% say yes to things we make them do, but anyways. Cool. Are you using remote monitoring like dental monitoring, or other apps or anything for clear aligners at this time?

Dr. Jamie Reynolds:

We haven't yet for a variety of reasons. I don't know that any of them are the responsibility of the products because I think the remote monitoring products are very interesting.

Dustin Burleson:

Yep.

Dr. Jamie Reynolds:

There's a lot of smart people out there that are doing cool things with them. I've been a bit busy in the last few years, and so what used to be the guy that was trying every shiny new toy in the box, me 10 years ago would've



I've never been one to sell braces. I've never been one to sell Invisalign or Spark or aligners. I want to get to know the customer and find out what they want.

been all over dental monitoring. I just haven't had the itch or the bandwidth to implement that. So I'm letting Bill Dischinger and Alyssa and a lot of the other really smart people who are out there figuring it out figure it out, and then we'll, I think, make our way to that party at some point.

Dustin Burleson:

Yeah. It's just I've, a year ago, was probably just completely aloof to it, and more of our members are asking questions about it. So we had Alyssa come on and she talked about it a little bit. And then I just interviewed Bill, sorry, Bill was his dad's name, Kurt Hoffman who taught at UMKC and Kurt, board-certified orthodontist, his son's an orthodontist, they're just, I mean, traditional, great quality orthodontists. And he paired up and made this app called In Hand Health or In Hand Dental, and I'd never seen him present the cases on it. And I'm looking at these cases going like, "That's a board quality finish". He's like, "I saw this person three times in the office" and the next one, the next one. He's like, "I saw this patient five times in the office", but what's interesting because we all

go like, "Oh, less time with the patient", he's like, "We're actually spending way more time with the patient". So the interactions per month went from, so we were seeing patients every eight weeks, we're seeing them one-half of one interaction per month. It's up to four to five to six interactions per month because the patient is checking in daily or weekly, and they are updating photos and they're taking a scan and they're sending a message. And so the patient, he said, "They come into the office and it's like you know each other because they're constantly interacting with your app or your clinical team, it's wild". It just has really changed my perspective on what we could do with particularly clear aligner cases and giving patients what they want because they don't want to come back.

I share this story all the time. He's an anesthesiologist in Chicago, and he's finished with his Invisalign now, but he was with a provider who would only give him six trays at a time. And every time he had to go back to the office to get six more trays, he would take a screenshot, he would take a screenshot of the office hours.

He's like, "It's Monday through Thursday, 8:00 to 4:30". He's like, "The first person who solves this..." He's like, "I'm in the OR from 6:00 in the morning until 6:00 at night whenever I'm working, so I can't come to the orthodontist and pick up six more trays and they pat me on the head and go, 'How was your weekend?'" We're thinking of things to say to the patient like we're checking contacts, and they're like, "Why did I take off work to come see you?" So anyways, I'm excited to see what people like Bill and Alyssa and Kurt will continue to do because man, it's

just a different way of thinking about clinical orthodontics and then how we could really do the things that we need to do in the office. So our days I think would be more exciting. I don't know what yours were like, but the tail end of my practice when I was going in for clear aligner checks, I was trying to think of a funny joke or a funny story because there was nothing to do and it was-

Dr. Jamie Reynolds:

It's interesting because I think you always have your pulse on the right direction things should go. And my concern with the monitoring products is that if handled the way I think most people will handle them, it will decrease the relationship that you build with the patient, which I think is incredibly valuable for referrals and long-term success. So just like, "Hey, they don't want to come in more, so here's a way, and I get to only see them twice", right? But you went straight to the interactions and straight to the point that it felt like you knew them better than you would know them otherwise.

And I think that's a secret sauce, which it's not surprising to hear you say that, but I mean, I think whatever protocol gets that right where the patients feel more engaged rather than less and they're there less frequently will be super powerful. What I've told people before is that I think that playing the game of how many less appointments can I do and how much more dollars per visit can I make is a bit slippery. And what happens with the remote monitoring product or any technology like this is that as the risk for being TiVo, right?



