The Operational QoE™ for Dental M&A

The forensic operational layer that financial diligence doesn't cover

> The Operational QoE is not a substitute for the financial QoE. **It is the missing complement to it.** Every transaction that includes a financial QoE should also include an operational one. Both need to be done as together they give buyers and sellers the complete picture to maximise deal value and de-risk uncertainty.

THE PROBLEM

The financial QoE tells you what the practice produced and whether the numbers are clean. But it doesn't tell you what the practice should be producing, what's leaking, or where the recoverable revenue sitting in the PMS actually is. In every deal without an Operational QoE, sellers leave money on the table they could have used as leverage, and buyers spend year one discovering the operational gaps they could have priced and planned for pre-close.

WHAT WE DO

DRAI runs forensic analysis on the PMS data, finds every gap leaking revenue at the patient level, and quantifies what each one is worth at the deal multiple. The output is the Operational QoE: a report that translates patient-level operational gaps into deal-impacting dollar figures, and sits alongside the financial QoE in the data room. Sellers use it to lift trailing EBITDA pre-listing or to justify earn-out clauses pre-LOI. Buyers use it post-LOI to surface the operational gaps and recovery levers their financial and legal diligence won't show, and arrive at close with a sequenced recovery plan ready to execute.

Lapsed Recall
Patients overdue for recall, dollar-quantified per location with a documented reactivation plan.

Unscheduled Treatment
Accepted treatment plans that were never scheduled or completed, totalled per location.

No-Shows and Cancellations
No-show and cancellation rates per location compared against the group's best-performing location, with the dollar gap quantified.

Provider Variance
Production concentration by provider, with key-person dependency flagged and dollar exposure quantified at the deal multiple.

New Patient Retention
First-visit attrition per location, with the revenue impact of patients who never came back.

WHO THIS IS FOR

Owners, PE-backed platforms, and DSOs preparing for exit or going to market (sell-side)
Find what's leaking, where, and how much it's worth at deal multiples. Capture it pre-listing for higher trailing EBITDA, or document it pre-LOI as the basis for defensible earn-out clauses.

DSOs, PE platforms, doctor-owners, and corp dev teams acquiring practices (buy-side)
Validate what you're actually buying operationally before close. Day-one recovery roadmap, structural risk surfaced for the deal team, and a sequenced integration plan rather than discovering the picture in year one post-close.

THE ROI

The Operational QoE documents what untapped revenue is recoverable, why it's leaking (which is what makes the recovery plan defensible), and what it represents at the deal multiple.

For Sellers
For example, on a 5-location group, $400K in documented recoverable revenue represents $2.4M in latent enterprise value at a 6x multiple. **Pre-listing, the recoverable revenue is captured into trailing EBITDA so the multiple applies to a stronger number. Pre-LOI, the analysis becomes the basis for earn-out negotiations** targeting $300K to $600K, structured as contingent payments tied to documented post-close milestones a deal attorney can enforce. Without it documented, the buyer captures that value post-close and the seller walks away from it.

For Buyers
Post-LOI, the analysis validates the operational picture before you sign. Day-one clarity on where the upside sits and how to capture it, with a sequenced recovery roadmap rather than spending year one figuring out what was acquired. Structural risk surfaced for the deal team's review with hold-period EBITDA impact and exit value exposure quantified at the modelled multiple. **Stronger IRR, faster value creation, and de-risked uncertainty.**

> **Sample reports available.** Four full sample Operational QoE reports, buy-side and sell-side, can be downloaded at draiconsulting.io. Email andres@draiconsulting.io with any questions.

Add the Missing Diligence Layer to Your Deals

Currently accepting a limited number of engagements per quarter.

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