

A financially healthy veterinary practice

DO YOU KNOW THE VITAL SIGNS?



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Today's veterinary landscape is more competitive than ever



Vets play a special role in the lives of people and their pets. You're the professional people count on when it comes to caring for the health of their fur babies. Your intervention might even prevent the small stuff from becoming a major medical issue.

Now think about the financial health of your practice. How do you know if your practice is financially healthy? As veterinarians, you are diligent about measuring and monitoring your patients' vital signs. Yet when it comes to the financial health of your practice, monitoring your financial vital signs does not always take priority.

What are healthy practices doing?

Winning vet practices are optimizing operations to maximise resources, reduce costs and, ultimately, bolster profitability. We can help you understand the metrics that matter in your practice - the *financial vital signs* that

help keep your practice pawsitively healthy!



Vital Sign 1: Average Client Transaction

Why it's important: This metric represents the average transaction(dollar amount) spent by clients. if you can increase this with each client, the result is a higher return on investment , which is far more cost-effective than working to bring in new clients

Need to improve this vital sign?

Actions to consider:

- Increase specialty care revenues by spending a little more time with clients to explain the value of care. Educating your clients is the key here
- Attach a care plan to each patient for routine maintenance.
- Offer a flexible payment plan for costly procedures and specialty care



Vital Sign 2: Active Clients

Why it's important: This metric represents your practice's active clients. Your number of active clients affects your current and future cashflow, so tracking this is an important vital sign to monitor

Need to improve this vital sign?

Actions to consider:

- Always check that client details are correct in your system, and that follow up care dates are also correct
- Consistently communicate with clients regarding due dates for follow up care
- Avoid human error and oversight by automating your communication process where possible
- Encourage clients to book their next appointment while they are still on-site

Vital Sign 3: Transactions Per Active Client

Why it's important: A strong indication of operational efficiency, this number highlights the difference between being busy and actually making money

Need to improve this vital sign?

Actions to consider:

- Set goals and KPIs for your team and share them at weekly meetings. Be sure that everyone is on the same page and understands what you are trying to achieve
- Ask your team and listen to their suggestions on how to improve production rates

Vital Sign 4: New Clients

Why it's important: This metric helps you forecast future growth and projected cash flow. Increasing new clients every year is a vital part of growing your business

Need to improve this vital sign?

Actions to consider:

- Actively seek referrals from existing clients. offer an incentive for successful referrals. Be creative!
- Build a strong marketing campaign. Consider sponsoring community events.
- Make sure your business looks clean and inviting. Consider an open day so that prospective clients can tour your practice.



Vital Sign 5: Inventory Optimisation

Why it's important: This metric is critical in terms of tracking inventory turnover and monitoring drug and medical supply costs

Need to improve this vital sign?

Actions to consider:

- Reduce manual work and human error by introducing an inventory management system
- Review ordering procedures to help manage costs
- Review your product mix to mitigate product overlap. Too many types or duplicate products can negatively impact your cashflow



Evidence based research shows that veterinarians are subject to unique stresses that can lead to anxiety, depression and suicide.

Emotional pressures unrealistic expectations, distressed clients, working long hours and financial pressures place considerable pressure on the vet and their families at home.

Understanding the financial health of your practice can help to alleviate the financial stress and the long hours. Working with a qualified accountant who has experience working with vets and understands these unique pain points is one step you can take towards a happier, healthier you.



When it comes to the financial health of your business, we understand how to take your practice to the next level

Is your veterinary practice properly structured?

Choosing the right structure for your business can have important tax implications and save you thousands of dollars in taxes. Quest Accountants have the understanding and the experience to help identify the relevant business structures that make sense for you, and help you understand their pros and cons.

What are some of the benefits of restructuring?

- **Improved cash flow** - have more funds available to reinvest and grow your business
- **Increased tax efficiency** - a tax efficient business structure is essential to growing your wealth and and your business
- **Asset Protection** - Ensure your personal assets aren't exposed to any legal liabilities linked to the business

Are you ready to take the next step?

An understanding of the key KPIs (financial vital signs)is the first big step toward growth and profitability.

Adopting a proactive approach to improving your business is the next step - because while your patients might have nine lives, your business doesn't.



READY TO GROW YOUR BUSINESS?

Just like you, we own a business and we understand what keeps you awake at night.

Contact us and we see how we can help