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Infographic

DENTAL GROUP FINANCE BY THE NUMBERS

Growth has changed the operating model

Multi-location dental groups now manage:

- Multiple legal entities and bank accounts
- Centralized finance and procurement teams
- Provider-level compensation models
- Board and lender reporting requirements
- Ongoing acquisition integration

Yet most finance teams still operate with small-business tools and manual workflows.

70–80% of multi-location independent dental groups remain in “spreadsheet finance” mode, using disconnected systems with manual consolidations and delayed reporting.

Margins are tightening

The cost structure of dentistry has shifted.

10-20%
Staff wages: +10–20% over recent years

5-10%
Supplies and equipment: +5–10% annually

Insurance reimbursement: flat or declining

15%
Average operating margin: ~15%

Margin defense is no longer optional. It requires knowing which locations, providers, and payers are profitable and which are not.

Finance teams are buried in manual work

Typical multi-location finance operations:

10-15
day monthly close

40-50
hours per month manual consolidatiion time

That time is spent reconciling entries, fixing errors, and assembling reports, not analyzing performance or guiding decisions.

Payer pressure is rising

With margins compressed:

40%+ of practices are reconsidering insurance networks, evaluating which low-margin payer contracts to drop or renegotiate.

40%+

Without payer-level profitability data, many groups risk exiting profitable contracts while keeping unprofitable ones.

Labor is now the largest cost line

Workforce dynamics have shifted:

- Labor is now the largest cost line
- Labor represents ~37% of total dental practice revenue

37%

At the same time:

- Hiring and retaining hygienists and clinical staff is increasingly difficult
- Compensation disputes are rising
- Provider productivity and overhead allocation are under scrutiny

Groups without provider-level financial visibility struggle to retain talent and align incentives.

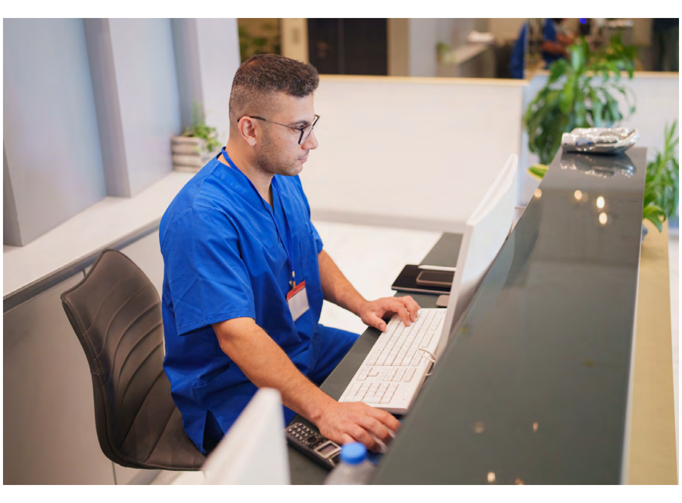
M&A timelines are shrinking

For acquisitive groups:

30-60
day target integration window

Manual onboarding delays consolidated reporting, board updates, and synergy capture.

Finance systems now directly affect deal velocity and ROI.



The bottom line

Modern dental groups face:

- Thinner margins
- Faster reporting expectations
- Higher labor costs
- Shorter acquisition timelines
- More entities to manage
- Greater compliance exposure

As a result, finance has become operational infrastructure. Groups that still run on spreadsheets and disconnected systems are not just slower. They carry higher risk and make decisions later than the business requires.

Call to Action

Discover how modern finance ERP built for dental practices can turn your finance team from a lagging indicator into a strategic asset.

Learn more

Sage

High-Performance Finance Software

POWERED BY Ai