

Applying the VRIO framework to clinical and operative workflows in dental practice management

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Abstract

This paper examines how the strategic utilization of internal resources can provide sustained competitive advantages in the dental practice sector. Using the VRIO framework—focusing on Value, Rarity, Imitability, and Organization—we analyze clinical and non-clinical workflows to assess their impact on operational efficiency and strategic positioning. Drawing insights from Porter's theories on competitive advantage, we explore how these resources interact with key industry forces to shape market dynamics. The analysis highlights that clinical expertise and optimized workflows, when aligned with VRIO criteria, substantially enhance a dental practice's ability to outperform competitors. This study concludes with practical recommendations for dental professionals to strengthen their competitive standing by leveraging and optimizing their internal resources effectively.

Keywords: business, dental business, dentistry

Introduction

Contemporary dentistry is marked by rapid technological advancements, evolving patient expectations, and fierce competition. To remain competitive, dental practices must not only respond to external pressures but also maximize the potential of their internal resources.

The resource-based view (RBV) posits that firms gain a competitive advantage by strategically managing internal assets that are valuable, rare, difficult to imitate, and effectively organized (1). Within the dental sector, these "resources" can include clinical expertise, specialized technology, proprietary workflows, and organizational routines that support efficient service delivery. The VRIO framework (Tab. I), an extension of the RBV, serves as a tool to examine whether certain resources meet the criteria necessary for achieving a sustainable competitive advantage (1).

It provides a systematic approach for assessing the internal capabilities of a company and its potential to deliver a sustained competitive advantage.

Additionally, Porter's theories on competitive advantage and industry analysis help clarify the external context in which these internal resources function (2). Together, the VRIO framework and Porter's models provide a comprehensive lens through which to evaluate how dental practices can create, sustain, and protect their competitive position.

Advancements such as digital dentistry, CAD/CAM technology, and tele-dentistry are transforming the delivery of dental services. To remain competitive and profitable in the long term, dental practices must adapt to these external changes while efficiently managing and optimizing their internal resources (3).



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How to Cite

A. Quaranta, N. Bhargava, W. L. Hui. **Applying the VRIO framework to clinical and operative workflows in dental practice management.** Annali Di Stomatologia, 16(1), 31-36. <https://doi.org/10.59987/ads/2025.1> 31-36

This paper explores the strategic importance of clinicians' expertise and optimized operative workflows—spanning both clinical and non-clinical processes—within dental practices.

In fact, by applying the VRIO framework and integrating Porter's theories, we assess how these internal resources contribute to value creation, rarity, inimitability, and organizational efficiency, ultimately impacting a practice's competitive position.

The VRIO framework overview

The resource-based view underscores the importance of internal resources as drivers of competitive advantage (1, 4) (Tab. I).

The VRIO framework (Tab. I), evaluates resources and capabilities based on four dimensions and affirmative answers to these questions:

1. **Value:** Does the resource allow the company (dental practice) to exploit opportunities or neutralize threats?
2. **Rarity:** Is the resource scarce relative to patient's demand?
3. **Imitability:** Is the resource costly for competitors (other dental practices) to imitate?
4. **Organization:** Is the firm organized to capture the value from the resource?

Resources that meet all four criteria can provide a sustained competitive advantage, according to (1).

Porter's frameworks

Michael Porter's (1985) concepts of Competitive Advantage (2) e (Tab. II) and the Five Forces (Tab. III) (5), offer a complementary external viewpoint.

1. **Generic Strategies** (Differentiation, Cost Leadership, Focus) outline potential paths to create value and outperform rivals (2).
2. The **Five Forces** model (Threat of New Entrants, Threat of Substitutes, Bargaining Power of Suppliers, Bargaining Power of Buyers, and Competitive Rivalry) helps explain how industry structure affects competitive behavior (5).

In the context of dental practice management, these frameworks shed light on how internal VRIO resources can be shaped by—and can in turn shape—external market conditions (5).