I think whatever protocol gets that right where the patients feel more engaged rather than less and they're there less frequently will be super powerful.

So TiVo is amazing, and TiVo is still, from however many years ago, better than the crappy DVR that comes with my Comcast, but I quit paying TiVo and I'll take the crappier DVR because it's more convenient. So I think the idea of the monitoring thing is really important, but I think in order to make it more valuable, it has to be more than this replaceable thing for a visit, it has to be better. I think it could be an amazing training aid, you get a new person in and how easy it would be to track pokey wires and broken brackets by a technician and all these other things. I mean, the possibilities are limitless. I look forward to watching people smarter than me figure them out.

Dustin Burleson:

Figure it out. Yeah, yeah. I'm so excited to see the patient engagement aspect to it as well because I feel like it would be like having a trainer who shows up to your door every morning and says, "Hey, all right, get your running shoes on. We're going for a run" versus, "Here's some aligners and we'll see you in eight weeks". I love that the app gently nudges them along and asks them how are they fitting? And in In Hand, they actually have changed up the questions because if you ask the same questions every time, the patient's just like on muscle memory, just like

don't really think about them. So we'll interject questions that have nothing to do with orthodontics and try to increase the engagement on answering those questions. It's really highly reliable.

Dr. Jamie Reynolds:

It'd be interesting to run an NPS through there, right?

Dustin Burleson:

Yes.

Dr. Jamie Reynolds:

And then, because another click they're used to clicking, and then you could run a sidebar NPS through either some other offices that don't use it, or maybe use it for aligner patients and not braces patients and run that side to side and see.

Dustin Burleson:

Yeah. It's almost like going back to residencies, getting to see all the photos and watch the tooth movement. I mean, because at the end of the case, you've just got this huge data set of photos and bite scans. And Kurt shared a case where this patient texted on the message in the app say, "Hey, I'm so sorry I lost my aligner at the Chief's parade", and you get to interact, "Oh, I was there". You actually do build that relationship a little bit better. And my wife did this this weekend. She had a little rash on her ear. She's like, "What do you think this is?" I'm like, "I don't know. I'm a tooth guy, I have no idea". So we got the little dermatology app, it's a Sunday. Within an hour, she's got a board-certified dermatologist who has looked at a photo of her ear.

He's like, "I think it's like eczema or something" put this stuff on it, he wrote a prescription. But he says something about like, "Oh yeah, we're down at the lake this weekend". And so you do get these little insights into your provider that are so different from years ago. Being in an office with a doc for three minutes, he's probably not going to talk about his weekend with you, but because it's asynchronous and it's how people text, I feel like it's just you almost learn a little bit about the doctor and learn a little bit about the team that you might not otherwise have gotten. So who knows? I don't know what it'll be like in five years.

Dr. Jamie Reynolds:

Yeah, I think it's super interesting.

Dustin Burleson:

Yeah.

Dr. Jamie Reynolds:

Yeah, I think it's definitely here to stay. The question is which form does it take? And who really figures out the braces side of it in a meaningful way first?

Dustin Burleson:

Yep.

Dr. Jamie Reynolds:

Otherwise, it's going to be a technology that's owned by aligner companies, right?

Dustin Burleson:

Yep.

Dr. Jamie Reynolds:

But can you do the braces thing? And no, I think there's people making really big progress on that.

Dustin Burleson:

Yep.

Dr. Jamie Reynolds:

It'll be fun to watch, for sure.

Dustin Burleson:

Yep. I'm so appreciative anytime we can get with you, and I've already kept you longer than I said I would.

Dr. Jamie Reynolds:

Hey man, I got more time. You tell me when we're done.

Dustin Burleson:

We'll put show notes on the bottom. I do want to ask you about Orthodontic Partners because I'm so impressed with what you guys are doing there. I just want to get an update for our members who are looking, everyone's asking what's new in private equity? Who should I be paying attention to? And you're always at the top of that list when they ask. So we'll post links to everything, but how's everything going at Orthodontic Partners? What's happening there that you've been surprised with or excited about? I just see so many great orthodontists joining your group that it's a lot of fun to watch.

