What’s Keeping Australia’s Dentists Awake at Night?

Their 7 greatest concerns + how we can help.

Advisory White Paper **2026**

*Adapted from Bstar’s inaugural Data Mining App. Used under licence with permission. Over 7k Dental Services financial/non-financial benchmarks. Data based on 135 completed Risk and Value Driver Assessments (RAVDAs) for for the period 1 January 2020 to 1 October 2025.

Executive Summary

Introduction

Dental practices across Australia are operating in an increasingly competitive and commercially complex environment. While many dentists focus primarily on clinical outcomes, long-term practice value also depends on operational performance, profitability, and business resilience.

An analysis of 135 completed Risk and Value Driver Assessments (RAVDAs) identified seven key concerns affecting practice performance, sustainability, and valuation outcomes. The data also revealed a significant education gap surrounding the non-financial drivers of enterprise value.

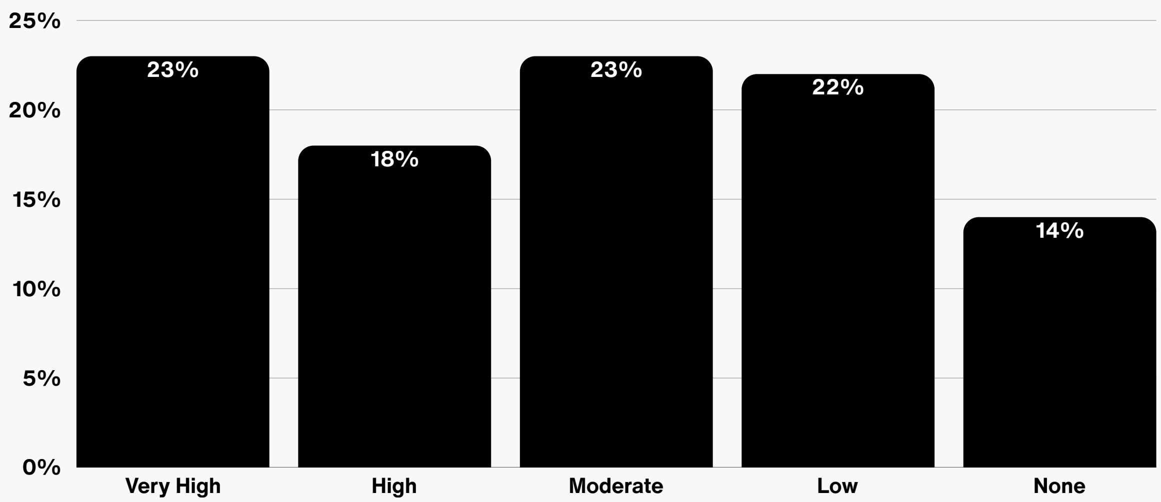
This white paper examines the major issues impacting dental practices and outlines strategic priorities to help owners improve operational performance, reduce risk, and maximise long-term practice value.

Concern #01

Principal Dentist Reliance

The most significant concern identified is reliance on the principal dentist. **41% of practices** reported **High** or **Very High** owner reliance, while only 14% believed the practice would operate effectively without the principal dentist.

Principal Dentist Reliance



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41%

of practices have rated a high degree of principal dentist reliance as their biggest concern.

14%

believe their business would run well without the principal dentist.

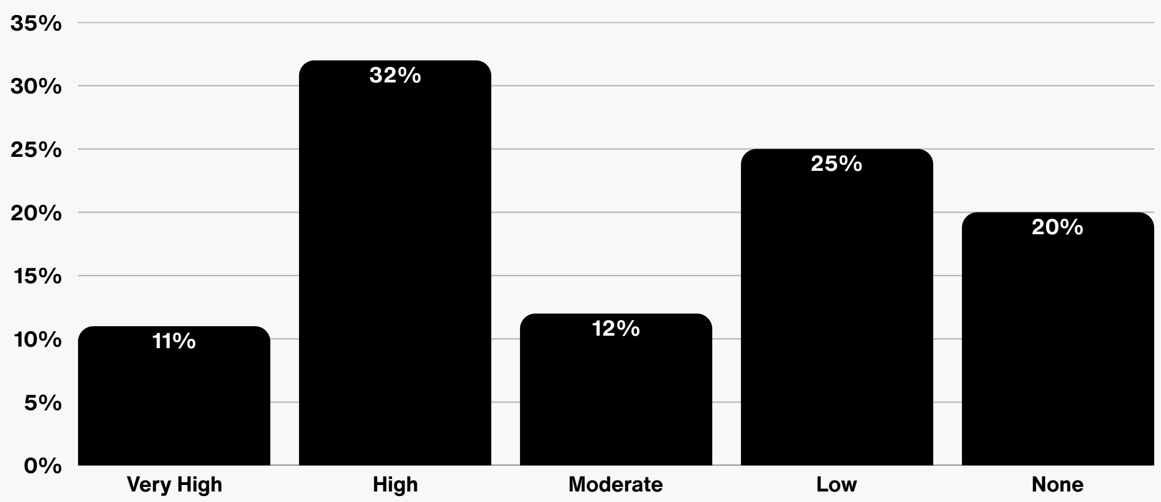
Strategic priority:
Delegate operational responsibilities, strengthen associate leadership, document systems and workflows, and distribute patient relationships across the team.

