

## Whitepaper: Sikka2011SoloGroup0326

### Real Time Benchmarking Comparison of Group and Solo Practices in the United States

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*This whitepaper is based on real time benchmarking data for solo and group practices and shows the trends from 2007 to 2011. There has been no comparable work done in the past that uses real time benchmarking described here.*

*Sikka Software Corporation is a business analytics and optimization software as a service company that works with over 7,000 installations in US that includes over 20 group practices with more than 800 locations. Data presented here is for some stores. There is no provider or patient identifier data collected. This data may not be representative of all group practices. Sikka Software Corporation does not warrant or guarantee the accuracy of data. The data is for informational purpose only and should not be used for practice valuation, litigation or for any other purpose. Sikka Software Corporation is not responsible or liable for any legal actions arising out of this data or information. For more details, please refer to the website [www.sikkasoft.com](http://www.sikkasoft.com) and Sikka EULA / Portal agreements*

One of the most controversial discussions that almost always elicits highly emotional response is the comparison between group and solo practices. We are living in a shaky recovery in the United States. Depending on who you speak with, you get different opinions about solo and group practices. However, we have based our analysis on over 7,000 installations that include both solo and group practices. This article is a work in progress and Sikka Software Corporation can provide more information and benchmarking data to those interested.

#### **Parameters of Comparison**

Our real time benchmarking is comparing a number of procedure level, business, financial and clinical data. For the purposes of this study we used the following parameters of comparison.

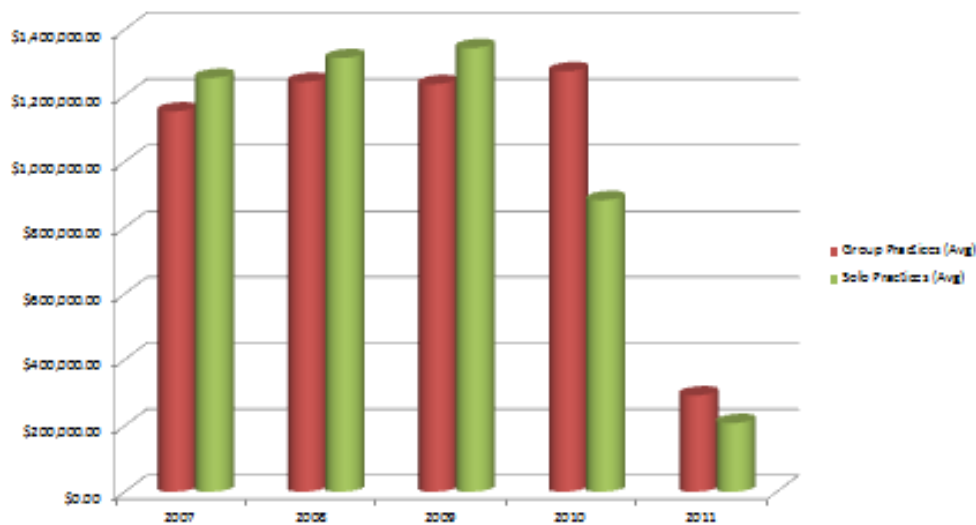
- a. Production
- b. Collection
- c. Patient Visits
- d. Locations Growth (for group practices)
- e. Same geography comparisons of
  - a. Production growth
  - b. Patient visit trends

**a. Production**

Average gross production is a measure of practice performance. Adjustments are not factored in this particular parameter. Examples of adjustments would be insurance adjustments or production discounts.

Solo practices outperformed group practices at a per practice comparison consistently for 2007, 2008, 2009. However, that trend was significantly reversed in 2010 and 2011. The drop in average gross production in 2010 for solo practices is fairly strong. That reverse trend seems to be continuing in year to date 2011.

