

# OWNERSHIP READINESS SCORECARD

| SECTION 1: CLINICAL READINESS  | READY (1)                | NOT READY (0)            |
|--|--------------------------|--------------------------|
| Ability to consistently generate at least \$60K per month in production (excluding hygiene)  | <input type="checkbox"/> | <input type="checkbox"/> |
| Comfortable performing a wide range of general dentistry procedures (endodontics, restorative, crown & bridge, extractions, etc.)                                    | <input type="checkbox"/> | <input type="checkbox"/> |
| Able to maintain production targets within a standard clinical schedule (not reliant on extended hours)  | <input type="checkbox"/> | <input type="checkbox"/> |
| Have at least three years of clinical experience (including residency)   | <input type="checkbox"/> | <input type="checkbox"/> |
| Able to bring one or more specialty skill set (e.g., implants, oral surgery, orthodontics, sleep apnea, or cosmetic services) to enhance production and patient care | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>TOTAL</b>   |                          |                          |

| OUTCOME                        | SCORE        |
|--------------------------------|--------------|
| <b>Delay Ownership for Now</b> | <b>0 – 1</b> |
| <b>Preparation Needed</b>      | <b>2 – 3</b> |
| <b>Ready</b>                   | <b>4 – 5</b> |

# OWNERSHIP READINESS SCORECARD

| SECTION 2: FINANCIAL READINESS  | READY (1)                | NOT READY (0)            |
|---|--------------------------|--------------------------|
| Credit score is near or above 700   | <input type="checkbox"/> | <input type="checkbox"/> |
| Currently have savings equal to at least 10% of the dental practice purchase price to meet loan qualification requirements  | <input type="checkbox"/> | <input type="checkbox"/> |
| Able to meet the bank's debt coverage ratio (DCR) requirement of at least 1.2 - meaning net income is at least 1.2x total annual debt obligations, including practice loan payments and all personal debt (student loans, mortgage, car payments, etc.) |                          |                          |
| <p>Example:</p> <ul style="list-style-type: none"> <li>Practice loan: \$100K/year</li> <li>Mortgage: \$36K/year</li> <li>Student debt: \$24K/year</li> <li>Car loan: \$10K/year</li> </ul>  | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Total annual debt = \$170K<br/>                     Minimum income required<br/>                     (1.2x DCR) = \$170K x 1.2 = \$204K</p>  |                          |                          |
| >> At least \$204K in annual net income is needed to meet a 1.2 DCR in this scenario  |                          |                          |
| <b>TOTAL</b>  |                          |                          |

| OUTCOME                 | SCORE |
|-------------------------|-------|
| Delay Ownership for Now | 0 – 1 |
| Preparation Needed      | 2     |
| Ready                   | 3     |

# OWNERSHIP READINESS SCORECARD

## SECTION 3: BUSINESS READINESS

READY (1) NOT READY (0)

Understand how to read a P&L, recognize when overhead becomes excessive, and assess its impact on profitability



Understand how FFS, PPO, and HMO plans impact profit margins by affecting adjustments and the gap between production and collections



Know how to evaluate active patient counts and revenue per patient to determine whether patients are fully treated or underserved, and identify opportunities to increase production through stronger diagnosis and treatment planning



Understand what percentage of revenue hygiene should represent in a healthy practice, and know how to optimize recall systems to maintain consistent hygiene flow



Understand how consistent daily production targets (e.g., \$5,000/day) drive efficiency and stability, and prioritize steady, predictable scheduling over volatile high and low days to protect both performance and quality of life



Interested in and committed to investing in continuing education for both clinical and business staff to continually improve processes and performance



Understand how to evaluate ROI by distinguishing between different types of investments:

- **Practice Acquisition:** Does the practice generate enough consistent cash flow to comfortably cover debt and provide owner income from day one?
- **Large Equipment Purchases:** How long will it take to recoup the investment, and will the additional income from the new service cover the equipment financing payments?
- **Marketing Spend:** What is the cost to acquire a new patient, and how many visits are required to recoup that investment?
- **Hiring (Associate or Hygienist):** What is the total cost of adding headcount, how much additional production is required to cover new salaries, and are those expectations realistic?
- **Office Expansion / Additional Ops:** What is the cost to add operatories, how much incremental production will each generate, and will it offset construction downtime and debt payments?
- **Technology / Software Systems:** What is the cost of implementation, and will it improve efficiency, reduce no-shows, or increase collections enough to justify the investment?
- **Continuing Education (CE):** Will new clinical skills (e.g., implants, Invisalign) generate incremental production that exceeds the cost of training and implementation?