Concern #02

Corporate Dental Companies & Health Fund-Owned Practices

43% of practices reported feeling threatened by corporate or health fund-operated dental groups. The increasing corporatisation of dentistry is reshaping the competitive landscape.

Threat from Health Fund or Corporate Dental practices



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47%

of practices said they had no issue with corporate or health-funded groups affecting their operations.

Practices that are not reliant on the principal dentist generate higher valuations.

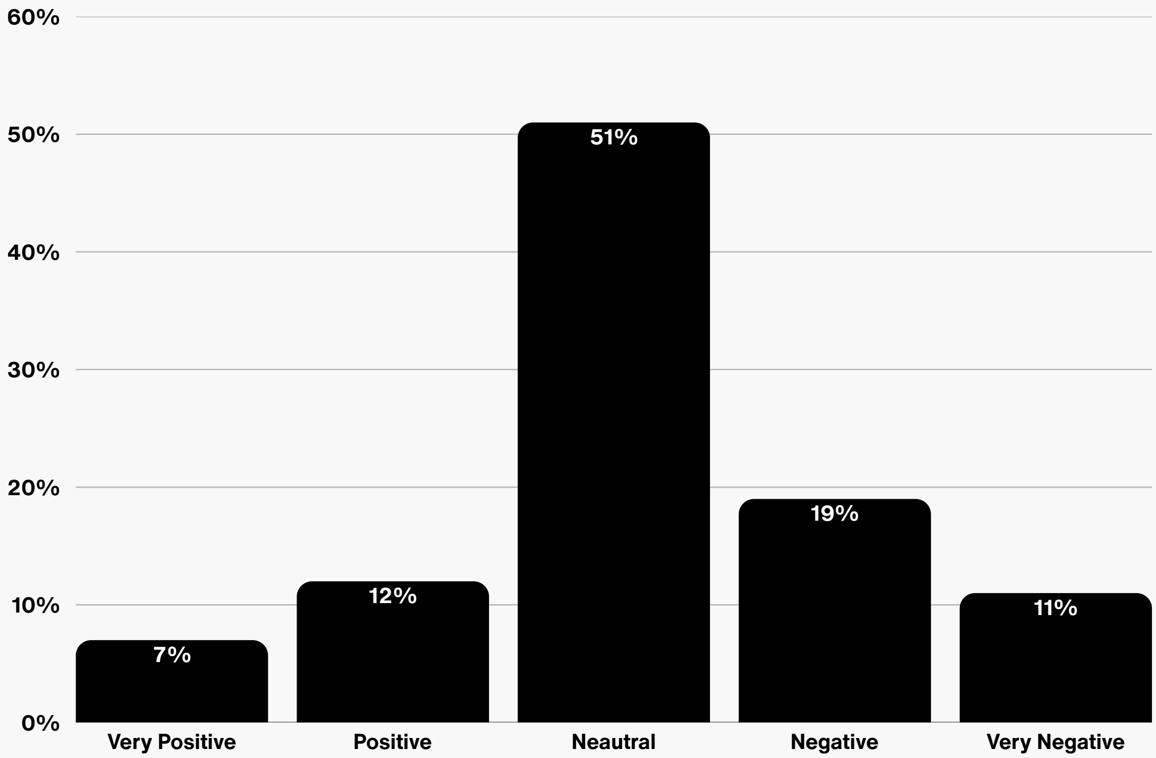
Strategic priority:
Independent practices should focus on patient experience, clinical reputation, niche service offerings, community positioning, and operational efficiency.

Concern #03

Private Health Insurance Arrangements

While many dentists remain neutral or positive regarding private health insurance arrangements, **30%** reported a negative impact from these agreements.

Impact of private health insurance arrangements



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70%

of dentist practice's have not been affected by private health arrangements.

