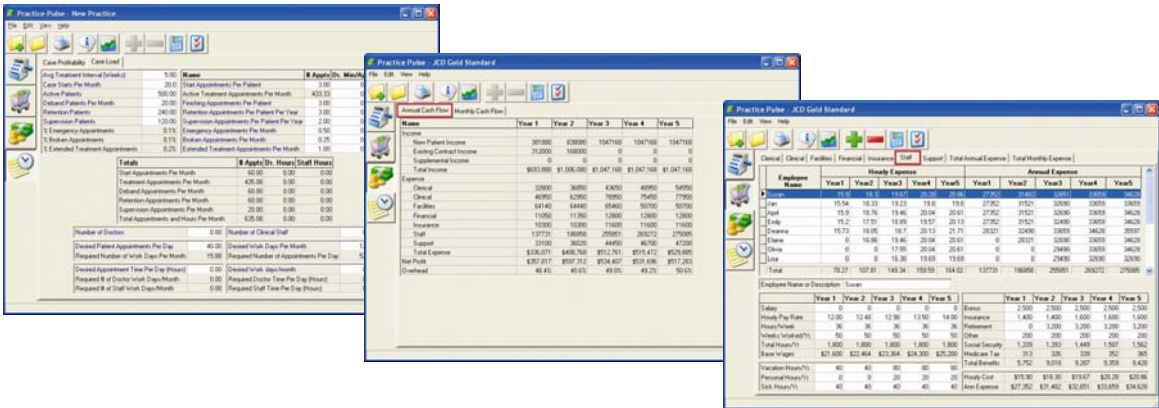


PRACTICEPULSE™

Orthodontic Business Analyzer



GETTING STARTED GUIDE

The following pages were designed to assist you in gathering the information that is needed to begin working with Practice Pulse.

Many offices have found that their accountant can fill out the much of the information for them. This is especially true in the Expense section of the program.

INCOME PROJECTION

Collection Rate

The collection rate represents the percentage of all eligible monies that should be collected over a 12-month period. The collection rate of Practice Pulse is calculated by the total accounts collected for a specified 12 month period, less any charged off accounts and the current past due accounts. Most offices will strive to have a collection rate above 96%. In Practice Pulse, the participant can enter the data for the total accounts collected, total past due account, and the total charge off accounts for an automatic calculation of the collection rate. If this data is not available simply enter a specified collection rate. It is possible to change the collection rate for any year by going to the desired field and entering a new collection rate. When a new collection rate is entered, the later fields will automatically be populated with the same rate. Because the collection rate is used in other calculations, it is necessary to have a rate defined for each field.

| INCOME PROJECTION | YOUR OFFICE'S INFORMATION |
|--|----------------------------------|
| Collection Rate | |
| Contracts Billed (Previous 12 Months) | |
| Past Due Accounts (Previous 12 Months) | |
| Charge Off Accounts (Previous 12 Months) | |

New Contract Income

The purpose of the New Contract Income Screen is to evaluate the income generated from new case starts. The critical values involved in new income production include the type of case, the number of case starts, fees, payment arrangements, and the collection rate. In this screen, it is possible to manipulate either single or multiple variables. The resulting combination of variables will generate a 5-year projection of income from new case starts.

Note: You will want to complete the following information for each type of contract.

| INCOME PROJECTION | YOUR OFFICE'S INFORMATION |
|----------------------------|---------------------------|
| New Contract Income | |
| Case Name | |
| Estimated Treatment Time | |
| Monthly Starts | |
| Initial Payment | |
| Number of Monthly Payments | |
| Monthly Payment Amount | |
| Final Payment | |

Existing Contract Income

The Existing Contract Income represents the income derived from the collection distribution of payments made on existing contracts. The total existing contract value in an orthodontic practice is the sum of all contracts that have been booked, but not yet collected. These funds will be collected over time as determined by the underlying specifications within the patient contracts.

| INCOME PROJECTION | YOUR OFFICE'S INFORMATION |
|-----------------------------------|----------------------------------|
| Existing Contract Income | |
| Total Value of Existing Contracts | |
| Percent of Contracts Collected | |
| Collection Rate | |
| Total Existing Contract Income | |