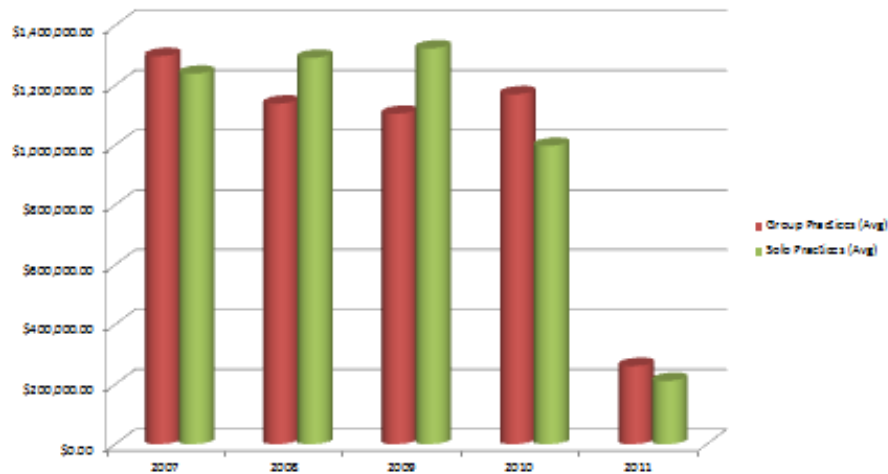
## Average Gross Production



**b. Average Annual Revenue (Collection)**

Year over year comparison of group and solo practices shows approximately level collection numbers for 2007 becoming more in favor of solo practices in 2008 and 2009 with solo practices losing the advantage in 2010. Again the drop in collections was significant for solo practices where as in comparison group practices increased there YOY collections in 2010 compared to 2009. In 2011 the group practices are slightly higher in average collection as the first quarter draws to a close.

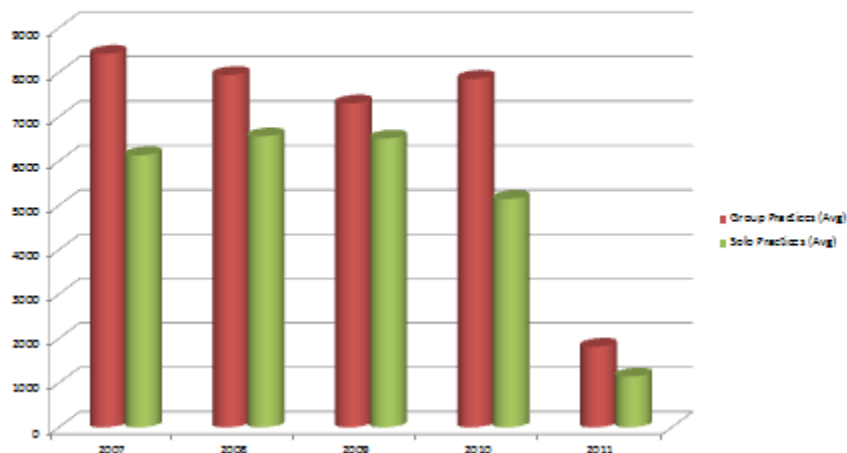
## Average Annual Revenue (Collection) Comparison YOY



### c. Average annual patient visits

Group practices have consistently high average annual patient visit numbers than solo practices for every year since 2007. This could be because of managed care presence and higher scheduling volumes.