Strategic priority:

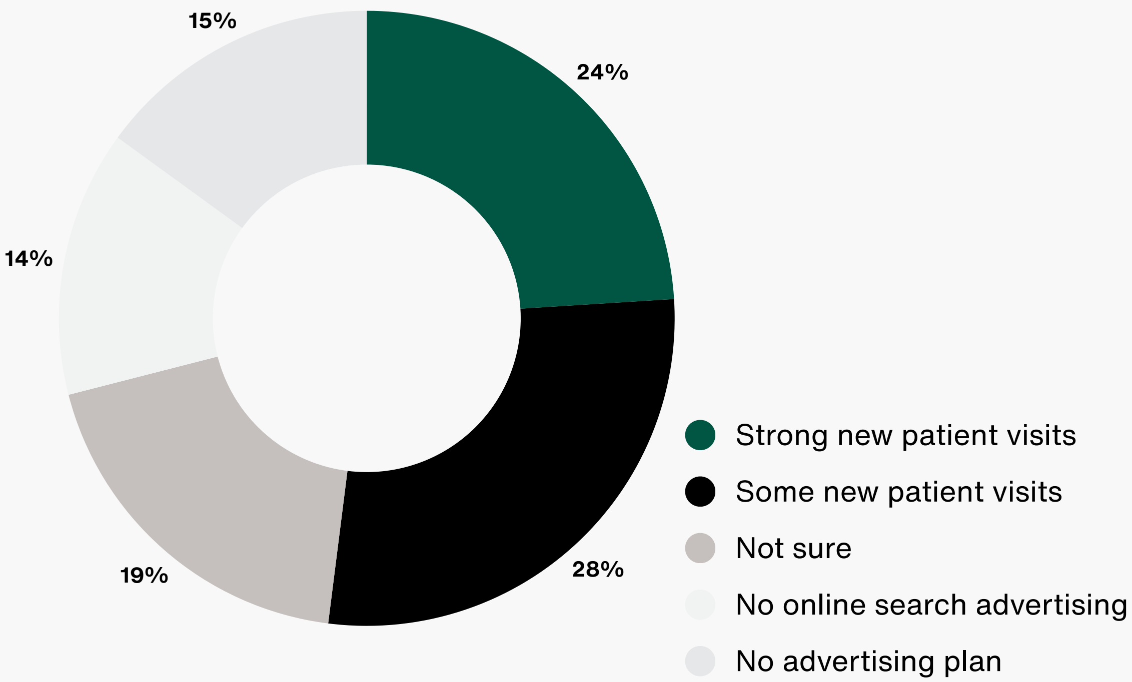
Practice owners should regularly review fee structures, profitability by service line, and patient mix to ensure commercial sustainability.

Concern #04

Advertising and Online Search Marketing

Only **52%** of practices reported generating **new patient visits** through targeted advertising and online search strategies, while 1**5%** had no advertising plan at all.

Advertising Plan



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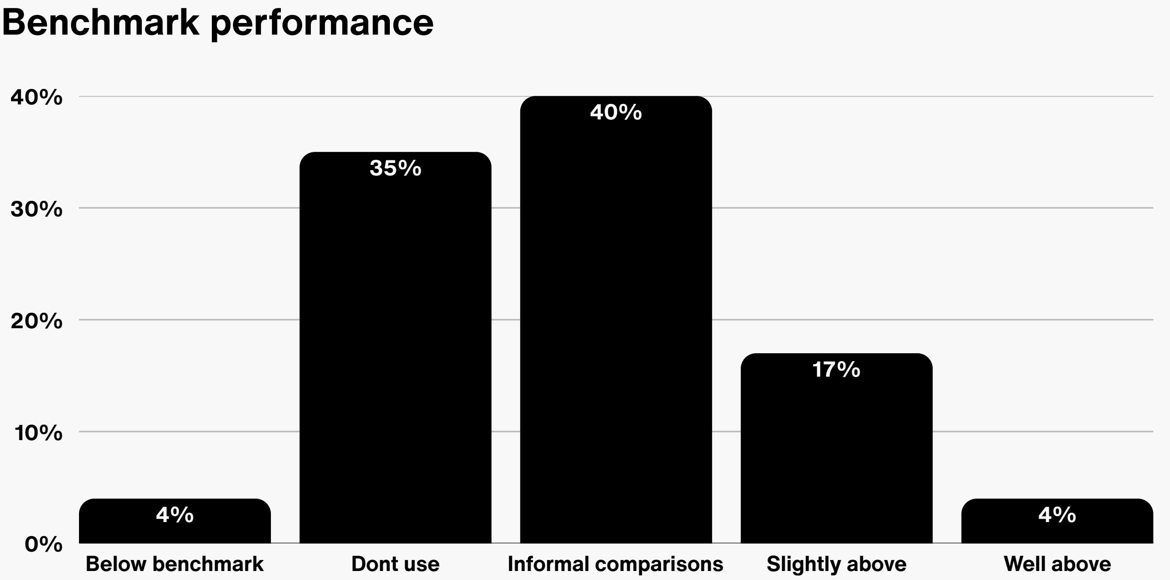
52%
benefit from online targeted advertising.