Dr. Jamie Reynolds:

Yeah, I mean, I think that's the thing I'm surprised and excited about. We had this idea, the way it started was OrthoFi went, there's this big meeting out in San Francisco, a healthcare meeting where all the healthcare-related companies go. It's put on by JP Morgan, I think, and huge, huge, huge meeting, all the investors, private equity guys, billionaire family office, whatever. And OrthoFi went out there for the first time and it was the first time we got a lot of attention. And so the CEO came back, phone was ringing, and about half of the calls came in wanted to talk about OrthoFi, they were software investors or whatever, but Smile Doctors was there. Also, that was their coming out party and they were the fastest growing DSO in history at that point in time. And so the other half were calling Dave being like, "Hey, we don't care about software, but we wondered, do you know who to talk to to be the next Smile Doctors?"

Dustin Burleson:

Cool.

Dr. Jamie Reynolds:

So Dave handed them off to Koz and I, and we just are curious, right? So we weren't really in the market at that point because we started talking to some people and then it's like, well, and Smile Doctors has evolved a lot since then, but back then, everybody becomes a smile doctor and everybody uses Damon. And Koz and I are as big of a Damon slappy as you'll find, but we saw the writing on the wall that that probably wasn't going to be as sustainable because orthodontists are... Creativity is a incredibly important part and just making it into more of

a prescriptive treatment, it's probably not going to work, right? Which they figured out. But at the time, we were like, "Well, we don't want to do that, but here's what we think would work".

And as we did our homework, we just became increasingly, we talked to more and more people that were all super interested in over the last however many years. And dentistry is incredibly interesting to investors, right? From all different areas and specialty DSOs and whatnot. And it's so unconsolidated, even still that we just saw the writing on the wall. And we also were like, well, we think that we might have this unprecedented opportunity to use some of the people connections, relationships, whatever we've built from OrthoFi to get the gang back together and do it from a group practice and then try to codify what makes Stuart Frost practice Stuart Frost's practice, what makes Maz Moshiri practice Maz Moshiri's, David Sarver, Jeff Kozlowski, the list goes on and on and on.

And we've blown past what our dream scenario would be from the ability of people that would have the same mindset that we could build because we know consolidation is happening, and it was either do you sit on the sideline and just wait until later? Koz and I both had practices that were too big to sell to one doctor. And so ultimately, we decided, well, let's throw our hat in the ring and see if we can steer it in a different direction. And some of the interest in the people that have joined, it's become this amazing organization and it's been really rewarding. We have 70 some doctors now in 70 or 80 locations, and we got hamstrung for the first year. That

was Covid, we started and then Covid happened two months later so we didn't do some shooting out of the blocks like we thought we would.

And what's cool is we have all these doctors on these calls. In fact, we have one a little bit later tonight. And then we have our business team. And the whole goal of all this is to build a practice that can have integrity and be successful businesses at the same time. And what we learned from OrthoFi is that like Dave, the CEO, when he first came into my office to start thinking, learning about OrthoFi, he was sitting at my front desk for about five minutes and I came up walking a parent up to say hello. And he goes, "Jamie, come over here" and I said, "Yeah" and he goes, "You know you need to do this, this, this, this, this, this and this" and he lists off the 10 things that were at the top of my to-do list that had taken me a while to figure out and he figured it out in like five minutes, right? And I was like, "Man, how do you know?"

He's like, "Yeah, isn't this obvious?" And I'm like, "Well, I guess it is. It wasn't for me". So it's amazing how quickly people can learn. And then we have these calls. The business team has the ability to run the business side of the practice so much better than I ever could or many of us ever could, just because A, they're focusing on that all the time, and B, they're trained to do it and think differently than we are. But at the same time, they've adopted our integrity first patient, first mentality, so it's actually an amazing blend between really smart business people who are also patient first.



