



# REFERRAL MARKETING: THE KEY TO GROWTH FOR SPECIALTY PRACTICES

By Roger P. Levin, DDS

Practice Production Whitepaper Series



See  
The Last  
Page For An  
**Exclusive  
OFFER**

Levin Group<sup>Inc.</sup>



# REFERRAL MARKETING: THE KEY TO GROWTH FOR SPECIALTY PRACTICES

## Introduction

Referral marketing is the single most important factor in the financial success of a specialty practice. Doctors who are able to maintain a consistent referral marketing program enjoy a high level of regular referrals and the addition of new referral sources. Levin Group clients consistently achieve extraordinary results with The Science of Referral Marketing™—a systematic approach for continually increasing referrals, production and profit.

An effective referral marketing program can make a tremendous impact on a doctor's ability to increase production for the immediate future and for the long term. Consider the following:

- One top referral source can provide \$80,000 to \$250,000 in annual production.
- The acquisition of ONE new referral source that sends \$100,000 in referrals per year can equal \$2 million in revenue over 20 years, or \$3 million over 30 years.

Almost every specialist engages in some form of referral marketing, but it is only through a standardized, consistent program that doctors reach the highest levels of practice performance and practice success. The Science of Referral Marketing™ provides doctors the following benefits:

1. Continuous Growth
2. Protection Against Changing Economic Conditions
3. Increased Doctor Productivity
4. A Solution for Increasing Competition
5. A Powerful Practice Brand
6. A Huge Return on Investment



## 1. Continuous Growth

Specialty practices should set a goal to grow a minimum of 15% each year. The only way for this to occur is through a consistent referral marketing program. No other activity can help doctors take their practices to the next level.

Effective referral marketing is an ongoing series of diverse marketing strategies consistently implemented to increase patient referrals from referring doctors. Over the course of a career, referral marketing can drive growth and increase practice production by millions of dollars. With a strong referral marketing program in place, doctors can grow their practices consistently in any economy.

## 2. Protection against Changing Economic Conditions

To safeguard the practice during economic downturns, specialists must have a diversified referral base to ensure a steady stream of new patients. Fluctuations in the economy often negatively impact the practice. For example, in a slower economy, practices will experience:

- **Fewer patients seeking treatment until they believe that the economy has improved.** If the economy does not turn around fast enough, they may never take the step of engaging in diagnosis and treatment.
- **More patients who are presenting for consultations and then turn down treatment.** Many people believe that they will have treatment six or 12 months later, but become “de-motivated” in the timeframe when they are waiting for their economic situation to improve.

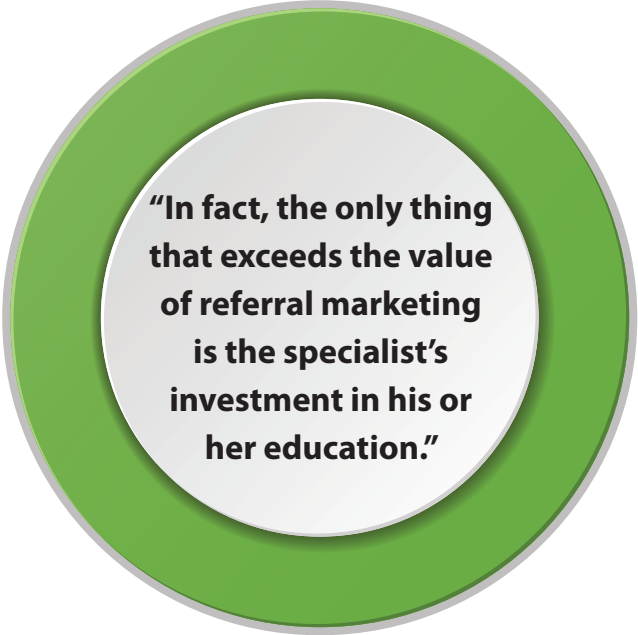
Practices with a consistent referral marketing program will have a bigger pool of patients referred to the office and more candidates who follow through with treatment.

