

# ADA Business Enterprises, Inc.

## Wholly Owned Subsidiary Annual Report and Financial Affairs

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Bulman, Bill, 2025, Illinois, chair  
 Rosato, Richard, 2023, New Hampshire\*  
 Reavis, Allen, 2027, Kansas\*  
 Samandari, Nafys, 2025, Arizona  
 Farey, Allison, 2025, California  
 Mann, Marshall, 2026, Georgia\*  
 Matin, Britany, 2026, Alabama  
 Cohlma, Raymond, Oklahoma (ADA Executive Director)

Doherty, Deborah, chief executive officer

\*ADA Trustee

### Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures

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A wholly-owned for-profit subsidiary of the ADA, ADA Business Enterprises, Inc. (ADABEI) leads in the development of revenue generation by providing best-in-class products, services and opportunities that create value.

In 2023, ADABEI goals Included:

- Create member value and increase member engagement
- Through financially stable program growth, increase non-dues revenue
- Improve organizational effectiveness and alignment with the ADA, state societies, and other subsidiaries to support the ADA's strategic plan

In 2023, all goals for the year were met or slightly below plan.

- Member Value & Increased Engagement:
  - o Increased the number of leads sent to providers
  - o Worked with providers to improve special member value
  - o Exceeded customer service metrics with providers
  - o Increased financial educational content to new dentists
  - o Increased marketing to key targets (i.e., students, new dentists, non-owner dentists)
- Financial Goals (see tables 1-3):
  - o 2023 total program revenue, compared to 2022, grew by \$126,000 or 2.0%
  - o Renewed nine products
    - Appliances (GE)
    - Office Supplies (ODP)
    - Credit Card Processing (Best Card)
    - Student Loan Refinancing and Mortgages (Laurel Road)
    - Credit Card (U.S. Bank)
    - Patient Financing (CareCredit)
    - Emergency Medical Kits and Sharps (HealthFirst)
  - o Launched five new products
    - Practice Financing (Panacea)
    - Student Loan Advisory / GradFin (Laurel Road)
    - OSHA Compliance Products (Compliance Group)
    - Branded Gear (Threadfellows)
    - Cruises (AHI)

- Organizational Effectiveness:
  - o Exceeded state collaboration and marketing goal
  - o Collaborated with ADA and ADA subsidiaries
    - Aligned with ADA strategic focus and dynamic planning
    - Non-Dues Revenue (i.e., integration with IAC, catalog)
    - Agile (i.e., Direct to dentist, personal and financial well-being)
    - Operations (i.e., Sales Force integration)
    - Membership (i.e., Alignment with partnership principles)

### Total Program Financials

Total program revenue of \$6,421,000 was below the 2023 plan of \$6,516,000 by (\$95,000) or (1.5%). Compared to 2022, total program revenue grew by \$126,000 or 2.0%.

**Table 1. 2023 Total Program Financials**

	2023 Actuals	2023 Plan	Variance (\$)	Variance (%)		2022 Actuals	%
Revenue (ADA and ADABEI)	\$6,421,000	\$6,516,000	(\$95,000)	(1.5%)		\$6,295,000	2.0%
Expenses	\$3,756,000	\$3,885,000	\$129,000	3.3%		\$3,591,000	(4.5%)
Net	\$2,665,000	\$2,631,000	\$34,000	1.3%		\$2,704,000	(1.4%)

### ADA Royalties

In 2023, the ADA earned royalties of \$3,608,000 from endorsed providers in the program, exceeding the budget by \$10,000.

State dental societies may choose to co-endorse products and services and share in program revenue through a license agreement. In 2023, the ADA shared \$1,130,000 in royalties with states.

**Table 2. 2023 ADA Financials**

	2023 Actuals	2023 Plan	Variance (\$)	Variance (%)		2022 Actuals	%
ADA Royalties	\$3,608,000	\$3,598,000	\$10,000	0.1%		\$3,651,000	(1.1%)
State Royalty Share	\$1,130,000	\$1,230,000	\$100,000	8.1%		\$1,148,000	1.5%

## ADABEI Financials

In 2023, ADABEI earned \$2,813,000 in revenue as a result of fees to ADABEI from the program and finished 2023 with net income (pre-tax) of \$187,000.

**Table 3. 2023 ADABEI Financials**

	<b>2023 Actuals</b>	<b>2023 Plan</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
ADABEI Revenue	\$2,813,000	\$2,805,000	\$8,000	0.3%
Expenses	\$2,626,000	\$2,655,000	\$29,000	1.1%
<b>Net (Pre-Tax)</b>	<b>\$187,000</b>	<b>\$150,000</b>	<b>\$37,000</b>	<b>24.7%</b>

## Emerging Issues and Trends

ADABEI has aligned with the ADA to focus both outreach and business development efforts on students and early career dentists. Analysis completed in 2023 does show the engagement of members with ADABEI endorsed products and services results in an increase of retention of members. The impact overall showed a net retention of 2,573 members, and a decrease in attrition from 15.3% to 6.4%

## Products

ADABEI continues to focus on the strategic management of endorsed provider relationships, to improve member value through best-in-class product features, special member pricing and overall customer service. In 2023, the program included 27 products and services from 20 providers:

- Credit Card—U.S. Bank
- Credit Card Processing—Best Card
- Patient Financing—CareCredit, LLC
- Practice Financing & Commercial Real Estate—BMO Bank
- Luxury Vehicles—Mercedes-Benz
- Sustainable Cars—Volvo
- Marketing Services, Practice Communication Software, ADA TV and Secure Email—PBHS, Inc. and Revenue Well
- Small Group Tours and Small Group Tours for Active Travel—AHI Travel
- Interpretive Services—Cyracom
- Amalgam Separators, Emergency Medical Kits and Sharps—HealthFirst
- Payroll Services—OnPay
- Staff Apparel—Lands' End Business Outfitters, Inc.
- Office Supplies—Office Depot
- Shipping—UPS
- Fitness—Class Pass
- HIPAA Compliance—Compliance Group
- Student Loan Refinancing and Dentist Mortgages—Laurel Road
- Appliances—GE
- Temporary Staffing—Stynt
- Computers & Technology—Lenovo