PRACTICE PARTNERS

What Dental School Didn’t Teach You

The six business functions that determine whether your practice thrives — and how to know where you stand today.

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Introduction

You spent years learning to be an exceptional clinician. But at some point — probably earlier than you expected — you became responsible for something else entirely: running a business.

Nobody taught you that part. This guide covers the six business functions that matter most in a dental practice — what they are, why they're harder than they look, and what good actually looks like.

It's written from experience. Dr. Loan Nguyen and Jeremy Farkas built Village Kids Dentistry from scratch in 2013 and have been responsible for every business decision alongside every clinical one ever since. What's here is what they learned — sometimes the hard way — over more than a decade.

Before you read: a quick self-assessment

Rate yourself honestly from 1 (struggling) to 5 (strong) in each area below. Then read the sections where you scored lowest — those are your highest-leverage opportunities.

Area	Key question	Score 1–5
Patient Growth	Do you know where your new patients come from, and have a comprehensive plan to acquire and retain patients?	____
Team & Hiring	Do you have clear processes for hiring and onboarding?	____
Financial Visibility	Can you describe your practice's financial health in 60 seconds?	____
Operations	Are vendor relationships handled without pulling you in day-to-day?	____
Strategy	Do you regularly make time for big-picture decisions?	____
Owner Wellbeing	Does the business side feel manageable, or is it consuming you?	____

If you scored 3 or below in two or more areas, the business side of your practice has meaningful room to improve — and those gaps are likely costing you patients, profit, or personal bandwidth.

01 Patient Growth & Marketing

An interconnected web of interactions.

When a practice isn't growing fast enough, the instinct is often to pull at individual levers — hire a marketing agency, sponsor a local event, drop off branded bags at a school. These things aren't wrong, but without a comprehensive plan behind them, they rarely compound into real

growth. Most practices don't have anyone connecting all the dots — and a generic marketing vendor working from a template won't do it for you.

The goal of this section is to help you see patient growth as a system, so that wherever you choose to invest, you're making that decision with the full picture in mind.

Think of patient growth as a four-stage funnel. All four stages need to work:

If any stage breaks — poor ad targeting, a weak website, calls going to voicemail, inconvenient hours, low review rating or quantity — adding more ad spend just moves the bottleneck. You pay more to acquire the same number of patients.

The full patient journey

Discovery: Google search, AI tools (ChatGPT, Gemini), Yelp, referrals from friends or other providers, signage.

Consideration: reviews, insurance accepted, hours, website clarity, ease of booking, new patient promotions.

Experience: treatment plan presentation, in-office environment, front-desk interactions.

Retention: recare scheduling before the patient leaves, automated reminders, systematic outreach to lapsed patients, review requests.

> **WHAT GOOD LOOKS LIKE**
> You know your new patient number every month, where those patients came from, new patient acquisition cost, and what percentage of new patients returned for a second visit. You can name the one or two stages of the funnel where you’re losing the most people.

02 Team & Hiring

Your team is your most important operational variable.

A great front desk person materially improves your new patient conversion rate. A great assistant makes your clinical day faster and less stressful. A poor hire in either role costs you patients, productivity, and months of your time to fix.

The real cost of a bad hire

If your practice receives 40 new patient calls per month and your front desk converts 40% instead of 70%, that's 12 patients per month lost at the first touchpoint. At even $500 in first-year collections per patient, that's $6,000 per month in missed revenue from a single underperforming hire.

Where hiring tends to break down

- **No clear role definition —** unclear expectations lead to misaligned hires. If you can't write down what success looks like in the first 90 days, you're not ready to hire yet.
- **Interview process too thin —** a 30-minute conversation isn't enough. The best practices use consistent questions across candidates plus a practical component.
- **No structured onboarding —** new hires thrown in without proper training. Even a simple first-30-days checklist dramatically improves retention and time to competency.
- **No accountability systems —** for front desk, this means tracking call conversion and scheduling rates. For clinical staff, clear expectations and regular check-ins.
- **Mistaking experience for quality —** you can't train personality and innate work ethic. Sometimes training a potential star from scratch is better than a dud with experience.
- **Ignoring red flags —** desperation can often lead to overlooking risks like someone who's had multiple jobs lasting less than one year. It's critical to check references.

> **WHAT GOOD LOOKS LIKE**
>
> You have a written job description for every role, a consistent interview process that includes a practical component, a structured first-30-days onboarding plan, and clear metrics for each position. Once it's built, it makes every future hire faster and lower risk.

03 Financial Visibility

You can't manage what you can't see.

Most practice owners know roughly how much comes in each month. Fewer know their profit margin. Even fewer can answer: which services are most profitable? What's my overhead as a percentage of collections? Am I on track for a good year?

The typical setup — PMS reports, a bookkeeper, a CPA at tax time — generates information but doesn't connect it into a picture the owner can actually use. The result: you don't know where to focus your energy on improvements.

The five numbers every practice owner should know

- **Monthly collections —** what actually came in, not what was billed. Production and collections diverge for many reasons — insurance adjustments, billing errors, write-offs — and collections is the only number that matters.

- **Overhead ratio —** total expenses as a percentage of collections. Healthy range: 55–65%. Above 70% is a warning sign.
- **New patient count —** monthly, trending over time, and broken down by source.
- **Accounts receivable aging —** how much is owed and how old. A clean AR has most of its balance in the 0–30 day bucket. Heavy weight in 60+ days signals a problem.
- **Production per appointment —** monthly, trending over time.
- **Net income —** what you actually took home after everything — the number that tells you whether the practice is building wealth or just generating activity.

