

## Dental Acquisition Risk Scorecard

Use this scorecard to identify hidden risks before signing an LOI or closing on a dental practice acquisition. Mark Yes, No, or Unsure for each question. Any 'No' or 'Unsure' response represents potential risk.

### Seller Dependency

1. Can the seller be economically replaced by an associate?

☐ Yes ☐ No ☐ Unsure

2. Does more than 25% of production depend on the seller?

☐ Yes ☐ No ☐ Unsure

3. Are key referrals tied personally to the seller?

☐ Yes ☐ No ☐ Unsure

4. Are systems documented beyond the seller's habits?

☐ Yes ☐ No ☐ Unsure

### Financial Reality

5. Has owner compensation been normalized?

☐ Yes ☐ No ☐ Unsure

6. Does projected income include realistic staffing costs?

☐ Yes ☐ No ☐ Unsure

7. Have add-backs been independently verified?

☐ Yes ☐ No ☐ Unsure

8. Do you understand monthly (not annual) cash flow?

☐ Yes ☐ No ☐ Unsure

### Staffing & Operations

9. Is staff cost under 30–32% of collections?

☐ Yes ☐ No ☐ Unsure

This scorecard is for educational purposes only and does not replace professional due diligence.

*Prepared by Private Practice CFOs / Confidential / [www.privatepracticecfos.com](http://www.privatepracticecfos.com)*

10. Could the practice operate if a key staff member quit?

☐ Yes ☐ No ☐ Unsure

11. Are roles clearly defined and redundant where needed?

☐ Yes ☐ No ☐ Unsure

12. Is hygiene fully utilized based on capacity?

☐ Yes ☐ No ☐ Unsure

### Cash Flow & Timing

13. Can the practice survive the lowest collection month?

☐ Yes ☐ No ☐ Unsure

14. Is working capital included at close?

☐ Yes ☐ No ☐ Unsure

15. Do payroll and loan payments overlap tightly?

☐ Yes ☐ No ☐ Unsure

16. Have you stress-tested a 10–15% drop in collections?

☐ Yes ☐ No ☐ Unsure

### Growth & Reality Check

17. Is growth required for the deal to work?

☐ Yes ☐ No ☐ Unsure

18. Are you assuming systems will be fixed immediately?

☐ Yes ☐ No ☐ Unsure

19. Have you budgeted for post-close support?

☐ Yes ☐ No ☐ Unsure

20. Would you still buy this deal if income was 15% lower?

☐ Yes ☐ No ☐ Unsure