

Test to see what happens to hidden slide on slideshare.net.

want to put links to youtube videos in hidden slides
<https://www.youtube.com/watch?v=H0tAkbU4Uys>



PRACTICE

- **P** rimary concerns
- **R** egulatory concerns and government
- **A** dvertising
- **C** ash
- **T** ime for Family and Friends
- **I** nventory
- **C** ulture of your practice
- **E** mployees

PRACTICE

P epcid
R eglan
A lcohol
C rying
T axes
I buprofen
C omputer Crap
E nergy (or lack thereof)

Primary Concerns

- How many looking to buy current practice?
 - New to you practice?
 - Basics such as phone number & scan/ save as PDF to send as template.
 - fax number (efax.com, faxaway.com)
 - Address
 - How many buying existing workplace?
 - New to you practice?

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Primary Concerns

- How many looking to buy current practice?
 - License numbers- have taped to full sheet for faxing, or scan/ save as PDF to send as template.
 - FEIN number – an IRS based number
 - DEA number – controlled substances – many things ‘are done’ but not all are legal.
 - Do you know the legalities of what a DEA registrant can do, and not?
 - What can a non registrant professional use of controlled substance?
 - Does your state require a ‘controlled substance license’ (tax)

Primary Concerns



Regulatory: Big Brother

- Letters received from State or Federal government (Dept of Employment Security)
 - MUST BE OPENED IMMEDIATELY
 - You have 5 business days to respond
 - Takes 2-3 business days to receive letter
 - Successful/ unsuccessful unemployment claims are based on timing. If past time, does not matter if you are correct, missed window



Primary Concerns

- Questions?



Avoiding...
 Pepcid
 Reglan
 Alcohol
 Crying
 Taxes
 Ibuprofen
 Computer Crap
 Energy (or lack thereof)



Regulatory

- Questions?



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Regulatory: Big Brother

- Many things accountants can/ should help
- New hires
 - Unemployment claims
 - In IL- if release employee before 21 days, not 'count' against unemployment. 21 calendar days – not work/ scheduled days.
 - We make decision in 14 to give ourselves leaway



Advertising & Marketing

- We hear ideas and suggestions at great conferences like this and articles.
- But what do you want to do?
- It is all **you** – your idea, follow through, measurement, how to evaluate, continue or stop



Advertising & Marketing

- How do you measure?
- If we had a diabetic patient, and never measured BG, how do you know if you have the right insulin?
- Same for advertising & marketing



Retention of previous clients

- Reminder system
- Can your software track 'reminder compliance' – how many due in Jan, and had vaccines done? What about 1 month later?
- Put on excel sheet to track trends – you **will not** remember from one month to next, certainly not from year to year/ what was done differently.



Advertising & Marketing

What is difference?

definition:

Advertising: How do I attract **new** clients?

Marketing: How do we let **current** clients know of our services?



Retention

- Example from Lakeview Veterinary Clinic
- Previous had 3 tier system
 - 1st reminder: call **that month**
 - 2nd reminder: call **between 25-end of month**
 - 3rd reminder: call **month after appt**
 - Had 55% first month, 65-75% retention rate after second month



Advertising

- How are you measuring new clients?
- Of the last 50 new clients, how many do you have accurate information? How many are 'missed' by staff?
- What are your trends?
- Put on excel spreadsheet



Retention

- Change #1
 - 1st reminder: phone call that month
 - 2nd reminder: postcard after 20th of month
 - 3rd reminder call **month after appt**
 - Continued 52-55% first month 65- 70% retention rate after second month



Advertising

- Another idea on advertising from some of the best folks that are story tellers.



Retention

- Change #2
 - 1st reminder: Postcard that month
 - 2nd reminder: postcard after 20th of month
 - 3rd reminder call **month after appt**
 - First month: 40% second month 55% retention rate
 - We went back to #1



Retention

- Change #3
 - 1st reminder: reminder magazine
 - 2nd reminder: postcard after 20th of month
 - 3rd reminder call **month after appt**
 - First month: 30% second month 50% retention rate
 - We went back to #1
 - * note: most clients did not recognize magazine was reminder of appt



Advertising & Marketing

Simple to implement way:
Join the city/ community Chamber of Commerce

Ambassador club



Be willing to try – but test

- Most veterinarians are nervous about change
- Why?
- Because we are not measuring what we want to change, and are worried it will be worse.
- It may be worse, it may be better – Must measure



Advertising & Marketing

In Illinois – bribe early and often, end up



2016 East Peoria Chamber of Commerce
Ambassador of the Year

Citizen of Year Cyndi Reinhart, wife Kelly, Exec Director Rick Swann



Be willing to try – but test

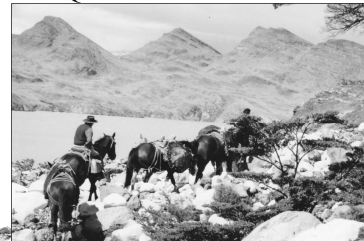
How do you get ideas?
How do you create a culture in your practice of ideas?

