THE DENTIBYTE PRACTICE OWNERSHIP BLUEPRINT 2026

Is owning your own practice better than working for a DSO?

The honest numbers.

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The Real Comparison

DSO Associate vs. Practice Owner — Year by Year

	DSO Associate	Practice Owner
Year 1	$180–220k	**$120–160k**
Year 3	$200–240k	**$220–280k**
Year 5	$210–250k	**$300–400k+**
Year 10	$220–260k	**$500k+ + equity**

The DSO trap: Great salary early. No equity. No exit. No ceiling breakthrough.

The ownership reality: Harder year 1. But by year 3–5 you're building something that pays you forever — including when you stop working.

Buy vs. Build — The Honest Numbers

Buying an Existing Practice	Building From Scratch
Average purchase price: $400k–$800k	Startup cost: $350k–$600k
SBA 7a loan: 10% down = $40–80k out of pocket	Timeline to profitability: 18–24 months
Day 1 you have: patients, staff, cash flow	You build exactly what you want
Risk: You inherit their problems too	**Risk:** No patients day 1 — build from zero

The verdict for 2026: Buying wins for most associates. You get immediate cash flow, existing patients, and proven systems. Building is for specialists or dentists with a very specific vision.

What Lenders Actually Look For

Banks love dentists. Here's exactly what gets your loan approved:

Credit score	680 minimum, 720+ preferred
Years in practice	2+ years as associate ideal
Down payment	10% for SBA — some lenders do 0% down for dentists
Collections history	Show 2 years of W2s or 1099s
Business plan	One page is fine — lenders want to see you understand your market

The secret: Dental-specific lenders (Bank of America Practice Solutions, TD Bank, Provide) are far easier than general banks. They understand dental cash flow and approve loans general banks won't touch.

Red Flags When Buying a Practice

Walk away if you see:

✗ **Overhead above 65%**	Already bleeding before you arrive
✗ **Collections declining 3+ years**	Patients are leaving for a reason
✗ **Staff turnover every year**	Culture problem you'll inherit
✗ **Outdated equipment, no disclosure**	Surprise capital expenses coming
✗ **Seller won't share tax returns**	Hiding something
✗ **Non-compete radius over 5 miles**	Limits your future options
✗ **No transition period offered**	Patients won't stay without a handoff

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Your Decision Framework

✓ You're ready to own if:	✗ Stay associate if:
2+ years of associate experience	Less than 1 year out of school
Student loans under control or on IDR	Student debt above $400k with no repayment plan
You've managed at least some clinical autonomy	You haven't found the right location yet
3–6 months personal expenses saved	You're not sure what specialty/focus you want
You know your target market and zip code	

The Questions Nobody Answers Honestly

"I still have $300k in student loans. Can I still get a practice loan?"

Yes. Dental lenders look at your income-to-debt ratio, not just your debt total. If you're on IDR (Income Driven Repayment) your monthly payment is what counts, not the total balance. Many associates with $300k+ in loans get approved. Don't let this stop you from exploring.

"What if I buy and the patients don't stay?"

This is why the seller transition period is non-negotiable. A 60–90 day handoff where the selling dentist introduces you to patients keeps 85–90% of them. If the seller won't do this, walk away. Patient retention is the entire value of the purchase.

"What if I can't make payroll?"

This is why you need 3–6 months of operating expenses in reserve before you close. Most practice failures happen because the owner was undercapitalized, not because the practice was bad. Build your cash cushion before you sign.

"What happens if I fail — can I go back to being an associate?"

Yes — always. Dentistry has one of the lowest unemployment rates of any profession. Your clinical skills don't disappear if a business doesn't work out. The risk of trying and failing is far lower than most associates think.

"Do I need a lawyer and accountant before I start?"

Yes to both — specifically a healthcare attorney and a dental-specific CPA. General professionals miss things that cost you later. The $2–3k you spend upfront saves you $20–30k in mistakes.

"How long does the buying process take?"

6–12 months from first look to open door. Due diligence alone takes 60–90 days. Don't rush it. The right practice is worth waiting for.

"Should I buy solo or partner with another dentist?"

Solo is cleaner. Partnerships add complexity — what happens if one partner wants out? If you do partner, get a buy-sell agreement drafted before you sign anything. 50/50 partnerships are the hardest — someone needs final decision authority.

"My DSO has a non-compete — am I stuck?"

Not necessarily. Non-competes are enforced differently by state. California barely enforces them at all. Even in strict states, courts look at radius and duration — anything over 5 miles or 2 years is often reduced. Have a healthcare attorney review yours before you assume you're stuck.

"Can I moonlight at my own practice while still at the DSO?"

Check your contract first — some DSOs prohibit outside clinical work. But many associates successfully build their startup practice on evenings and weekends before leaving the DSO. It's the lowest-risk path to ownership.

"What is EBITDA and why does everyone keep saying it?"

EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization. It's how brokers measure what a practice actually earns. A practice selling for 3–4x EBITDA is a fair deal. Above 5x — ask hard questions about why they think it's worth that much.

"What's the difference between an asset sale and a stock sale?"

Almost always take the asset sale as a buyer. You get a fresh start — you're buying equipment, patient charts and goodwill, not the legal entity. A stock sale means inheriting all previous owner liabilities. Always start by asking for an asset sale.

Have a question not answered here? Email us at **hello@dentibyte.com**

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