I'm really excited to be part of what we're doing because I think it's going to be, hopefully, turn out to be a great option for people to work at in the future and for patients.

So our CEO will never say, "You need to recommend more treatment in order for you to hit your numbers", right? We have budgets and goals and numbers and everything, but the answer isn't cut more crowns. It's like maybe become better at converting patients, but never recommend treatment for anyone that you wouldn't do for your own family. Never do X, Y, and Z. And so the combination of some of the amazing clinicians that we have that we're building this really robust network and teaching function, that's only going to accelerate as we continue to grow.

And then the integrity first business operations and the level that we're able to run things at has been super rewarding. And we go to our meetings and we were at the AAO a few months ago and we had this big dinner and there was a lot of people that had never met each other before and everyone's having cocktails and hugging each other and it's this really awesome family atmosphere. I think everybody's just proud to be a part of it, and there's

just a lot of excitement for what's happening. And I'm really excited, I'm proud, I'm lucky to be part of it.

I don't know that I necessarily want DSOs and consolidation to be happening, I don't think I would choose that if you were to let me write the script, but it's on and it has been on for some period of time and there's nothing that's going to change that. So I'm really excited to be part of what we're doing because I think it's going to be, hopefully, turn out to be a great option for people to work at in the future and for patients. Patients are getting better care and getting better customer service and getting better focus, and that's what we're going to keep trying to do and it's been a lot of fun.

Dustin Burleson:

Yeah, it's hard, I mean, a lot of people would love for it to stay a cottage industry forever, but it's hard not to look for the silver lining. And I mean, there's clear benefits from the pricing we get as a group on supplies and aligners and the expertise in HR, I think of all the regulation. My dad was a dentist, graduated dental school in '76 and retired probably right when I was going to residency, so probably 2004. I mean, I think of his dad who owned an auto parts business. I think my grandpa, I don't even think there was, in the 1940s, I think you just handed your employees cash and they had to take care of their tax. I have no idea, but it was not what we have today with the amount of regulation. And I think of cybersecurity burden I saw today, the SEC wants to know if you've had a cybersecurity incident, you've got to report it within three days. To tackle those problems as a group and see...

Dr. Jamie Reynolds:

And the amount of IT hardware stuff that are in people's offices that I'm finding out now, it's so old and crazy. So one of the first things we have to do is install a whole new IT infrastructure, it's-

Dustin Burleson:

Yeah, there's going to be benefits from it. And you hit the nail on the head that how do we increase the access for the patient? How do we help more people say yes? I don't know that it's keeping orthodontics in a cottage industry, I just think the continuous nibbling at our margin and number of things we have to do day in, day out, I mean, I thought we had our act together from HIPAA and OSHA and IT and payroll, and then when we joined Rock Dental Brands, I'm going like, "Oh, this is how you run an HR system. Like whoa. All right, cool". They've got almost a thousand employees, so it's a different beast.

Dr. Jamie Reynolds:

Yeah, for sure. We get to offer great health insurance now and whatever. And I don't mean this to be a pitch in any way, I mean, I think that the private practice is alive and well and will continue to be, it's going to be a higher barrier to entry, right? Because people want to have scanners, kids don't want to take alginates anymore. And if you want a scanner, that's \$45,000, you know what I mean? That's a pretty big hurdle to jump. To compete with the people that have been out there anymore, the difference between your startup and your evolve practice that has ICATs and scanners and this, that and the other digital this and that can spend \$10,000 a month on Google ads and all that stuff. It's just harder to do that. The other

thing though is there's the cashflow that you earn as a doctor, right? And then for most of us, the business owners, the biggest asset that we ever have had or ever will have was the equity value in our business that we've built. And so I think back in, if Larry, Larry, who I bought the practice drums, would've had to take any amount of haircut to have sold me the practice, I don't think he would've. He wouldn't have taken 300,000 or 400,000 or 500,000 or 600,000, 700,000 less to sell it to me just because whatever. And that wouldn't have been fair to him and his family. I mean, it's an investment. You need to treat it that way. So I mean, I tell people, look, the rules of the game have changed. And regardless of who you are, you should contact a couple of different DSOs, OSOs, whatever and have them run your numbers. And then you can see, "Okay, here's what my practice that I know that probably was worth or how I would value it and this is how I bought it from or whatever".

