

## Measure your practice

# Management Metrics

Measure the health of your practice by reviewing these **15 metrics** monthly.

### MEASURE MONTHLY

- 1 Average client transaction (ACT).** This is the average amount you charge for a transaction in your practice.
- 2 ACT from professional services.** This average looks only at the services that involve veterinarians.
- 3 ACT from retail services.** This average looks only at revenue from retail services.
- 4 Net profit per month.** Your total income minus total expenses (including owner's salary).
- 5 Gross income.** Your total dollars earned.
- 6 Gross expenses per month.** Your total expenditures.
- 7 Expense categories ranked in order.** What you spent and the percentages of how much of total expenses that area represents.
- 8 Income categories ranked in order.** What you made and what percentage of gross each category represents.
- 9 Number of patient visits.** The total number of patient visits.
- 10 Number of new clients.** The total number of only new clients.
- 11 Species count (canine, feline, exotics, equine, etc.).** How many of each type you saw.

### MEASURE YEARLY

- 12 Revisit rate per client per year.** How many times did each client visit each year.
- 13 Total discounts given.** What you gave away in professional and retail services.
- 14 Total revenue per full-time equivalent (FTE) veterinarian.** How much revenue each veterinarian brought in.
- 15 Number of transactions per FTE veterinarian.** How many transactions, by how many veterinarians. (Calculate each veterinarian's average and the average in the practice.)

### Tips for using these metrics

- ✓ Decide what metrics you'll measure regularly.
- ✓ Know your practice management and accounting software.
- ✓ Review data monthly so you can make timely improvements.
- ✓ Track trends by comparing data to the last 24 or 36 months.
- ✓ Look at the relationships among the numbers (e.g., how do revenue and expenses relate?).
- ✓ Get visual: Develop charts and graphs that give you a snapshot of data.
- ✓ Work with your CPA to develop a simplified P&L statement that you can review in five minutes.



Information courtesy of Dr. Dennis McCurbin of Louisiana State University's School of Veterinary Medicine