## Average Annual Patient Visits

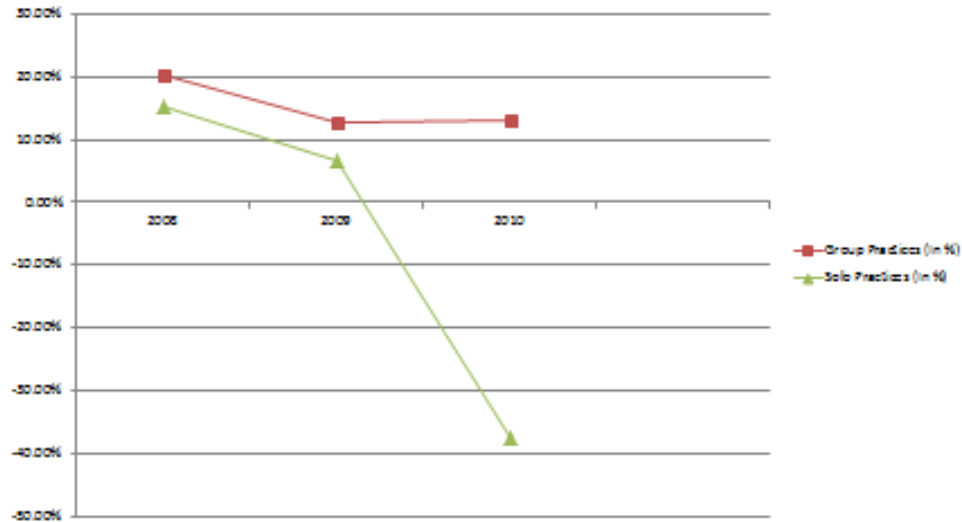


### d. Patient visits growth

Ratio of patient visits year over year saw decline for both group and solo practices. However, in 2010, there was a very significant drop in patient visits in

solo practices. This was also reflected in the collection and production numbers that we have discussed earlier.

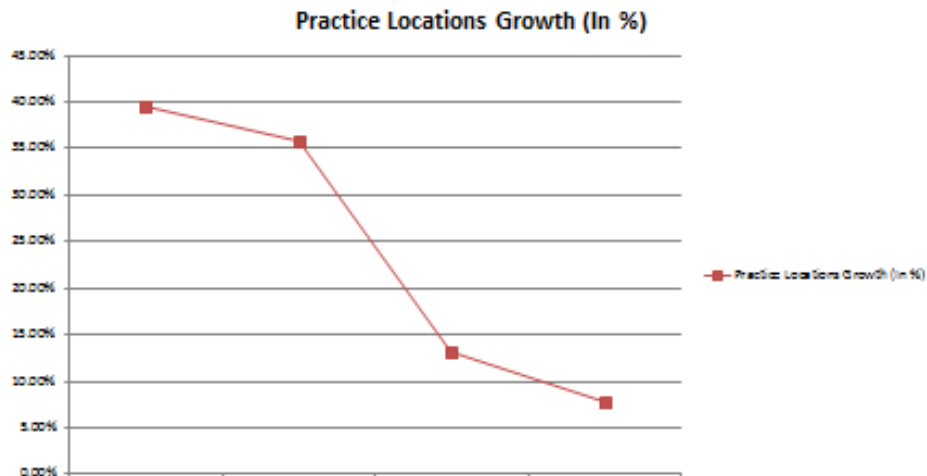
## Patient Visits Growth



**e. Average growth of group practice locations**

This statistic is being tracked by us to see how the foot print of group practices is increasing. This is based on a smaller sample size so this information should be used with appropriate care. From a growth of about 40% in 2007, the growth of group practice locations fell down to approximately 7% in 2010.

## Average Growth of Group Practice Locations

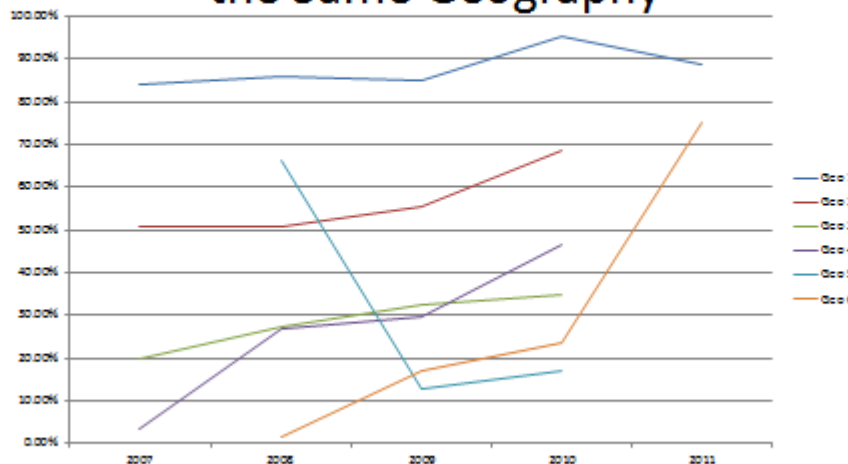


Next we compared the dental group and solo practices in the same geography. This is a limited analysis and to protect confidentiality we have not disclosed the exact geographic regions. We will be discussing a few selected geographic regions and comparables between same store group and solo practices.