And then what are the rules of the game now? And then they'll all give you some advice as to like, "Hey, if you want to be worth more, do X, Y and Z". And then at least you're playing the game with the rules, you're not sticking your head in the sand or playing monopoly when everybody else is playing clue. You know what I mean? And things are changing, so you should just understand. And there's a lot of different reasons to do a lot of different things. And I think that there's tons of opportunity. There's a young guy, his name's Justin Camo that's in my neighborhood, he's just a super gifted marketer. His practices are growing great and he's going to wind up doing really great, right? The Grant Collinses of the world that are like Mr. Braces Guy. And I don't think



I would encourage everybody to do it. Don't be super secretive about what's working well, share it with people. And it's weird, that boomerang thing, it works.

you have to be these guys to do it, but I think that that's awesome. And if you're entrepreneurial and whatever, I think if you are clinical or marketing isn't something that comes particularly naturally to you and you're not really interested in doing those things or HR or any of those things, those are pain in the butt. The amount of accounts payable and all the other things I don't have to do anymore is actually amazing, but it's just going to be harder to compete. If you can do it, good for you. And with the book and everything, we've always shown our underpants to everybody. I remember I gave a lecture at the Damon Forum one time and Dino Watt was in the audience, he was a great guy. I like him a lot. And he came up to me... And I don't know if you can hear, it's storming really badly here now. He came up to me afterwards and he's like, "You just really gave your entire sales price process to everyone in the audience and I checked the roster with Ormco and there's a bunch of your competitors in the room".

And I said, yeah. He goes, "What'd you do that for?" I go, "I don't know. That's just what you're supposed to do". So we're happy to give away the secrets. It's operational execution and the people that get passionate enough to actually go and do something about it. And anybody that learns how to do things the way that you're doing it, I mean, you've been incredibly, I mean, you were giving away all of the secret sauce long before I did. My son still thinks that you're like, because where I used to put the DVDs in and I would listen to him two or three times in a row when I was driving around and he's like, "Oh, you're talking to Dustin Burleson? That's amazing". Sharing all that stuff, it's good for the profession, it's good for our customers, it's good for everybody. I would encourage everybody to do it. Don't be super secretive about what's working well, share it with people. And it's weird, that boomerang thing, it works. Like rising tide lifts all ships, all of that corny altruistic stuff, it works.

Dustin Burleson:

Yeah, it's real. I mean, I feel like it helps us when we share. I don't know if I get some stuff out of my head and then lets new stuff come in.

Dr. Jamie Reynolds:

I have a decreasing amount of room for stuff that's sure, for sure.

Dustin Burleson:

I mean, actively in practice, we had two newsletter members that were in Kansas City, so they're getting... We send this thing all over the world, this thing goes out and it's got this little QR code.

Dr. Jamie Reynolds:

Yeah, I read them when they come in.

Dustin Burleson:

Yeah. So I mean, for years, I like Dino as well. I don't think I've ever met him in person, but he'd probably ask the same question like, why the hell are you sending this to your competitor? And my answer was always a little more, I was a little bit more of a smart ass. I would say something like, "Dino, you're overestimating other people's ability to implement what I'm giving them. I have all the confidence in the world that the average person will take this and sit it on their desk and *think about it.*" But I do think it's still helpful to share because none of this, by the way, is out of my head. It's all something I've seen from The Four Seasons or Costco. I mean, most of the time, I'm actually writing about something Dan Kennedy gave me or right here is Rob Flintom that we learned about through you, so it's just passing along-

Dr. Jamie Reynolds:

Yeah, Rob's a great guy. Super great.

