

Dental Clinic Operational Capacity & Financial Performance

A Diagnostic Blueprint for Scaling, Profitability, and KPI Management

OPERATIONAL GAUGE



FINANCIAL VITAL SIGNS



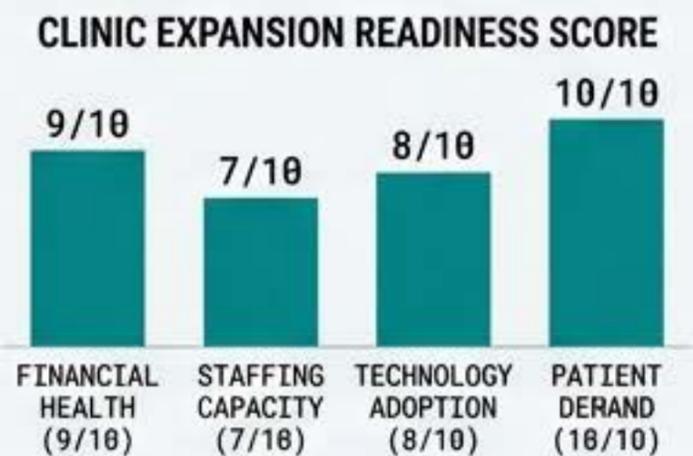
PROFIT MARGIN: 28.5%



RISK ASSESSMENT MATRIX

	LOW RISK/LOW IMPACT	LOW RISK/HIGH IMPACT
LOW IMPACT	 STAFF TURNOVER (HIGH IMPACT/HIGH RISK)	 REGULATORY COMPLIANCE
LOW IMPACT	 REGULATORY COMPLIANCE (HIGH IMPACT/LOW RISK)	 SUPPLY CHAIN DISRUPTIONS (LOW IMPACT/HIGH RISK)

SCALING METRICS



PROJECTED 2026 LOCATIONS: 5 (+2)

Executive Summary: The Clinic's Vital Signs



Breakeven Target

February 2026

Critical initial milestone for survival.



Cash Low Point

-\$778,000

October 2026 projection. Must manage burn rate aggressively.



Starting Labor Cost %

306%

Goal: Compress to <35% via utilization scaling.