Specific context of dental practices

Dental practices differ from many other service-oriented businesses due to stringent regulatory requirements, the necessity for specialized training, and the intimate nature of the practitioner-patient relationship (6). Patient loyalty often hinges on trust, perceived quality of care, and comfort, making the human element—particularly clinician expertise—paramount (7). Concurrently, operative workflows that streamline tasks, reduce waiting times, and optimize patient flow can significantly elevate patient satisfaction and practice profitability.

Methodological approach

This paper adopts a conceptual and analytical methodology, integrating established theoretical frameworks (RBV, VRIO, Porter's Five Forces, and Generic Strategies) with existing scholarly literature specific to dental practice management. Although no primary empirical data are collected, the synthesis of theoretical and contextual insights aims to provide actionable strategic guidelines for dental practitioners.

Applying VRIO to clinicians and operative workflows (Tab. IV).

1. Value

- **Clinicians:** Highly skilled clinicians generate substantial value by delivering exceptional patient care, and fostering patient satisfaction, loyalty, and referrals. In certain markets such as North America, Oceania, and increasingly Europe, licensed dental specialists (e.g., periodontists, implantologists, orthodontists, endodontists, pediatric dentists, oral medicine experts, prosthodontists) can command premium fees and expand the scope of services. Their expertise enables practices to address a wide

Table I. VRIO Framework Overview

VRIO Dimension	Description	Application to Dental Practice
Value	Does the resource allow the firm to exploit opportunities or neutralize threats?	Highly skilled clinicians and optimized workflows enhance patient care, increase efficiency, and reduce operational costs.
Rarity	Is the resource scarce relative to demand?	Specialized clinicians with unique skill sets and customized workflows are relatively rare.
Imitability	Is the resource costly for competitors to imitate?	Competitors cannot easily replicate the reputation, experience, and relationships built by skilled clinicians. Optimized workflows are costly to imitate due to investment in technology and process design.
Organization	Is the firm organized to capture value from the resource?	Practices must provide appropriate resources, training, and a supportive organizational culture to maximize the potential of clinicians and workflows.

array of patient concerns, thereby opening new revenue streams and fortifying the practice's market position. (7).

- **Operative Workflows:** Effective workflows—both clinical and non-clinical—are critical for realizing economies of speed, consistency in service delivery, and cost optimization. Streamlined appointment scheduling, patient communication systems, and standardized treatment protocols reduce waiting times and maximize clinician productivity. When combined with advanced digital tools such as Electronic Health Records (EHR) and digital imaging, these workflows not only enhance service quality but also generate data for continuous improvement initiatives. (2).

2. Rarity

- **Clinicians:** The rarity of highly trained clinicians with advanced board registered qualifications, specialized skills, and unique expertise, especially in regional and rural areas, is a key factor in differentiating a practice in the market. The uniqueness of their skill set and professional reputation can serve as a formidable barrier to entry for competitors. Patients seeking specialized treatments often have limited options, thereby giving practices that employ such clinicians a distinct competitive edge (1).
- **Operative workflows:** Custom-tailored workflows that align with the patient demographics and strategic focus of a given practice remain relatively rare (3). Workflows leveraging data analytics for predictive appointment scheduling, or employing sophisticated automation in patient follow-up, can set a practice apart. In many cases, these workflows integrate intellectual property and accumulated know-how, making them harder to replicate.

3. Imitability

- **Clinicians:** The intangible assets associated with highly skilled clinicians—such as reputation, patient rapport, and professional networks—are both time-consuming and expensive to replicate (4). Acquiring similar expertise may require additional years of specialized training and a history of successful patient outcomes. Relationships, trust, and professional prestige often develop over a long period, rendering them even more challenging for competitors to imitate.
- **Operative Workflows:** Workflow design typically evolves over years of trial, iteration, and staff training (8). Practices that invest in continuous process improvement (e.g., Lean, Six Sigma) and proprietary software solutions can embed tacit knowledge into their daily operations. Even if competitors attempt to copy these workflows, they often fail to reproduce the organizational culture and employee skill sets that make the workflows truly effective. (8).

4. Organization

- **Clinicians:** To fully leverage clinicians' expertise, a practice must provide modern facilities, ongoing professional development, and a sup-

portive organizational culture (6). This includes investment in high-quality dental equipment, digital radiography, chairside CAD/CAM systems, and other technologies essential for delivering top-tier clinical care. Furthermore, leadership must align clinicians' performance metrics with broader strategic goals, rewarding both clinical excellence and patient satisfaction (6).