Strategic priority:
High-performing practices are investing in local search visibility, patient reviews, website optimisation, referral systems, and measurable marketing campaigns.

Concern #05

Benchmarking and Performance Measurement

Only **21% of practices** regularly benchmarked their performance against industry peers. Without objective comparisons, practice owners may struggle to identify performance gaps, recognise emerging risks, or understand how their results compare to top-performing practices



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21%
of practices benchmark their performance.

79%
don't monitor their performance.

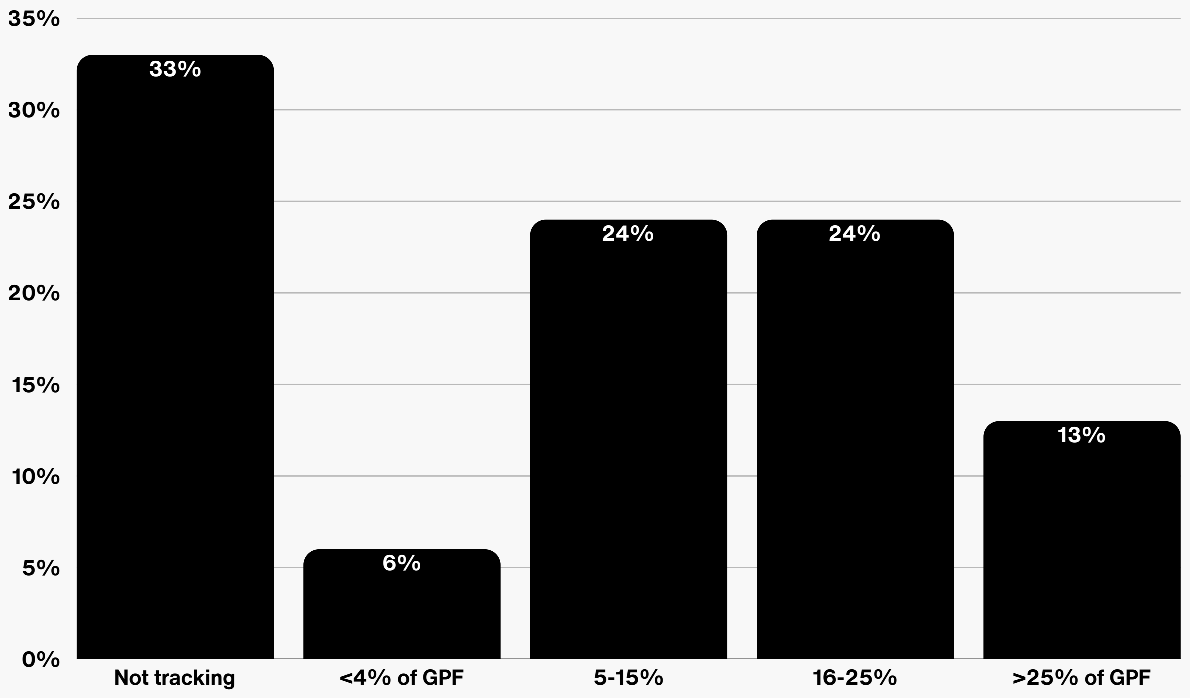
Strategic priority:
Owners should monitor both financial and non-financial KPIs, including sales growth, EBIT margins, cash flow, patient retention, treatment acceptance, and operational risk indicators.

Concern #06

Profitability (EBIT as a % of Gross Patient Fees)

While many practice owners focus on increasing patient numbers and revenue, profitability ultimately determines how much value the practice creates. **33%** of dentists were not tracking EBIT as a percentage of Gross Patient Fees (GPF), while only **13%** achieved EBIT above 25% of GPF.

EBIT as a % of Gross Patient Fees



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13%
achieved EBIT above 25% of GPF.