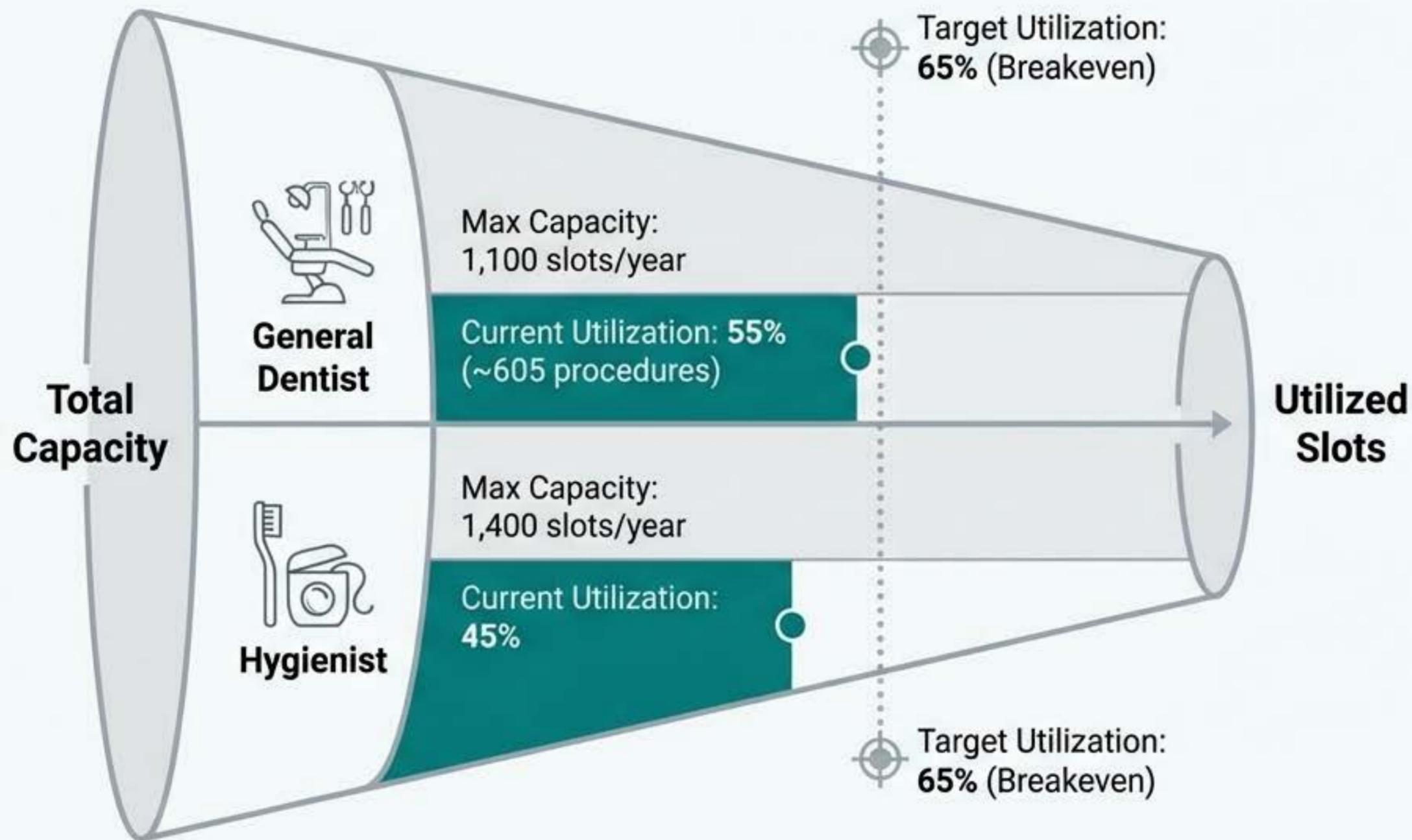
Contribution Margin Potential

~80%

Achievable via optimized service mix (Cosmetic focus).

Operational Reality: Capacity vs. Utilization