## TOTAL

### OUTCOME

### SCORE

Delay Ownership for Now

0 – 2

Preparation Needed

3 – 4

Ready

5 – 7

# OWNERSHIP READINESS SCORECARD

| SECTION 4: LEADERSHIP READINESS  | READY (1)                | NOT READY (0)            |
|--|--------------------------|--------------------------|
| Experience leading structured team meetings with clear priorities, expectations, and follow-ups  | <input type="checkbox"/> | <input type="checkbox"/> |
| Able to give timely, direct, and constructive feedback, and hold team members accountable to defined standards   | <input type="checkbox"/> | <input type="checkbox"/> |
| Able to identify and address issues early (staffing, patient flow, systems) before they escalate   | <input type="checkbox"/> | <input type="checkbox"/> |
| Willing to invest in training, coaching, and developing staff to improve performance and retention   | <input type="checkbox"/> | <input type="checkbox"/> |
| Able to effectively delegate key responsibilities, empower team members to execute, and focus on high-value activities rather than doing everything personally | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>TOTAL</b>   |                          |                          |

| OUTCOME                        | SCORE        |
|--------------------------------|--------------|
| <b>Delay Ownership for Now</b> | <b>0 – 1</b> |
| <b>Preparation Needed</b>      | <b>2 – 3</b> |
| <b>Ready</b>                   | <b>4 – 5</b> |

# OWNERSHIP READINESS SCORECARD

| SECTION 5: MINDSET READINESS   | READY (1)                | NOT READY (0)            |
|--|--------------------------|--------------------------|
| Seek out feedback and continuously look for ways to improve as a leader  | <input type="checkbox"/> | <input type="checkbox"/> |
| View challenges as opportunities to improve systems, not as obstacles  | <input type="checkbox"/> | <input type="checkbox"/> |
| Committed to long-term investment, willing to stay the course through challenges, and focused on building lasting value rather than seeking short-term gains | <input type="checkbox"/> | <input type="checkbox"/> |
| Willing to take on additional stress, responsibility, and time commitment in exchange for the freedom to make decisions and build equity                     | <input type="checkbox"/> | <input type="checkbox"/> |
| Desire to build, lead, and continuously improve a business - not just perform clinically   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>TOTAL</b>   |                          |                          |

| OUTCOME                        | SCORE        |
|--------------------------------|--------------|
| <b>Delay Ownership for Now</b> | <b>0 – 1</b> |
| <b>Preparation Needed</b>      | <b>2 – 3</b> |
| <b>Ready</b>                   | <b>4 – 5</b> |

**TOTAL SCORE ACROSS ALL FIVE SECTIONS \_\_\_\_\_ / 25**

**OUTCOME**

**SCORE**

**Delay Ownership for Now**

**0 – 10**

**Preparation Needed**

**11 – 19**

**Ready**

**20 – 25**

## OWNERSHIP ACTION PLAN

1. My Target

- Practice type / size: \_\_\_\_\_
- Income goal: \_\_\_\_\_
- Location: \_\_\_\_\_

2. My Biggest Gaps (Pick 2-3)

- Clinical production consistency
- Advanced procedures (implants, endo, surgery, etc.)
- Savings / financial qualification
- Understanding P&L / business metrics
- Leadership / team management
- Confidence to operate independently

3. My Focus for the Next 90 Days

- Increase / improve: \_\_\_\_\_
- Learn / develop: \_\_\_\_\_

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