**f. Dental Group and Solo Practice Gross Production Growth in the Same Geography**

With the exception of one or two we see a consistent upward trend of gross production increase in YOY and practice to practice comparisons.

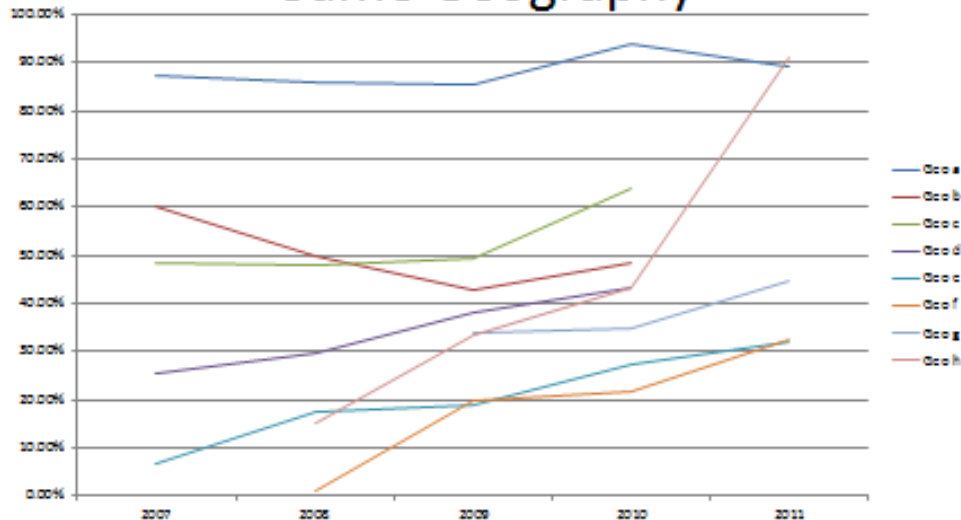
### Dental Group Gross Production Growth Compared to Solo Practices in the Same Geography



**g. Dental Group and Solo Practice Patient Visits Trend in the Same Geography**

Next we will compare the percentage of patient visits. For this purpose, the formula used was as follows. We took the total number of patients seen by group and solo practices in a given year. Then we took the percentage of those patients who were seen by group practices. Next we compared this number for the same stores year over year. So the value of this data is not in absolute number but more in the trends. Over time it will indicate if there is an increase or decrease in the ratio of number of patient visits in group practices. As the graph below shows, we see consistent increase in the ratio for group practices.

## Dental Group Patient Visits Growth Compared to Solo Practices in the Same Geography



*Sikka Software has a series of articles available on a variety of practice management issues including fee optimization, patient demographics analysis, and patient reactivations. For readers who would like to receive these other articles, please email us at [benchmarking@sikkasoft.com](mailto:benchmarking@sikkasoft.com) and we would be pleased to send them to you.*

*Sikka Software's Optimizer Gold™ (OFC Gold) product is used by group practices as well as consultants to seamlessly integrate with all major practice management systems in USA, Canada, UK and Australia and layers on top to give business analytics and optimization. It is available at a very attractive price point for group practices and consultants.*

Vijay Sikka is the President and Chief Executive Officer of the 7 year old Sikka Software Corporation. Under Vijay's leadership, Sikka Software Corporation has become the premier cloud based business analytics and optimization company and a SAAS based market leader for dental industry in the United States. Sikka Software Corporation is experiencing strong growth and will be looking for investments to fund that growth.

Vijay is a healthcare informatics expert with more than 20 years of software development and quality experience including large scale projects with National Institutes of Health, Glaxo Smith Kline, Roche and UCSF affiliates. In 1996, Vijay founded IBrain Software, Inc., a business intelligence company, and served as its CEO until its acquisition in 1998 by Entigen Corporation, that later became part of Roche. Vijay's book, Maximizing ROI in Software Development, was published in 2004 by Taylor and Francis International and is available for purchase from Amazon and other book stores in hardcopy and for eBook readers.