Equipment is not the bottleneck—scheduling is.



Scaling Friction Points



Hiring: 90 days lead time for General Dentists.



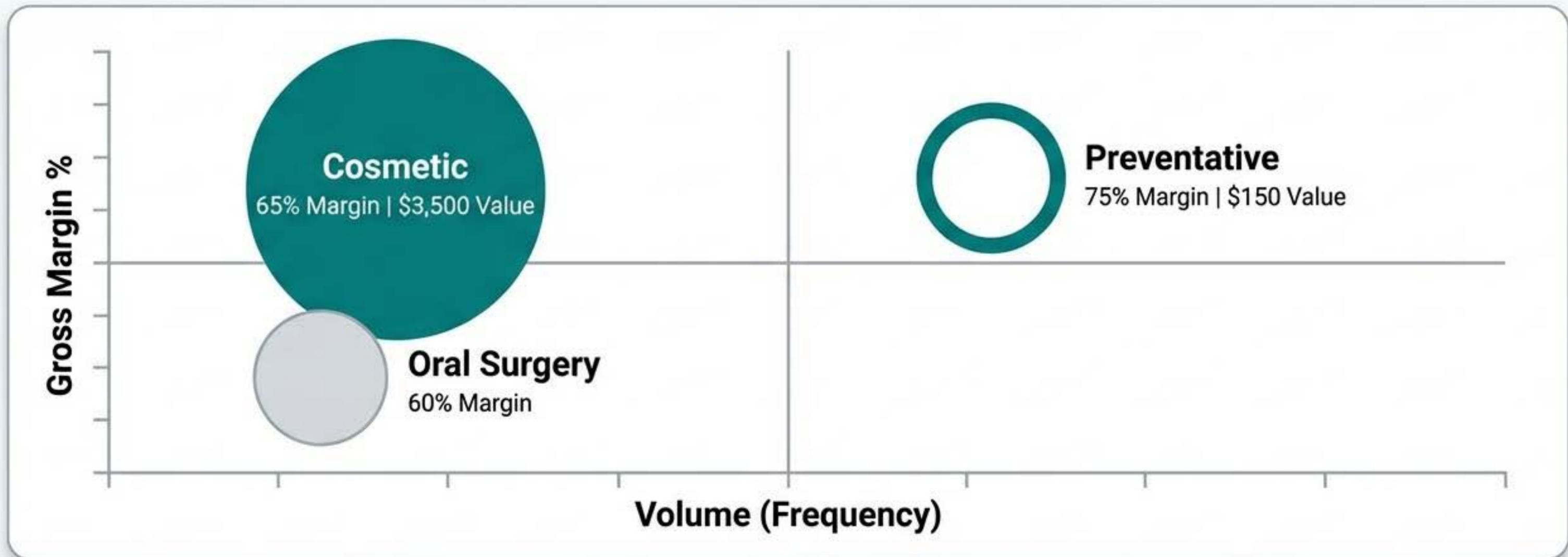
Onboarding: >14 days increases churn risk.