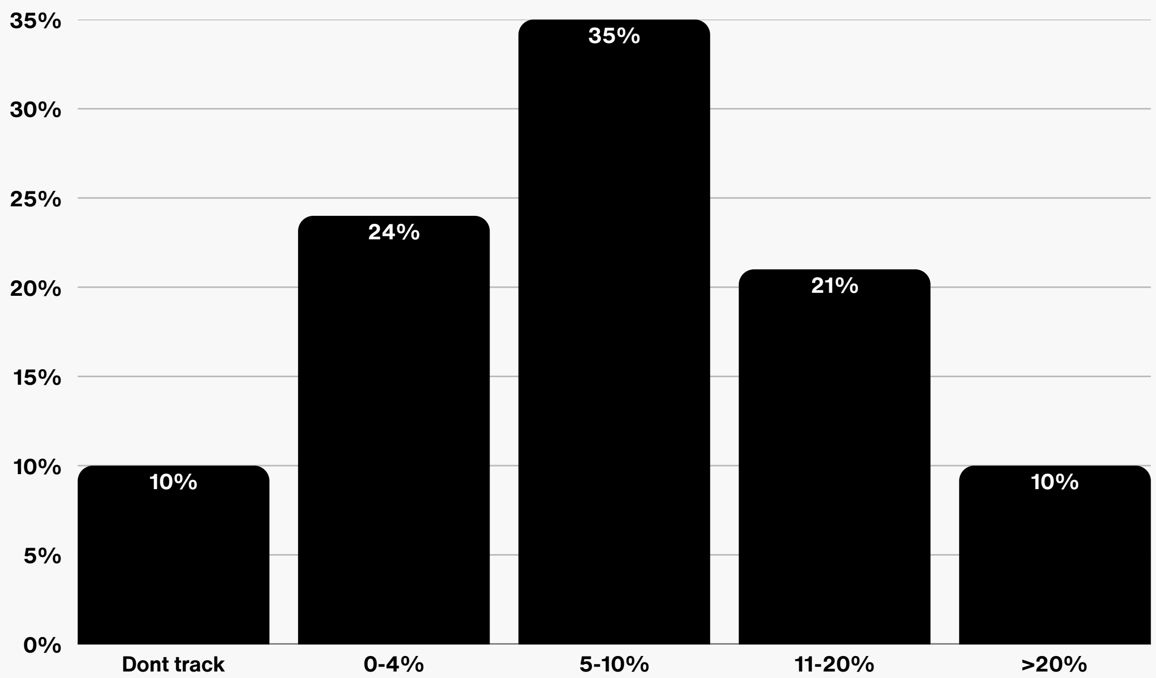
Strategic priority:
Monitor profitability monthly, analyse service margins, review staffing efficiency, and optimise pricing structures.

Concern #07

Growth in Gross Patient Fees (GPF)

Practice principals remain focused on increasing Gross Patient Fees (GPF), yet **59%** of practices reported annual growth of **less than 10%**. Sustainable growth in patient numbers, treatment acceptance, and average patient spend remains essential to long-term success.

Increase in GPF



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10%
experienced growth above 20%.

Strategic priority:
Improve increasing patient retention, expanding service offerings, improving treatment conversion, and strengthening referral pathways.

Key Insights

Education Gap

One of the strongest themes emerging from the data is the non-financial KPI education gap within the dental sector. Many dentists understand traditional financial measures but have limited awareness of the operational drivers that influence practice value.

Strategic priority:
Educate practice owners on the value of non-financial KPIs, benchmark against top performers, and focus on the operational drivers that improve performance, reduce risk, and increase practice value.

Top Performers vs. Industry Average

The data shows a meaningful performance gap between industry average practices and top-performing dental businesses. The evidence suggests that many practices can materially improve value through operational improvements alone.

Strategic priority:
Adopt the practices of top-performing dental practices by strengthening systems, reducing principal dentist reliance, tracking key performance indicators, and proactively managing risk and profitability.

How Much Value Can You Unlock Before You Exit?

Many dental practices have significant untapped value. With only 21% benchmarking performance, 33% not tracking profitability, and 41% reporting high principal dentist reliance, there is substantial opportunity to improve practice value before exit.

By adopting the strategies of top-performing practices, owners can strengthen profitability, reduce risk, and achieve better succession and sale outcomes.

Conclusion

The evidence is clear: addressing these seven concerns is critical for SMEs aiming to protect and grow business value. Owners and advisers who act on these insights can improve resilience, increase valuation multiples, and secure better succession outcomes.

We help SME owners and their advisers identify, prioritise, and implement strategies that address these structural risks.

To arrange a confidential discussion or request your Industry Top Performers Report, contact us at 03 5259 9970 to speak with Mark Hall our head of advisory.

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