Overhead benchmarks

Expense Category	Typical Range	Watch for
Team (wages + benefits)	25–35%	*Above 35% without strong production to match*
Dental supplies	5–8%	*Above 8% often signals waste or ordering inefficiencies*
Occupancy (rent + utilities)	5–10%	*Higher in HCOL areas; watch for rent escalation clauses*
Lab fees	GP: 8–12% Pedo: 1–4%	*Higher in restorative-heavy practices; Far lower for Pedo offices*
Marketing	Established: 2–5% New: 5–10%	*Below 2% may limit growth; above 7% in early stage is common*
Total overhead	**50–65%**	*Above 70% consistently is a profitability warning sign*

These are starting points, not rigid targets. A newer practice investing heavily in patient acquisition will run higher marketing spend. The goal is to know your numbers well enough to notice when something drifts in the wrong direction.

> **WHAT GOOD LOOKS LIKE**
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> You review a one-page financial summary every month — collections, overhead ratio, net income, new patient count, and one or two KPIs specific to your practice. It takes about 20 minutes and tells you whether you're on track or whether something needs attention.

04 Operations & Vendor Management

The calls you shouldn't be on.

Running a dental practice means managing a surprising number of moving parts that have nothing to do with clinical care — software vendors, equipment service, billing, supplies, IT, payroll, marketing. Each relationship requires attention. Problems come up. Someone has to handle them.

In most practices, that someone is the owner. Not because it has to be that way, but because no one else has the authority or the context to deal with it. So the dentist ends up on hold with the billing company between patients, or chasing a supply order on their lunch break, or troubleshooting a software issue at the end of a long day.

The individual interruptions seem small. The cumulative effect — across a week, a month, a year — is significant. Time is the obvious cost. The less obvious one is mental energy: every operational fire you put out is bandwidth that isn't going toward patients, growth, or the parts of the business that actually require you.

> **WHAT GOOD LOOKS LIKE**
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> Someone other than you owns day-to-day operational coordination. You're consulted on decisions that genuinely require you — major contract changes, significant cost increases, vendor switches — and not pulled in for everything else.

05 Strategy & Decision-Making

Working on the business, not just in it.

There's a well-known distinction between working in your business and working on it. Working in it means seeing patients, managing the day, putting out fires. Working on it means stepping back: Are we growing in the right direction? Is our fee schedule competitive? When should we build out more chairs? What tax strategies could we implement?

Most practice owners spend almost all their time working in the business. But the strategic decisions — the ones that shape where the practice is in three years — don't get made well when they're squeezed into the margins of a full clinical schedule.

The decisions that tend to get neglected

Strategic decisions in a dental practice span a wider range than most owners expect. A few categories worth thinking about regularly:

Growth direction. Is the practice growing the way you intended? Are you attracting the patient mix you want, or has the business drifted in a direction that doesn't reflect your goals? Growth isn't just a marketing question — it's a strategic one.

Capacity and investment. When does it make sense to add a chair, hire an associate, or expand hours? These decisions have long lead times and real financial consequences. They're hard to think through clearly when you're making them reactively.

Pricing and fees. Fee schedules set at opening often go unchanged for years while costs rise around them. Reviewing fees annually — against local market data, your cost structure, and your patient mix — is basic business hygiene that most practices skip.

Financial structure and taxes. Practice owners often leave meaningful money on the table through suboptimal entity structure, retirement planning, or tax strategy. These aren't set-it-and-forget-it decisions — they deserve a real annual conversation with someone who understands dental practice economics, not just general small business accounting.

Making space for the strategic work

None of these decisions get made well in the ten minutes between patients. The practices that execute well on strategy almost always have one thing in common: protected time for it — even one dedicated hour per week — and ideally someone to think through the big questions with, so they're not being made in isolation.

> **WHAT GOOD LOOKS LIKE**
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> You revisit the big strategic questions at least once a quarter — growth direction, capacity, fees, financial structure. You're not making major decisions reactively, and you have at least one trusted person outside the practice to pressure-test your thinking.

06 Owner Wellbeing & Sustainability

The business only works as long as you do.

This one rarely makes it into business guides, but it might be the most important of the six. Dentistry is physically and mentally demanding. Add business ownership on top of that, and the burnout rate in the profession is real — documented consistently in ADA Health Policy Institute surveys and published research on occupational stress among dental practitioners.

The practices that sustain well over time are almost always ones where the owner has figured out how to be a dentist without also being the default decision-maker for every operational, financial, and marketing question.

You didn’t go to dental school to spend your evenings on hold with a billing vendor. Building a practice that runs well without consuming all of you isn’t a luxury — it’s a sustainability requirement.

Signs the business side is taking too much

- You regularly think about work during time off
- You’re the first call for vendor problems, staff issues, and operational fires
- You’re making financial decisions without clear data
- You’ve been meaning to address the same two or three problems for months but can’t find the time

The path forward

The way out isn't working harder. It's systematically removing yourself as the default responder on business-side issues — one function at a time. Each function you hand off or systematize buys back real time and mental bandwidth.

WHAT GOOD LOOKS LIKE

The business side of the practice is supported well enough that you can be fully present as a clinician during the day and genuinely off when you're not working. This is achievable — but it usually requires building systems and getting the right support in place.

What to do next

If any of these sections hit close to home, the business side of your practice has real room to improve — and you don't have to figure it out alone.

Practice Partners works with general and pediatric dental practice owners to manage and improve the business side: patient growth, financial visibility, operations, team support, and more. Our fee is tied to the growth we help create, so our incentives are aligned with yours.

Start with a free 30-minute discovery call.

No pressure, no commitment — just a conversation about your practice and where we might be able to help.

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