Equipment: Access delays cause 10% daily drag.

Financial Reality: The Service Mix Matrix

Balancing high-volume hygiene with high-margin cosmetic work.



Marketing Efficiency Rule: A single \$1,000 cosmetic case (65% margin) is worth more than 66 routine cleanings (\$150 each).

KPI 1: Provider Utilization Rate

The Engine: The single biggest driver of absorbing fixed costs.

Definition

$\frac{\text{Treatments Performed}}{\text{Total Available Slots}}$

The Engine: The single biggest driver of absorbing fixed costs.



Math Example:
 $102 \text{ Treatments} / 120 \text{ Slots} = 85\%$.

Strategic Insight

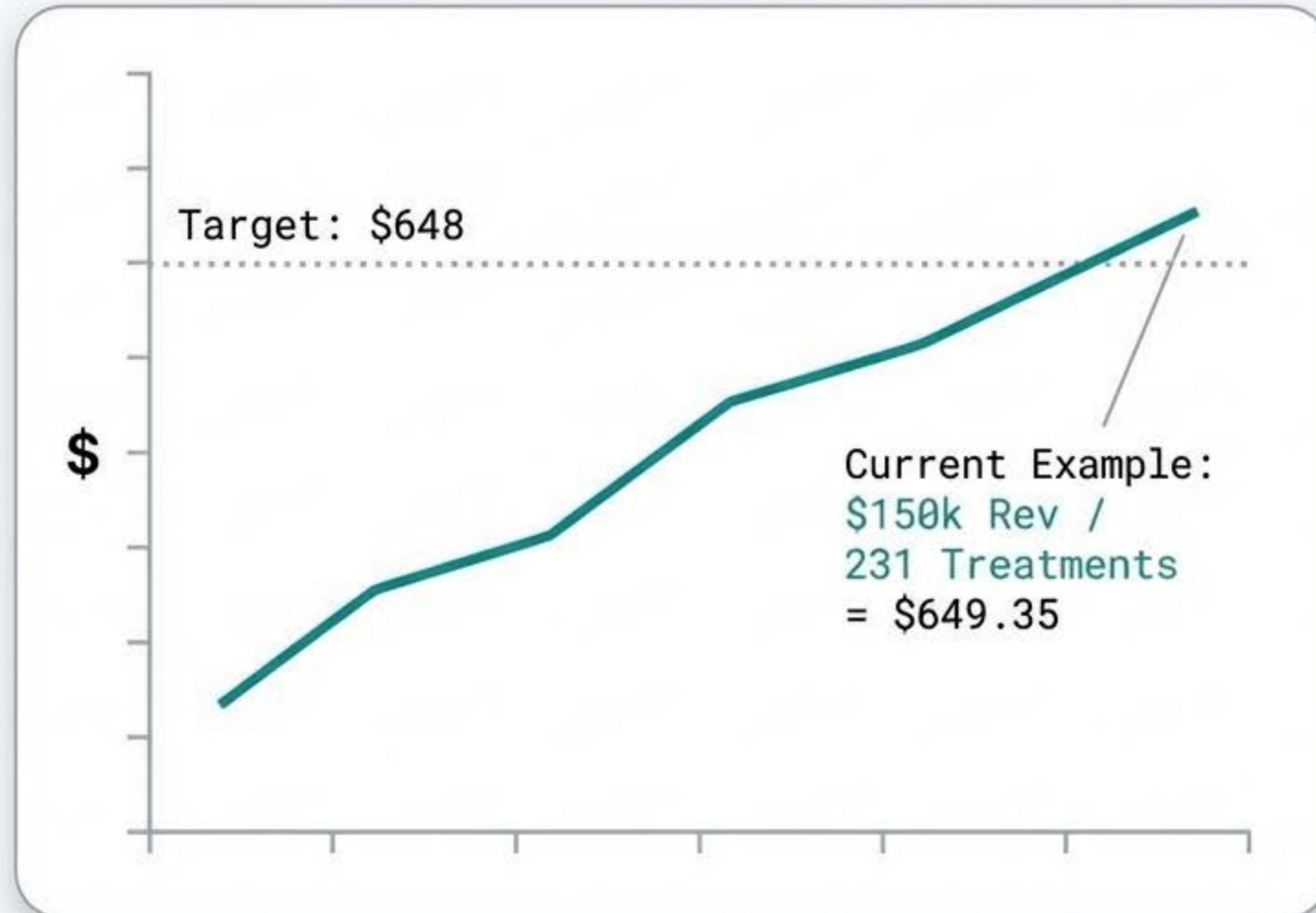
- Industry Standard: 75%
- Warning: <70% utilization = leaving money on the table.