# REFERRAL MARKETING: THE KEY TO GROWTH FOR SPECIALTY PRACTICES

## 3. Increased Doctor Productivity

A doctor's time should be focused on direct patient care. When the practice is slow, many specialists will engage in marketing activities with some success. However, as the practice gets busier, the specialist has less and less time to focus on marketing. When the practice's marketing efforts wane, referrals drop off dramatically. This peak-and-valley type of marketing leads to inconsistent referrals. If doctors try to keep up with referral marketing as the office gets busier, their productivity decreases while their stress increases dramatically.

To help practices achieve consistent referrals with little doctor involvement, Levin Group recommends hiring a Marketing Coordinator (MC)—a part-time marketing position averaging 5–12 hours per week. The primary focus of this position is to build and strengthen relationships with referring doctors, staff and patients. As the liaison to referring practices, the MC handles 95% of the referral marketing. This frees up doctors to do what they do best—provide optimal patient care. With a staff member dedicated exclusively to referral marketing, specialty practices with a well-trained MC see a dramatic increase in referrals, production and profitability.



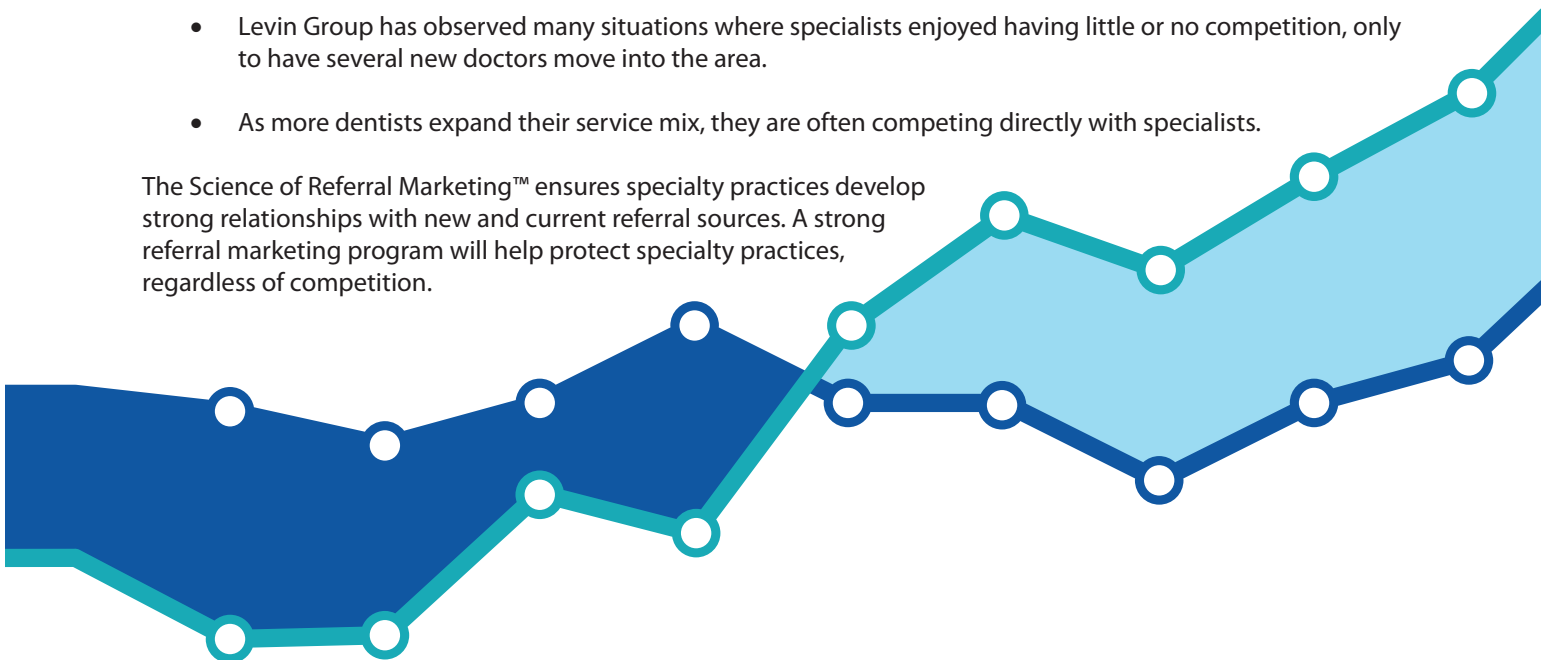
**“In fact, the only thing that exceeds the value of referral marketing is the specialist’s investment in his or her education.”**

