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THE EDITOR'S CORNER

A New Golden Age?

The first cellular phone Lue and I bought a few years ago cost more than \$900. We thought it was a little expensive, but probably worth the investment. The other day we purchased a new one that is much more reliable, versatile, and portable, for around \$200. In *The Wealth of Nations*, Adam Smith wrote, "The real price of everything . . . is the toil and trouble of acquiring it." By Smith's definition, real prices for products, especially those involving new technology, have declined dramatically for decades. People have to toil much less to purchase more and better products than they did a generation ago. And when this relative increase in disposable income is combined with an economic boom such as the one we have had for the past two decades, there is even more interest in acquiring elective services.

This is obviously good news for orthodontists, and the 1999 JCO Orthodontic Practice Study bears it out. Orthodontists are busier, they are reporting more case starts, their overhead is down, and their gross and net incomes are substantially higher. Even more important, I think, is that orthodontists are keeping up a little better with the inflationary forces that used to leave us behind in terms of real earnings. In the last decade, the price of a movie has shot up 48%, newspapers have increased in cost by 42%, first-class postage has gone up 14%, and the sales price of a Ford Taurus has risen 9%. Median orthodontic fees have gone up 38% (\$2,800 to \$3,880). I would like to think that the biennial information furnished by JCO is partly responsible for orthodontists' becoming more sophisticated about economics. I also suspect that the increased use of management consultants, who tend to be more knowledgeable about financial matters, may have something to do with it.

At any rate, orthodontists can find a lot of encouragement in this latest Practice Study. Combined with current orthodontic demographics, which show retirements soon exceeding graduations, and with continuing technological advances, we can see the dawning of what could almost be termed a new Golden Age of Orthodon-

tics. I even hear this term being used again among colleagues, and that hasn't happened in a long time.

Despite all the good news, however, a cautionary word is in order. This might be an appropriate time to recall Peter Drucker's admonitions about the four easily visible and near-certain indicators of impending change in an industry (*Innovation and Entrepreneurship*, Harper Business, New York, 1986):

- Rapid growth
- Complacency and inappropriate self-perception
- Convergence of technologies
- Rapid structural change in the way business is conducted

All of those conditions are in place right now. Orthodontics is growing rapidly again, and you can almost sense the relieved complacency of practitioners. What may not be quite so obvious is the convergence of technologies. As 3D imaging and scanning become more sophisticated and user-friendly, there will be more efforts to incorporate these techniques into orthodontics. Whether the first attempts succeed or not is irrelevant. If scientists and entrepreneurs are able to see beyond ordinary concepts and grasp the potential of new technologies, that is enough to guarantee their eventual application in some way—electronic models instead of wet-lab types, electronic repositioning of teeth for positioners, wire-bending robots, and other developments that we can't even envision as yet.

The fourth requisite of structural change is fairly well advanced, if the latest JCO Practice Study figures are statistically correct. About 10% of the respondents now belong to management service organizations, and there is strong evidence that this percentage will continue to grow.

Students who graduate with educational debts of \$200,000 and families to raise have great need of immediate earnings, and these companies are offering them substantial sums. Small wonder that MSOs are succeeding in signing up recent graduates as well as older orthodontists who need transition assistance. Orthodontics is in the midst of an unprecedented structural change.

Without a large influx of immigrants, all American dentists face a fairly static population of children who will need fewer and fewer of the traditional dental services. There may be a variety of ways to approach this problem, but it seems to me that the best remedy would be to somehow create a strong desire among the millions of unserved and underserved to seek the dental care they are now avoiding. For orthodontists, this might involve more intense marketing to adults, whether to parents and friends of current patients or to others in the community. Cosmetically conscious baby boomers are now at the age when many could benefit from orthodontic treatment. It might mean more involvement with schools, as well as more creative payment plans to make orthodontics affordable to less affluent children. This segment of the population, despite the credit risk, is already being targeted by MSOs' mass-media advertising campaigns. We may also need to redouble our efforts at professional cooperation, so we can hang on to those critical referral sources.

The most expensive strategy could well be to remain with the same paradigms we have used in the past. As Alvin Toffler said recently, "If you don't have a strategy, you will be permanently reactive and part of somebody else's strategy." That doesn't appeal to me, and I hope it doesn't to dentistry's leaders.

LWW