The Fix:

-  1. Automated patient reminders.
-  2. Shorten standard appointment times.
-  3. Exclude non-billable admin blocks.

KPI 2: Average Treatment Value (ATV)

The Upsell Engine: Maximizing revenue per patient visit through bundled services.



Revenue Quality

Definition: $\frac{\text{Total Revenue}}{\text{Total Treatments}}$

Insight: High ATV validates the 'Upsell' model (bundling cleaning with restorative). **Warning:** High ATV can mask poor retention.

The Fix:

1. Mandate bundling training.
2. Tie incentives to \$648 target.
3. Compare LTV against ATV.

KPI 3: Gross Margin Percentage

The Foundation: Ensuring profitability after direct costs.

Definition

$(\text{Revenue} - \text{COGS}) / \text{Revenue}$

Goal

Protect the bottom line before overhead.



The Fix:

$\$500\text{k Rev} - \$50\text{k COGS} = 90\% \text{ Margin}$



Negotiate bulk pricing for consumables.

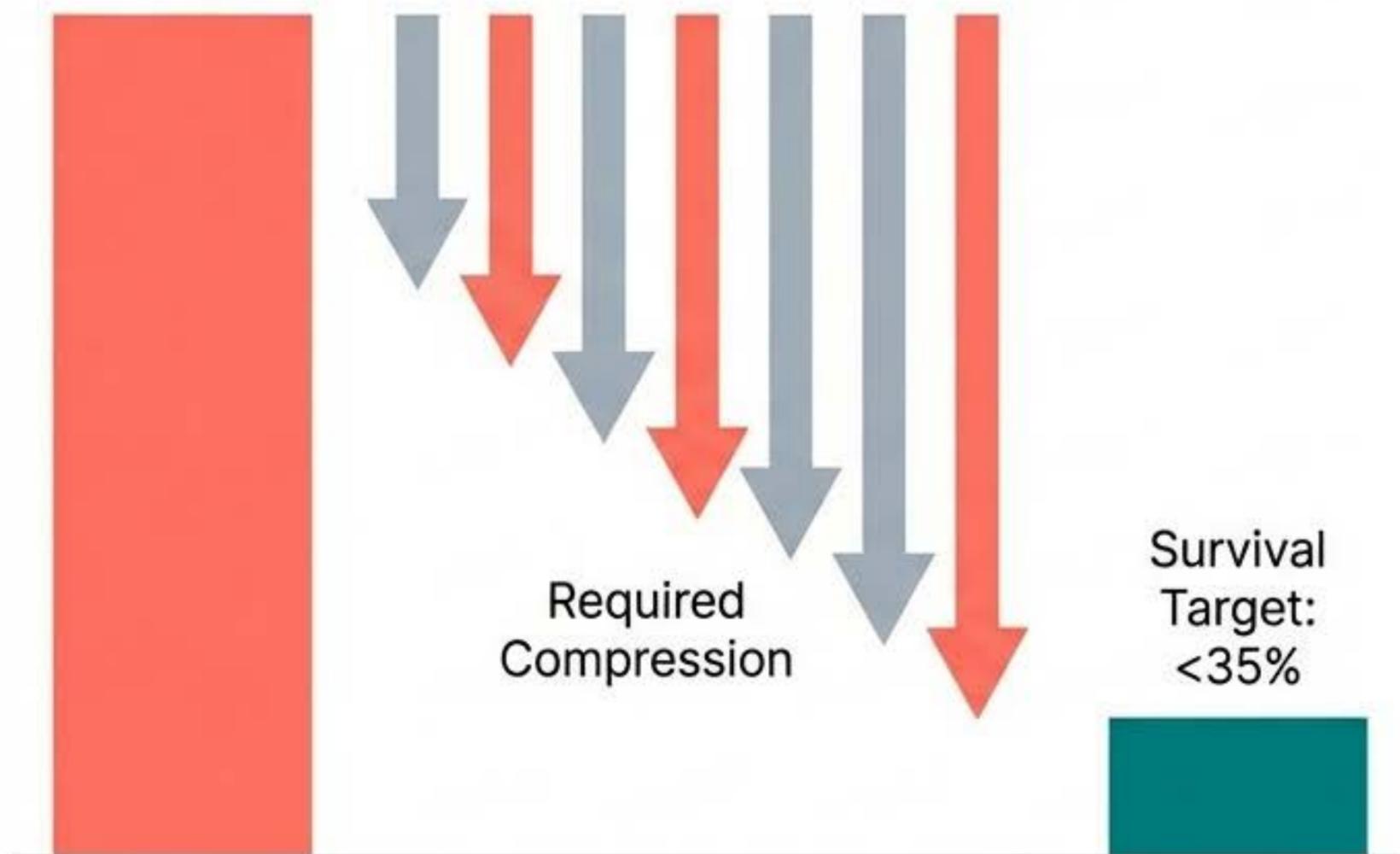


Review supply vendor contracts every 6 months.

KPI 4: Labor Cost Percentage

The most dangerous metric in the startup phase.

2026 Projection:
306%



Definition: $\frac{\text{Total Wages}}{\text{Total Revenue}}$

Strategic Insight: High labor cost usually signals poor utilization, not just high wages.

Rule: Fix this ratio before adding any new headcount.

The Fix:

1. Boost Utilization > 75%.
2. Increase ATV to dilute fixed labor costs.

KPI 5: Patient Acquisition Cost (PAC)

Definition

Total Marketing Spend /
New Patients

Context

Marketing is 90% of revenue in startup phase. Must be efficient.



Example

\$45k Spend /
100 Patients
= \$450 PAC

The Fix

Focus marketing on
Cosmetic services.
Stop spending if 3x
LTV not met.

KPI 6: Operating Cash Flow (OCF)

The Truth Teller. Can we pay the bills today?



CRITICAL ALERT: Minimum cash position dips to $-\$778,000$ in October 2026.



Strategic Insight

OCF is the real measure of startup health.



The Fix

Accelerate collections (A/R) and manage inventory turnover.

KPI 7: Revenue Per Provider (RPP)

Justifying the Headcount



Definition

Total Revenue /
Active Providers



Scaling Trigger

Do not scale from 2 to 3
dentists in 2027 unless
this target is met.



Strategic Insight

Sensitive to staffing
levels (churn skews it).