- **Operative workflows:** Effective organization requires the coordination of technology, personnel, and strategic objectives (8). Robust information systems facilitate data sharing across the practice, ensuring that administrative staff, hygienists, and dentists can collaborate seamlessly. A culture of continuous improvement, backed by regular staff training and clear performance metrics, cements the workflows' effectiveness.

Competitive implications

Competitive Advantage and Sustainable Competitive Advantage. When practices possess resources that meet the VRIO criteria—valuable, rare, inimitable, and organized—they gain a powerful competitive advantage that competitors find difficult to replicate (1). Over time, as rivals attempt to catch up, the practice's dynamic capabilities (3) enable ongoing adaptation, thereby maintaining or extending this advantage. The result is a more durable form of differentiation, often referred to as “sustainable competitive advantage” (4).

Integration with porter's concepts (Tab. II)

Porter's Generic Strategies—cost leadership, differentiation, and focus—offer pathways for practices to gain a competitive advantage:

- **Differentiation strategy:** By offering specialized care through highly skilled clinicians and unique workflows, a practice distinguishes itself in the marketplace, reducing the intensity of competitive rivalry (1,5).
- **Cost leadership strategy:** Optimized workflows that improve efficiency can reduce operational costs, allowing practices to maintain competitive pricing without sacrificing service quality. This can help mitigate the threat of new entrants and substitutes (6).
- **Focus strategy:** Practices can carve out niche markets based on demographic, geographic, or service-specific criteria. By concentrating resources on a specialized segment—such as pediatric dentistry or geriatric care—they can fend off competition and build a loyal patient base (2).

Integration with porter's five forces analysis (Tab.III)

- **Threat of new entrants:** Resources that meet VRIO criteria—especially expert clinicians and proprietary workflows—elevate entry barriers, as they require significant investment and time to replicate.

Table II. Porter's Generic Strategies and Resource Application in Dental Practices

Strategy	Description	Application to Dental Practices
Differentiation	Offering unique services that are valued by customers and cannot be easily replicated.	Practices can leverage specialized clinician skills and optimized workflows to offer unique treatments and patient experiences.
Cost Leadership	Becoming the lowest cost provider while maintaining quality.	Efficient workflows reduce operational costs, allowing practices to maintain competitive pricing.
Focus	Targeting specific niches or customer segments.	Practices can specialize in a particular service or demographic, serving a focused patient base more effectively.

Table III. Porter's Five Forces Analysis in the Context of Dental Practices

Force	Description	Impact on Dental Practice
Threat of New Entrants	The ease with which new competitors can enter the market.	Practices with rare and valuable resources (e.g., specialized clinicians, proprietary workflows) can increase entry barriers.
Threat of Substitutes	The likelihood of customers choosing alternative treatments or services.	Differentiation through specialized services and superior patient experience reduces the threat of substitutes.
Bargaining Power of Suppliers	The power suppliers have to drive up prices or influence terms.	Efficient workflows reduce reliance on specific suppliers and allow practices to negotiate better terms.
Bargaining Power of Buyers	The power patients have to demand lower prices or better quality.	Unique value offerings, based on skilled clinicians and patient-centric services, reduce patients' bargaining power.
Competitive Rivalry	The intensity of competition among existing firms in the market.	Differentiating through rare and inimitable resources reduces competitive rivalry.

Table IV : Clinician and Workflow Value Creation in Dental Practices

Resource	VRIO Criteria	Contribution to Competitive Advantage
Clinicians	Value, Rarity, Imitability	Skilled clinicians provide exceptional care that enhances patient loyalty and market positioning.
Operative Workflows	Value, Rarity, Imitability	Streamlined workflows improve efficiency and patient experience, contributing to higher productivity.
Organizational Culture	Organization	Effective organizational structure and culture allow for optimal resource use and continuous improvement.

