

## The Total Economic Impact™ Of CareStack

### KEY STATISTICS



ROI  
**307%**



BENEFITS PV  
**\$1.70M**



NPV  
**\$1.28M**



PAYBACK  
**<6 months**

**CareStack** is a cloud-based dental practice management solution. It enables dental organizations to streamline workflows, improve operational efficiency, and enhance patient experience.

Straumann commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying CareStack. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of CareStack on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five decision-makers from four organizations with experience using CareStack and surveyed 52 respondents in the dental industry. For the purpose of this study, Forrester aggregated the experiences of the interviewees and survey respondents and illustrated the results from the perspective of a composite organization. The composite organization

is a multisite dental organization that operates in 10 locations, employs a total of 115 staff, and generates \$20 million in annual revenue

Prior to using CareStack, the interviewees' organizations were limited by poor data visibility and inefficiency stemming from siloed systems across locations and across end-to-end processes. They searched for an integrated solution that supported processes across the operation and across locations.

After the investment in CareStack, the interviewees increased production, streamlined revenue cycle management (RCM) efficiency, and shortened revenue cycles. As CareStack is a cloud solution, interviewees minimized IT complexity and reduced the associated costs with their previous on-premises solution. Their organizations also improved analytics reporting and enhanced patient experience.



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**Quantified benefits.** The composite organization experiences the following quantified benefits. Benefit values are modeled over a three-year period, adjusted for risk, and discounted into present value (PV):

- Increased profit from fuller schedules.** Multiple functionalities of CareStack enable the composite to progressively increase production by 20% to 40% over the three years. Multiple factors drive the increase in production, including more efficient scheduling processes, higher acceptance of treatment plan, and optimized customer feedback collection for marketing purposes. Leveraging CareStack’s analytical capabilities, the composite organization’s locations collaborate more closely to tackle challenges, dentists receive tailored coaching to make the best clinical decisions for patients, and leaders leverage analytics better to optimize operations. This yields a three-year, risk-adjusted benefit worth \$1.3 million for the composite.
- Improved revenue cycle management (RCM).** The composite standardizes processes using CareStack to reduce day sales outstanding. Day sales outstanding lowers by 20% in Year 1 with a further reduction to 35% by Year 3. Process improvements yield time savings for the RCM team, and the composite establishes a centralized RCM function in Year 2 to further increase efficiency. The benefit value associated is \$162,000.

- Avoided costs with systems consolidation.** The composite saves \$282,000 on licensing and maintenance costs from sunsetting the legacy practice management solution and replacing additional third-party solutions with CareStack.

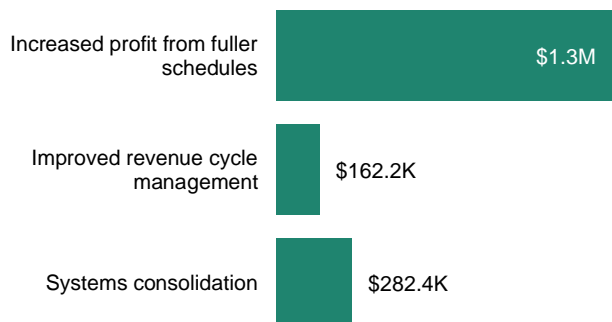
**Unquantified benefits.** Benefits that are not quantified in this study include:

- Enhanced patient experience.** CareStack streamlines workflows, affording front-of-house employees the time and focus to better serve patients. Other features contribute to an enhanced patient experience: online forms enable the composite to provide patients with a smoother onboarding experience, the online portal offers patients convenience as they’re able to self-service, and itemized treatment plans help practices earn patient trust with transparent pricing.
- Improved analytics visibility.** Consolidating data from all locations into one system improves ease of management oversight. Employees at different practices can access performance data of other locations, allowing them to benchmark and improve their own performance.
- Increased forecast accuracy.** Actual levels of production align closer to forecasts after using CareStack, enabling employees to act swiftly and accordingly.

**Flexibility.** The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement CareStack and later realize additional uses and business opportunities, including:

- Greater agility powered by cloud solutions.** Moving to CareStack’s cloud practice management system not only reduced hosting and maintenance costs, but also provided much needed robust systems for interviewees to scale the organization.

**Benefits (Three-Year)**



- **Ability to scale with confidence in data security.** Having a global instance of a practice management system eliminated the need to share patient data via email, enabling the interviewees' organizations to improve data security.
- **Roll out of CareStack in newly acquired practices.** The interviewees' companies grew significantly, both organically and through acquisitions. One interviewee stated that in most cases they could go live with CareStack within three to six months of acquisition.

**Costs.** Cost values are modeled over a three-year period, adjusted for risk, and discounted into PV. Costs for the composite organization include:

- **CareStack subscription cost.** For the composite, this amounts to \$219,000.
- **Deployment and training costs.** This cost includes an implementation fee, internal deployment and change management efforts of two employees, and user training time. This amounts to \$200,000.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$1.70 million over three years versus costs of \$419,000, adding up to a net present value (NPV) of \$1.28 million and an ROI of 307%.

## DISCLOSURES

The reader should be aware of the following:

- The study is commissioned by Straumann and delivered by Forrester Consulting. It is not meant to be a competitive analysis.
- Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in CareStack.
- Straumann reviewed and provided feedback to Forrester. Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning.
- Straumann provided the customer name(s) for the interview(s) but did not participate in the interview(s).

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