

EXECUTIVE INSIGHT / DSO GROWTH

THE SAME-STORE GROWTH ENGINE HIDING IN PLAIN SIGHT

Why DSO leaders should rethink the enterprise economics of hygiene

For years, growth in the DSO market has been synonymous with acquisition: add practices, add providers, enter new markets, grow the top line. That instinct has been harder to satisfy in a deal environment well below its prior highs.

That is exactly when a different question deserves equal weight: how much growth is already sitting inside the practices already owned? It doesn't depend on interest rates, deal multiples, or when the M&A market reopens in force.

Hygiene looks different from both sides of it, from the advisor's seat and from the CEO's chair of a private-equity-backed dental group. Seen from either vantage point, one thing holds true: when hygiene underperforms, the financial impact travels far beyond the hygiene schedule.

The Economics Are Bigger Than Hygiene Production

Judge hygiene only by the number in the hygiene column of the P&L, and its real contribution to the business will consistently be understated.

Hygiene is the channel through which patients continuously move through a general dental practice: returning for preventive and periodontal care, triggering doctor examinations, surfacing treatment needs. Hygiene capacity leads to patient access, patient access enables clinical care and diagnosis, and diagnosis leads to treatment and recurring revenue. Interrupt that chain anywhere, and the practice feels it everywhere else.

A hygiene capacity problem is rarely just a hygiene revenue problem. When a practice cannot accommodate its existing patient base, it loses the examination, the diagnosis, and the relationship that follows. In one practice, that loss looks small. Across 20, 50, or 100 practices, it adds up fast.

Small Improvements Become Enterprise-Level Growth

\$75K	\$3.75M	\$750K
ANNUAL LIFT / PRACTICE	ENTERPRISE REVENUE	EBITDA CONTRIBUTION

Consider a 50-practice DSO that lifts annual hygiene revenue by \$75,000 per location, a realistic, not aggressive, improvement. That is \$3.75 million in incremental enterprise revenue. If \$750,000 of it flows through to EBITDA, that is meaningful growth generated entirely from the existing practice base, without acquiring a single location. At a representative DSO transaction multiple, that EBITDA increment alone can translate into several million dollars of additional enterprise value, created without an acquisition or a dollar of goodwill paid to a seller.

That math only counts the direct hygiene revenue, not the downstream effect of more patients moving into the doctor's chair. Modest improvement at the practice level turns into a very large number once it's multiplied across an enterprise. That's the mechanics of same-store growth, sitting inside every portfolio right now, whether or not it's being tracked.

The Wrong Question Is "How Do We Make Hygiene Produce More?"

When hygiene falls short, most organizations start with production: more visits per day, shorter appointments, added assisted hygiene, different compensation. Those may be legitimate questions, but they are rarely the right starting point. The more useful question is: where is the growth actually being lost?

Across dozens of organizations, the hygiene opportunity is almost always visible, and the cause is almost never the same twice. Sometimes capacity is genuinely insufficient; sometimes it exists but is poorly utilized. Sometimes the clinical mix does not match patient needs, patients leave without their next appointment booked, or compensation no longer works. Sometimes the model is sound, but doctors, hygienists, and field leaders were never truly aligned around it. These are different problems requiring different solutions. An enterprise hygiene strategy can't just be a single production target handed down across dozens of practices.

Five Levers of Hygiene Growth

Evaluating hygiene performance well means looking at five interconnected levers, not one number.

01

Capacity. Does the organization have enough hygiene capacity for its patient base, and is it using what it already has? This includes provider days, chair utilization, scheduling, cancellations, and reappointment rates. Before assuming labor is the answer, leadership should understand how effectively existing capacity is deployed.

02

Clinical Opportunity. Is the hygiene program consistently delivering appropriate preventive and periodontal care? Diagnosis and treatment that vary widely by provider or location signal a clinical consistency problem, not a production one. Growth cannot come at the expense of clinical judgment.

03

Economics. Does the hygiene model actually work financially? Revenue alone will not answer that. Leaders need visibility into revenue per clinical hour, compensation, reimbursement, and procedure mix. A schedule can look busy and still produce disappointing results, just as aggressive cost-cutting can improve a departmental number while quietly damaging capacity or retention.

04

Doctor Leverage. The most overlooked lever. Hygiene cannot be evaluated in isolation; patients moving through hygiene also move into doctor examinations and, when clinically appropriate, restorative treatment. A lost hygiene appointment is often lost patient flow through the entire practice, not just lost hygiene production.

05

Execution. The lever organizations underestimate most. A DSO can design an excellent hygiene strategy and still fail to see results, because the strategy has to travel through the organization. Finance hears margin pressure. Operations hears a productivity opportunity. Doctors hear interference with clinical autonomy. Hygienists hear pressure to produce more. Same strategy, four different reactions, and that gap is usually what quietly erases the gains the other four levers created.

A Spreadsheet Is Not a Hygiene Strategy

One common mistake is confusing a financial target with a strategy. "Grow hygiene production 10 percent" is an outcome, not a plan. It doesn't tell a practice how that growth should happen. Without that translation, frontline teams are left to guess what leadership wants, and sound initiatives generate resistance instead of results.

The result is predictable: leadership believes it has an adoption problem, when the organization actually has a translation problem. The strategy never made the trip from the executive table to the operatory intact.

Stop Looking for One Hygiene Number

Multisite organizations naturally want a single benchmark for hygiene performance. It's a reasonable instinct. It just doesn't hold up in practice, because no single percentage will ever tell the whole story. A sophisticated enterprise view examines capacity, clinical care, economics, retention, doctor leverage, and execution together, and accepts that the diagnosis will look different from one practice to the next. The job of enterprise leadership is to set the operating principles and guardrails, then let the organization diagnose what is actually limiting performance locally.

Before You Buy the Next Dollar of Growth

DSOs will keep acquiring practices when the market allows it, and they should. But same-store growth does not wait for favorable financing or a more active deal market. It is available now, inside every practice already on the platform. Before looking outside the organization for the next dollar of revenue, it's worth taking stock of what's happening inside the practices already owned: How much hygiene capacity exists, and how much of it is actually used? Are patients staying connected to the practice? Does hygiene support doctor productivity the way it should? Can the strategy actually make the trip from the executive table to the operating, or does it stall out somewhere along the way?

Hygiene has always mattered to dentistry. What's changed is the scale at which DSO leaders should be thinking about it, and the urgency of the environment surrounding that thinking. In a single practice, improving hygiene performance creates meaningful growth. Across a 50- or 100-practice organization, it creates meaningful enterprise value, the kind that shows up on a valuation model regardless of where the acquisition market stands.

In a market still waiting on its next wave of deals, hygiene may be the most powerful same-store growth lever a DSO already owns.