What do Sharks in other industries do?



Advertising & Marketing

- Questions?



Avoiding...
Pepcid
Reglan
Alcohol
Crying
Taxes
Ibuprofen
Computer Crap
Energy (or lack thereof)



Advertising & Marketing
If you're not
comfortable with self
promotion,
you'd better not be
self employed.

Glenn Shepard

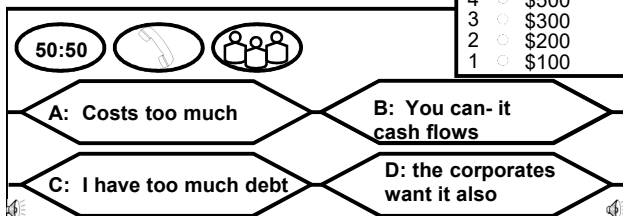


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I don't think I can
buy a large practice
that gross's several
million dollars
because



Cash

- Some of these seem simple to implement, if not familiar, can be quick time drain.
- Petty Cash: the money for getting cat litter at grocery store, other incidentals? How do you track?
- If funds are not tracked, sticky fingers will find and remove for you.



Cash – you can buy large clinic

- Example provided by Terry O'Neil of



- Practice grossing \$2.800,000
- Purchase price \$3.400,000
- Recent year Normalized Net income: \$533,000



Cash

- Petty Cash & the IRS
- FIRST place they look/ ask for:
- How do you track petty cash?



Cash- you can buy large clinic

- assuming 8% loan \$3,400,000
 - Interest expense for loan (\$ 183,000)
 - Deprecation on equip/ (7yr) \$49,000
 - Goodwill depreciation (15) \$201,000
 - -----
 - Est taxable income \$99,000
 - Est tax @50%



Cash

- Cash drawer
- How much/ denominations
- How many to have in rotation?
- YOU should take to bank daily – shows you are paying attention.
- Bank statements sent to your home
- Have someone other than regular staff balance, if you are not. (theft issue)



Cash – you can buy large clinic

- Purchase price \$3.4= (not interest) \$227,000 annual
- Recent net income: \$533,000
- After debt service ~ \$467,000
- After taxes ~ \$49,000
- Cash flow: \$16,000
- **** After your salary and all payments made!



Cash

- Check on number of deposits – will vary by bank.
- In average clinic day, how many deposits will you have by 'banking' standards?
- Cash + check =1
- Visa, MC, Discover + Debit = 1
- Care credit =1



Cash

- Most important:
- Who gets to charge, and what are criterion.
- There is no perfect way to manage 'to bill or not to bill'
 - What 'headaches' and problems do you want to deal with



Cash – flow of money

- Cash flow vs net worth
 - two different yet important distinctions to understand
- Used to Cash flow with home financing:
How much is in the checkbook?
What is coming up for bills?



Cash

- **Allowing billing**
- Pro's: may get to do more treatments/ surgeries
- Con: establish criterion (coming to practice for year – have had 5 payments, new owner with parvovirus puppy)
- Will be sending out statements
- In veterinary offices approx 5% do not pay bill



Cash

- for Lakeview Veterinary Clinic
- Dec 2015
Check balance: \$15,806
Gross income: \$479K (2015)
profit: \$8 K



Cash

- **No billing**
- Pro's: No billing, or deciding if can take appt from Mrs Smith who owe's you \$400 and has not paid in 2 months
- Con: will hear "all you care about is money". Yes, because you don't care to pay me.
- We offer Care Credit as in house solution.
- If not qualify for Care Credit – why should I 'loan them' money.



Cash

- | | |
|-------------------------------|-------------------------------|
| Dec 2015 | Dec 2016 |
| • Gross income: \$479K (2015) | • Gross income: \$532K (2016) |
| • profit: \$8 K | • profit: \$26 K |
| • Check balance \$15,800 | • Check balance \$7,200 |

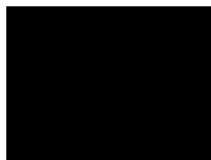


Where is the money?



Cash

- How often to raise prices?
- Demographic, or via costs?
- How are you tracking costs – goes to accountant
- How to invest cash?



Cash

- | | |
|--|----------------------------|
| 2016 | Net worth Statement |
| • purchased and paid for new CBC machine | • Jan 2015: - \$65,000 |
| • paid down debt | • Jan 2016: - \$57,000 |
| • Where does it show up? | • Jan 2017: -\$30,000 |



Cash

Dec 2015

- Gross income: \$479K (2015)
- profit: \$8 K
- Check balance \$15,800

Net worth: -\$57K

Dec 2016

- Gross income: \$532K (2016)
- profit: \$26 K
- Check balance \$7,200

Net worth: -\$30K



Cash (instead of crying)

- Questions?



Avoiding...

Pepcid
Reglan
Alcohol
Crying
Taxes
Ibuprofen
Computer Crap
Energy (or lack thereof)



Next session:

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