## 4. A Solution for Increasing Competition

Competition will always increase, not decrease. Every business in today's world is facing increased competition at some level. Specialty practices are no different. Competition is increasing from other specialists and even from referral sources. Consider this:

- Many specialists, including nearby competitors, are ramping up their marketing efforts to grow their practices in response to the economy.
- Levin Group has observed many situations where specialists enjoyed having little or no competition, only to have several new doctors move into the area.
- As more dentists expand their service mix, they are often competing directly with specialists.

The Science of Referral Marketing™ ensures specialty practices develop strong relationships with new and current referral sources. A strong referral marketing program will help protect specialty practices, regardless of competition.



# REFERRAL MARKETING: THE KEY TO GROWTH FOR SPECIALTY PRACTICES

## 5. A Powerful Brand

There will always be one dominant specialty practice in each area. Although there will be other practices that are highly successful, there is always one that stands out above all others. Invariably, the leading practice has strong relationships with its referral base and enjoys a steady stream of new patients.

The Science of Referral Marketing™ helps offices become the area's #1 practice by:

- Creating a customer service culture where patients go back to referring offices and tell dentists about their positive experiences.
- Becoming the recognized educational resource for referring doctors by sponsoring CE courses, starting a study club or hosting lunch-and-learns.
- Sending out regular correspondence updating referring doctors on all aspects of specialty care. Sharing fact sheets and articles on new research keeps referral sources updated on changes occurring in specialty treatment.
- Striving for long-term professional relationships with dentists and staff. Through the PRC, include all referring staff members in the practice's marketing efforts.

## 6. A Huge Return on Investment

The addition of new procedures, technologies, or even staff can make significant improvements to practice performance. However, nothing equals the return on investment of an effective referral marketing program. A modest investment in a consistent referral marketing program can generate huge returns—millions of dollars—for the life of the practice. In fact, the only thing that exceeds the value of referral marketing is the specialist's investment in his or her education.

## Conclusion

To succeed in the new economy, a strong referral marketing program is a necessity, not an option. Practices that consistently and effectively engage in The Science of Referral Marketing™ will become the production and profitability leaders in their area. Referral marketing is the key to growing your practice now and in the future.

# REFERRAL MARKETING: THE KEY TO GROWTH FOR SPECIALTY PRACTICES

## Dr. Roger P. Levin

Dr. Roger P. Levin is a third-generation general dentist and the Chairman and CEO of Levin Group, Inc., the largest dental practice consulting firm in North America. A keynote speaker for major dental conferences, Dr. Levin presents more than 100 seminars per year. He has authored 68 books and more than 4,000 articles. In 2014, he received the Dental Excellence Award for Best Practice Management Consultant from *DrBicuspid.com*. For the past 12 years, he has been named one of the "Leaders in Dental Consulting" by *Dentistry Today* magazine.



## ADDITIONAL RESOURCES:

### The Platinum Library

Get all of Dr. Roger P. Levin's best-selling e-books in one easy-to-download purchase. Learn the practice management and marketing essentials for growing your practice from the foremost authority on the business of dentistry. **Save 10% when you purchase these books as a set rather than separately.** Go to: [www.levingroup.com/store/libraries.html](http://www.levingroup.com/store/libraries.html).



### The Practice Performance Analysis™

Get the peace of mind you deserve, with a Levin Group Practice Performance Analysis™. More than 6,800 dentists and specialists have used this analysis to gain a better understanding of their practices and increase production.

The analysis is conducted by a Certified Practice Analyst at your office with minimal interruption to your business operations. During the assessment, the analyst will examine your practice's operations... pinpoint under-performing areas... and give you solutions for increasing production. Special price is \$1495, a \$500 savings.

To find out more, call 888.973.0000 or visit [www.levingroup.com/analysis](http://www.levingroup.com/analysis).