Requirement

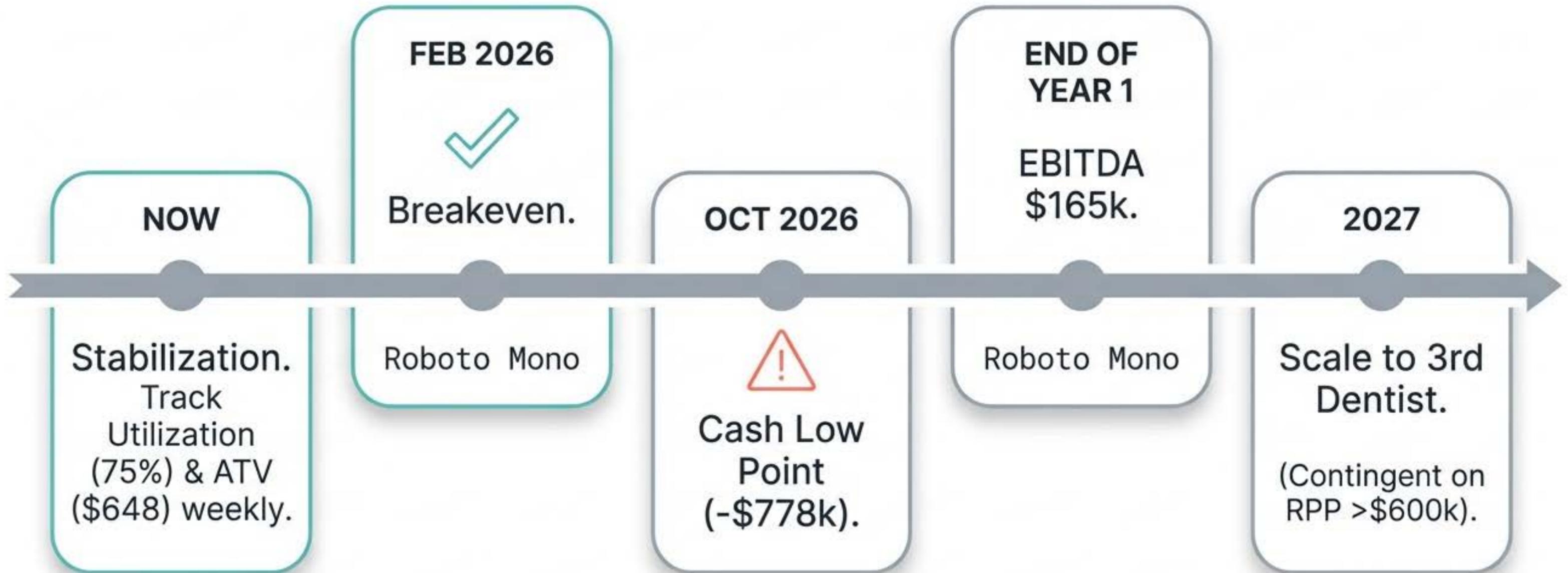
Needs 75% utilization &
\$648 ATV to achieve.



The Fix

Streamline patient intake.
Monitor quarterly.

The Path to Profitability: 2026-2027 Roadmap



Operational Checklist: Weekly Action Items



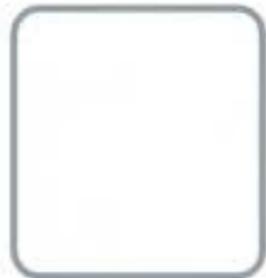
Check Capacity

Is Provider Utilization **>75%**? If not, fill gaps.



Check Burn

Is Labor Cost trending toward **↗ 35%**?



Check Quality

Is ATV **>\$648**? If not, review bundling.



Check Cash

Review OCF vs. Net Income. Monitor **Oct '26 runway**.



Check Burn

Is Labor Cost trending toward **35%**? **→**



Check Efficiency

Are new patients costing **<\$450** (PAC) to acquire?

“Measurement is the antidote to uncertainty.”

Tracking these **7 KPIs** transforms operational chaos into a **predictable, profitable clinic**. The difference between a **55%** and **75% utilization rate** is the difference between **solvency and survival**.