

HOW IS MY PRACTICE DOING?

BENCHMARKING

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CUISSES DE ARENOUILLES

Benchmarking is the process of comparing one's practice processes and performance metrics to industry best or **best practises** from other practices



WIKIPEDIA
The Free Encyclopedia

WV
Western Veterinary Associates

Veterinary
economics
The business of vet and pet medicine

BENCHMARKS B2014

A STUDY OF WELL-MANAGED PRACTICES


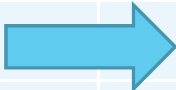

TIME MANAGEMENT: STREAMLINING YOUR WORKDAY

MENTORSHIP: FINDING A PRACTICE BUYER

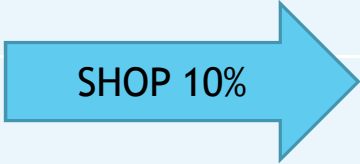
MARKETING: BUILDING A TARGETED PLAN

AFFORDABILITY: HELPING CLIENTS PAY FOR CARE


INCOME

	EUROS	%
Revenue from consultations	51,966	12.30%
Revenue from vaccinations 	46,621	11.00%
Revenue from microchips	8,909	2.10%
Revenue from wormers and flea control	7,424	1.80%
Revenue from surgery 	56,718	13.40%
Revenue from hospitalisations	22,568	5.30%
Revenue from diagnostic imaging (x-rays, ultrasonography...)	24,944	5.90%
Revenue from blood tests	43,058	10.20%
Revenue from emergencies	30,289	7.10%
Revenue from home visits	4,454	1.10%
TOTAL FOR THE SURGERY (CLINICAL SERVICES) 	296,951	70%

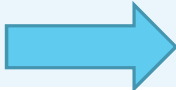

Revenue from drugs	74,148	17.50%
Revenue from pet food (prescription diets and life-stage)	21,711	5.10%
Revenue from pet accessories	10,105	2.40%
Revenue from shampoos and hygiene products Merchandise	8,175	1.90%
Revenue from grooming (if applicable)	13,126	3.10%
<u>TOTAL FOR SHOP AND OTHER SERVICES</u>	127,265	30%




COST OF SALES

	<u>UNITS</u>	<u>%</u>
Purchases (usage) of consumables used in consultations, surgery, hospitalisation and the laboratory	37,161	8.80%
Purchases (usage) of shop stock: pet food, drugs, accessories etc.	52,815	12.50%
Grooming purchases (shampoos, groomer commission, etc.) (if applicable)	11,878	2.80%
Variation from inventory	-	-
<u>TOTAL PRACTICE PURCHASES (C O S)</u>	<u>101,854</u>	<u>24.10%</u>
GROSS PROFIT MARGIN GP%		75.9%


EXPENSES

Salaries of employed vets (not including partners) (total salary cost, including national insurance contributions)	70,542	16.60%
Salaries of partner vets (market salary)	41,027	9.70%
TOTAL SALARY COSTS FOR VETS 	111,569	26.30%
Nurses salaries (total cost to the business)	42,422	10.00%
Salaries of administrative personnel (total cost to the business)	22,059	5.20%
TOTAL WAGE BILL FOR NON- VETERINARY STAFF	64,481	15.20%
<u>TOTAL WAGE BILL</u> 	<u>176,050</u>	<u>41.50%</u>

EXPENSES - CONT:

Establishment (rent, utilities, general maintenance)	7,200	1.70%
"Opportunity cost of rental" (if the premises are owned and the owner is not receiving a rent) 	30,000	3.5%
Equipment expenses (leasing, maintenance and consumables)	12,345	2.90%
Repayments or reinvestments (facilities and equipment)	25,453	6.00%
Administrative expenses (office, software licences, insurance, taxes, bank charges)	16,466	3.90%
Advertising, marketing and communication	8,018	1.90%
TOTAL OPERATIONAL EXPENSES OF THE PRACTICE	99,482	23.50%

Financial expenses (interest from leasing)	1,876	0.40%
Financial expenses (interest from loans, mortgage)	3,224	0.80%
TOTAL FINANCIAL COSTS	5,100	1.20%
<u>TOTAL EXPENSES OF THE PRACTICE</u>	<u>382,486</u>	<u>90.20%</u>



Benchmarking in South Africa

None!!

INCOME STATEMENT		
<u>INCOME</u>		
1.SALES	424,216	100%
COST OF SALES	101,854	24%
GROSS PROFIT	322,362	75%
<u>EXPENSES</u>		
OPERATIONAL COSTS	99,482	23.5%
SALARY EXPENSES	176,050	41.5%
FINANCIAL COSTS	5,100	1.2%
<u>NET PROFIT before Tax</u>	41,730	9.8%

SALES / TURNOVER

PER FTE VET ?

MEASURES PRODUCTIVITY

BENCHMARK 1

SMALL ANIMALS = R300,000 - R400,000 pm

BENCHMARK 2

ATV - AVERAGE TRANSACTION VALUE

R750-R850

FEES/TURNOVER HAVE TWO INCOME STREAMS :-

1. CLINICAL

a) PROF FEES

BENCHMARK 3  70% of sales

2. SHOP & DRUGS

a) FOOD

BENCHMARK 4  30% of sales

a) MERCHANDISE

GROSS PROFIT%

1. CLINICAL

FEES = 100%

BENCHMARK 5  75%

DRUGS (100% MARKUP) = 50%

2. SHOP

FOOD (33% MARK UP) = 24% G P%

BENCHMARK 6  32%

MERCHANDISE (100% M U) = 50% G P%

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TOTAL WAGE BILL	% AGAINST TOTAL INCOME
1. SALARIES OF EMPLOYED VETS	16.6%
2. SALARIES OF PARTNER VETS	<u>9.7%</u>
TOTAL SALARY BILL - VETS	26.3%
1. NURSES & ASSISTANTS WAGES	10%
2. ADMIN STAFF SALARIES	<u>5.2%</u>
TOTAL WAGE BILL FOR STAFF	15.2%
TOTAL WAGE BILL	41.5%

SALARIES & WAGES

SALARIES OF VETS

BENCHMARK 8 → **25%**

SALARIES OF STAFF

BENCHMARK 9 → **15%**

TOTAL SALARY PACKAGE

BENCHMARK 10 → **40%**

EXPENSES

SHOULD BE

75% - 95%

BENCHMARK 7 → 85%

NET PROFIT BEFORE TAX

BENCHMARK 11 → 10% - 15%

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WHERE DO WE START IN SOUTH AFRICA??

TIME MANAGEMENT: STREAMLINING YOUR WORKDAY

THANK YOU

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DON'T WORRY

BE HAPPY