Dustin Burleson:

... he's great, he's fantastic. If you're not familiar with Rob and [Practice Enhancement Group](#), we'll put that in the show notes. So there's this abundant world and we often get competitive with like, this is my way to do marketing or this is how I do postcards. We're just deluding ourselves that that's true, so I think it's smart to share.

Dr. Jamie Reynolds:

I saw from Chris Bentson a slide from a line from back in the day that maybe 10 years ago, they just had Bain or somebody do a study on how much orthodontic treatment could be consumed and how much is, and then we were penetrating 5% of the market, right? Or 3% I think was the number. And you look at all the things that have entered the space, you've got DSOs that are bringing orthos in, multi-specialty groups. You've got all the direct consumer, you've got align, Spark's starting to advertise more. You've got OSOs, the regular person, right? And it'd be interesting to see how much has penetrated in, but every practice that I know is making a hell of a lot of more production than before anybody of those that we were all worried about point coming into the market.

Dustin Burleson:

Good point. Yeah.

Dr. Jamie Reynolds:

It's like pressing into that white space, how many... Plus, all the social media stuff, straight teeth is just more and more of a thing. You don't have to get braces to do it anymore, it doesn't have to be terrible. So I don't know, I don't see that going away anytime soon. And I think we've all learned that directing consumer stuff and whatnot has a marketplace for sure, but it's certainly not as encroaching upon what it is that we're doing or what our consumers want as we thought it would be, I don't think it's going to be anytime soon.

Dustin Burleson:

Yeah, I agree 100%. I'm going to let you go in a minute. I got to ask because I love marketing and I always see smart stuff pop up in my feed from your practice. Can you talk about the radio stuff you're doing where I see the DJ doing video posts sometimes? He did one that's very heartwarming I think with a mom who said, "Yeah, I heard Dr. Reynolds on the radio". What's that been like? And anything you can share? You don't have to share all the good stuff.

Dr. Jamie Reynolds:

Yeah. So we treated this, the producer that's on the show, her name's KP when she was younger, and really pretty girl, really charming. She's on the show now. I don't know what producer actually means, so she's sometimes on the show sometimes doing other things. But anyway, she's back. We have her in Spark Aligners now getting a tuneup and we had done some radio before, didn't have a great success with it. And then this guy, Mojo, is like the godfather of morning shows for all of Metro-

Dustin Burleson:

Detroit, yeah.

Dr. Jamie Reynolds:

And she talked us into doing a little taste tester. And then the economy isn't so great, so we were able to maybe get the rates down to a little bit more manageable. And I've gotten to know him, he is actually a super nice guy and he really gets marketing. So I was telling them, "Hey, we have some people that are looking at my books now and they're looking a little more closely at Objective Data. They love

Direct Response, they love Google AdWords because they can measure everything. You can't measure the radio, so we've got to do a better job at putting together some stuff”.

And so we had a mom come in that was at the gas station the day before pumping gas and on the little radio at the gas station, on the pump, because she heard Mojo, right? And talking about how we were flexible and affordable, she should come in. So she called, got an appointment, came in the next day. She'd been to several other orthodontists and no one would have her do more than or less than \$2,500 down or whatever. Her kid's teeth were totally a mess. And so anyway, tears, you know how it goes. We made it affordable for her. Next thing you know, she's in the chair getting braces on. So I text the guy and we become friends, he's a really great guy.

And I'm like, "Hey, you'll never believe it. We have this little girl in the chair that heard about being flexible yesterday at the gas station. Now she's in", right? And as I was going out and I put braces on her and I was sitting there putting braces and I was thinking, I wonder if he's by his phone because if I could FaceTime and introduce these guys, it'd be really cool, right?

Dustin Burleson:

Yeah.

Dr. Jamie Reynolds:

And so as I get up, I put the braces on and then I go, another patient pops up or whatever, and I have the new Apple Watch. I never was an Apple Watch one, but they

have this thicker one now, which I think is really cool, whatever. The battery doesn't wear out as fast, so I'll actually wear it. Anyway, the phone buzzes and it's Mojo calling me. So I go to my phone and he FaceTimes me and he's like, "Hey, are those guys in the office?" And whatever. And he had the foresight to have one of the people that records stuff in the office record him just in case they caught us.

