

10 reasons to learn about IDSO partnerships

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IDSOs become a dentist's silent partner by purchasing anywhere from 51% to 80% of a practice for cash today at low tax rates.¹ With IDSOs, dentists continue leading their practices as owners with full autonomy.

Why choose an IDSO?

Dentists benefit from the resources of a larger partner including lower costs, higher reimbursement rates, recruiting and marketing support, and opportunities to grow their practice using their partner's capital.

IDSOs come in all shapes and sizes, with some over 30 years old and with hundreds of partner practices each nationally. Dentists who chose their IDSO partners wisely have achieved billions of dollars of gains on their retained ownership—far more wealth than they could have created by remaining independent.

Many practices will not qualify for a high value IDSO partnership, sometimes exceeding 300% of collections values, but those that do should understand the IDSO option. Billions of dollars of sophisticated capital have been invested in new and existing IDSOs in the last 12 months with practice values still setting records.

Here are 10 key reasons education on the IDSO option is critical:

1. A dentist's number one concern in most IDSO partnerships is the **retention of full autonomy**, not just clinical autonomy. Successful practice owners want to continue to lead their practices without being micromanaged, either clinically or in business operations. The right IDSOs ensure full autonomy for their partner dentists.

2. Some IDSOs are focused only on **general practices**; others are

single specialty, such as OMS with 17 IDSOs nationally; and hundreds of others are multispecialty.

3. **The future success** of an IDSO is determined not just by their management, but the experience of their financial sponsors. Have they successfully created and monetized other health-care-related businesses or other IDSOs?

4. IDSO partnerships allow dentists to **retain partial ownership** directly in their practice, either in the parent company or in a combination of both. The structure of the dentist's retained ownership is critical to long-term value creation.

5. **Age matters.** The younger the dentist, the more valuable their practice is in many cases. Since COVID, the number of dentists in their 30s choosing IDSO partnership has grown exponentially. Dentists in their 60s will have a more challenging path to achieving high value in 2025 and beyond.

6. **Orthodontic practices are the most consolidated** of all practice types, often due to their desire to access sophisticated new patient marketing tools developed by the IDSOs. OMS is the fastest consolidating today because of acute recruiting challenges; IDSOs hired

over half of all graduates from OMS residency in 2025. Pediatric specialists are generally the most valuable of all practice types. The rapid growth of dental trifecta IDSOs that focus only on pedo, ortho, and OMS practices in the same communities can lock in referral networks and squeeze competitors.

7. The larger IDSOs have **negotiated higher reimbursement rates** than independent dentists. Most IDSOs are also paying approximately 50% less for implants, 25% less for supplies, and 10% less for better team benefits.¹

8. Virtually all of the larger DSOs and IDSOs have already **trialed and implemented AI** in their diagnostic processes. Independent dentists may be falling behind.

9. Each IDSO has **different support resources**, partnership structures, and valuation methods, which can vary widely. Smart dentists will consider many qualified IDSO bidders, not just a few.

10. **Timing of a partnership is critical.** Today, only growing practices will achieve high values. If your practice declines, you may have to wait years to complete a transaction. Conversely, growing practices can benefit from structures that pay them additional purchase consideration for growth in the years after an initial partnership.

Every dentist should know the value of IDSO partnership. They are in your community now and you may not know it. That is why they are invisible! **DE**

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CHIP FICHTNER, COFOUNDER AND PRINCIPAL OF LARGE PRACTICE SALES, has completed more than \$1.0 billion in IDSO partnerships in the last 24 months with dozens of IDSOs nationally. He has built, bought, and sold companies in a variety of industries and has been featured in numerous media outlets. His tolerant wife of 34 years allows him to live on airplanes visiting clients every week. Learn more at largepracticesales.com.