

# Give your **PRACTICE** *a physical exam*



You give pets physical exams every day, but now it's time to get up close and personal with your practice. What's the pulse of your income? Are there abnormalities in your client numbers? Let's look at some specific indicators and get an idea of how truly healthy or unhealthy your practice is.



## 1. Bonding rate

One key indicator of your practice's health is how deeply your clients are bonded to your practice. A good way to benchmark this is the percentage of clients who've returned in the past 18 months. Most veterinary software programs have a criteria search-and-sort function that can provide you with this information. The average bonding rate for veterinary hospitals is 60 percent, which means you see six out of 10 clients return within 18 months.



## 2. New clients

How many new clients per full-time-equivalent (FTE) doctor do you have coming in a month? Benchmarks 2013: A Study of Well-Managed Practices, from *Veterinary Economics* and Wutchiett Tumblin and Associates, found an average of 18.5 new clients per month per FTE veterinarian. In addition to benchmarking your practice against high-functioning peers, compare your practice to how well you did 12 months ago. Are your new-client numbers up or down?



## 3. Customer service and client satisfaction

If you want to know how well you're serving clients, consider using a mystery shopper. You can arrange with another practice for one of their employees to visit your clinic as a client and report back to you. Another option is a survey. I've seen success at veterinary practices with a free survey app for iPads called QuickTapSurvey. You create a series of client questions then hand off the iPad to clients at the end of their visits to complete.



## 4. Your transactions

Hospitals in Benchmarks 2013 reported generating 450 invoices per month, or 5,405 per year, per FTE veterinarian. That included invoices for food and refill prescriptions. Don't forget to check whether your total number of invoices are up or down from last year.



## 5. Revenue sources

Where is your practice revenue coming from, and how has that changed over the year? Some practices are increasingly dependent on ancillary services such as boarding and grooming. Other practices have seen a significant decrease in their flea, tick and heartworm preventive income.



## 6. Net revenue

You may be generating less income but bringing home more. You may be generating more income and taking home less. You won't know until you check. How much revenue do you receive out of your practice in dollars and benefits? Compare your practice to various industry benchmarks and see how you compare to last year.