So it wound up being this really organic thing where he got to talk to the mom and I got to see the little girl and she's still in retractors and whatnot. And then so we posted it and we're about to put him in treatment and so you'll see more of that. We're experimenting with how it's going to go. And I think we're trying to put it together, I think the traditional radio stuff is maybe going by the wayside and it's turning a bit more into an influencer campaign. So we're trying to do a combination of social media stuff that's objectively measurable and radio stuff and combine it together and maybe build a new playbook for influencer radio marketing. So anyway.

Dustin Burleson:

Cool.

Dr. Jamie Reynolds:

And that wasn't exactly a short answer, but that's one of the things I'm spending a lot of time on now and then, and so-

Dustin Burleson:

No, it's great. I love that. It's huge. I think we still see the guy here in Kansas City is Rocket & Teresa, then there was

Kelly Urich, we treated him and his family years ago. He's retired, but they are personalities. If they're out at a restaurant, people see them, they want to come get a picture with them. Their local radio is still a thing that a huge percentage of Americans listen to. And I'm excited to see what you guys learn because it'd be great to see if it'll work in other markets for Ortho Partners and just as an orthodontist in general. I think that that video is just very powerful, it was very well done.

Dr. Jamie Reynolds:

Yeah, he did a great job. I was like, man, this guy really gets it. It's going to be fun to do with, so stay tuned. We'll see.

Dustin Burleson:

Yeah, cool.

Dr. Jamie Reynolds:

We're going to try a whole bunch of stuff. And maybe if you have any ideas offline, you can share them with me because you're the genius at all this stuff. I'd love to take some advice.

Dustin Burleson:

Yeah, that's awesome. Cool. Jamie, thanks for doing this. I know your time's valuable. I hope you get through the storm okay up there. And-

Dr. Jamie Reynolds:

If it keeps coming and going, so at least our wifi held on for all of it.

Dustin Burleson:

Yeah, the internet held on. So thank you, thank you. We'll put show notes for everyone at the bottom. If you're not familiar with Jamie's stuff, please go get his book. It's fantastic. You could add a couple zeros to the price.

Dr. Jamie Reynolds:

Oliver, I remember, let's give many shouts out to Oliver because he deserves a lot of credit.

Dustin Burleson:

Yeah, let's make sure yeah. Oliver Gelles did a wonderful job.

Dr. Jamie Reynolds:

Just as a note, the guy I was asking questions, Dave gets tons of credit for running the company. Oliver's been the behind-the-scenes guy and most of the stuff that I've talked to about OrthoFi has been in combination with Oliver. He's taught me tons, he's a brilliant guy, and he always refused to take credit for any of this stuff. And I'm like, "Oliver, we need to write a book". He's like, "No, you need to write a book" because he's all about influencer marketing before there was such a thing. And he always wanted to push me out in front, which would get one singular voice for OrthoFi and I'm like, "There's no way I'm writing an effing book unless you're... Because you're going to be writing it with me, you have to be an author". So Oliver deserves a huge shout out because he doesn't get nearly enough credit.

Dustin Burleson:

Good.

Dr. Jamie Reynolds:

And I'm really fortunate to have such a great relationship. I'm proud of everything he's done. He's a great guy, really important to a lot of things. And a lot of the stuff we do at OrthoFi is his brainchild.

Dustin Burleson:

Yeah. I remember meeting with you guys years ago and he was in that room and I thought, "Hey, you guys have something here". It's wild, it's so exciting. And just an honor to know you, buddy. Thanks for doing this. I really appreciate it.

Dr. Jamie Reynolds:

Likewise. Appreciate it, Dustin. Thank you.

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**ASK THE
EXPERT**

DUSTIN **BURLESON SEMINARS**



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