Supplemental Income

The Supplemental Income screen incorporates funds that may be earned outside the main practice. These sources may be especially important in the early years of practice.

| INCOME PROJECTION | YOUR OFFICE'S INFORMATION |
|----------------------------|----------------------------------|
| Supplemental Income | |
| Associate/Contract Labor | |
| Teaching | |
| Spousal | |
| Other | |

EXPENSE PROJECTION

Clerical Expenses

Clerical Expenses are those most closely tied to the business portion of patient care, such as office supplies and postage.

| EXPENSE PROJECTIONS | YOUR OFFICE'S INFORMATION |
|---------------------|---------------------------|
| Clerical | |
| Office Supplies | |
| Postage | |
| Equipment | |
| Equipment Lease | |
| Other | |

Clinical Expenses

Clinical Expenses are those most closely tied to clinical patient care, such as orthodontic supplies, lab fees and model fees.

| EXPENSE PROJECTIONS | YOUR OFFICE'S INFORMATION |
|-----------------------------|----------------------------------|
| Clinical | |
| Orthodontic Supplies | |
| Lab | |
| Model Fees | |
| Photos or Printing Supplies | |
| Equipment | |
| Equipment Lease | |
| Other | |

Facilities Expenses

Facility Expenses are those most closely tied to occupancy costs for either rental or owner occupied offices, such as rent and taxes.

| EXPENSE PROJECTIONS | YOUR OFFICE'S INFORMATION |
|-------------------------------|----------------------------------|
| Facilities | |
| Rent (Monthly) | |
| Utilities (Monthly) | |
| Taxes | |
| Maintenance (Monthly) | |
| Leasehold Improvements | |
| Lawn and Janitorial (Monthly) | |

Financial Expenses

Financial Expenses are those most closely tied to the business control of an orthodontic practice, such as business interest and business taxes.

| EXPENSE PROJECTIONS | YOUR OFFICE'S INFORMATION |
|---------------------|---------------------------|
| Financial | |
| Business Interest | |
| Business Taxes | |
| Business License | |
| Depreciation | |
| Service Charges | |
| Other | |

Insurance Expenses

Insurance Expenses are those related to the asset, business, and personal financial/liability protection, such as the building, auto and workman's compensation.

| EXPENSE PROJECTIONS | YOUR OFFICE'S INFORMATION |
|------------------------|---------------------------|
| Insurance | |
| Auto | |
| Building | |
| Business Property | |
| Employer Liability | |
| Overhead | |
| Professional Liability | |
| Umbrella | |
| Workman's Compensation | |
| Other | |

Staff Expenses

The Staff Expense screen allows for the comprehensive tracking of staff expenses on both an individual and group basis. For each staff member wages, benefits, and taxes are calculated to determine the total annual and hourly expense for each employee.

Note: You will need to complete the following information for each employee in your practice.

| EXPENSE PROJECTIONS | YOUR OFFICE'S INFORMATION |
|----------------------------------|---------------------------|
| Staff | |
| Employee Salary | |
| Employee Hourly Pay Rate | |
| Employee Hours per Week | |
| Employee Weeks Worked per Year | |
| Employee Totals Hours per Year | |
| Employee Base Wages | |
| Employee Vacation Hours per Year | |
| Employee Personal Hours per Year | |
| Employee Sick Hours per Year | |
| Employee Bonus | |
| Employee Insurance | |
| Employee Retirement | |
| Employee Other | |

Support Expenses

Support Expenses are a diverse group of expenses that are required to grow and sustain an orthodontic practice. Examples include accounting fees, legal fees, and continuing education.

| EXPENSE PROJECTIONS | YOUR OFFICE'S INFORMATION |
|----------------------------|----------------------------------|
| Support | |
| Accounting Fees | |
| Auto | |
| Consultant Fees | |
| Continuing Education | |
| Donations | |
| Dues / Subscriptions | |
| Entertainment | |
| Legal Fees | |
| Management Fees | |
| Meals | |
| Promotion | |
| Student Loan Interest | |
| Other | |

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