- **Threat of substitutes:** Differentiation through superior service and specialized treatment options helps deflect substitute offerings, including lower-cost providers or do-it-yourself oral health products.
- **Bargaining power of suppliers:** Efficient workflows and supply-chain management reduce dependency on any single supplier, minimizing supplier power.
- **Bargaining power of buyers:** Unique resources and offerings lower patients' ability to negotiate prices, as high-value, rare expertise and service quality are not easily found elsewhere.
- **Competitive rivalry:** By leveraging inimitable assets—such as clinician reputation and highly optimized workflows—practices can reduce price-based competition and stand out in a crowded marketplace.

Strategic recommendations (Tab.V)

1. Invest in clinician development

Encourage continuous education through funded training, conferences, and specialty certifications. Foster an environment that values clinical research and peer-reviewed publication to boost the practice's reputation for cutting-edge care. Recognizing and rewarding clinical achievements not only strengthens internal culture but also enhances patient loyalty (7).

2. Optimize operative workflows

Adopt proven process-improvement methodologies (e.g., Lean, Six Sigma) to systematically identify and eliminate inefficiencies. Integrate automation and data analytics where possible—such as digital patient record systems, AI-driven appointment scheduling, or patient follow-up reminders (8). Tailoring these systems to the practice's unique patient base can further set it apart.

3. Protect resources from imitation

Develop proprietary intellectual property, whether in the form of specialized techniques, treatment protocols, or software. Cultivate a strong organizational culture that is difficult for competitors to replicate, characterized by teamwork, high morale, and patient-centric values (3). Form exclusive partnerships with laboratories, suppliers, or specialty providers to secure preferential terms and unique offerings.

4. Ensure organizational alignment

Align the organizational structure—roles, reporting lines, and decision-making processes—with the goal of maximizing the impact of valuable resources (8). Provide clear incentives for staff to embrace best practices, engage in ongoing professional development, and contribute to process optimization. Regular performance reviews and open communication channels encourage collaboration and reduce the risk of resource underutilization.

Discussion

The findings affirm that both the human capital (clinicians)

and operational capabilities (workflows) within a dental practice are key to achieving a competitive edge. The more effectively these resources meet VRIO criteria, the more durable the practice's advantage becomes. Notably, while technology and specialized knowledge are critical, the human dimension—trust, reputation, and patient rapport—often transcends purely technical factors (Grant, 1991). Additionally, the integration of Porter's frameworks illustrates that external and internal considerations must be approached holistically. Even the most valuable internal resource can be undermined by aggressive pricing from a cost leader or innovative substitutes. Hence, a multi-pronged strategy that invests in resource development while monitoring industry forces is essential for sustainable success.

Conclusions

Applying the VRIO framework to clinicians and operative workflows reveals the pivotal role these internal resources play in building and maintaining competitive advantages in dental practice management. Clinicians who provide specialized, high-quality care can be powerful differentiators, while well-designed workflows reduce costs, boost patient satisfaction, and foster long-term practice loyalty. When these resources are fully aligned with organizational structures and embedded within a culture of continuous improvement, they collectively fulfill the VRIO criteria (valuable, rare, inimitable, and organized) that underpin sustained competitive advantage. Porter's theories further elucidate how these internal resources interact with industry forces to shape strategic outcomes. In a sector increasingly defined by innovation and consumer choice, dental practices that proactively manage their internal resources while staying attuned to external shifts stand the greatest chance of long-term success. Strategically investing in clinician development, refining operative workflows, protecting proprietary knowledge, and ensuring organizational alignment emerge as key imperatives for practitioners seeking to thrive in a competitive marketplace.

Table V. Strategic Recommendations for Optimizing Clinician and Workflow Resources

Recommendation	Action Steps	Expected Outcome
Invest in Clinician Development	Offer continuous education, certifications, and recognize clinical excellence.	Enhanced skills and specialization differentiate the practice in the market.
Optimize Operative Workflows	Implement Lean or Six Sigma methodologies, integrate technology.	Increased efficiency, reduced operational costs, and better patient experiences.
Protect Resources from Imitation	Develop proprietary processes, build a strong organizational culture.	Harder for competitors to replicate the practice's unique resources.
Ensure Organizational Alignment	Align organizational structures and staff incentives with strategic goals.	Maximized exploitation of resources and sustained competitive advantage.

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