

Veterinarian's Guide to Best Practices

Volume 7



Leverage Staff To Promote Vet Hospital Efficiency: DVMs and Techs Unite

Over the years, pet ownership has significantly increased across the country. A love of welcoming animals into our homes seems to be ingrained in our culture, which means we can only expect this number to grow.

While a boom in pet ownership means vet hospitals have no shortage of patients, the swell has created growing pains in hospitals already stretched thin by labor shortages. Hospitals are now forced to adapt by evaluating processes and increasing efficiencies.

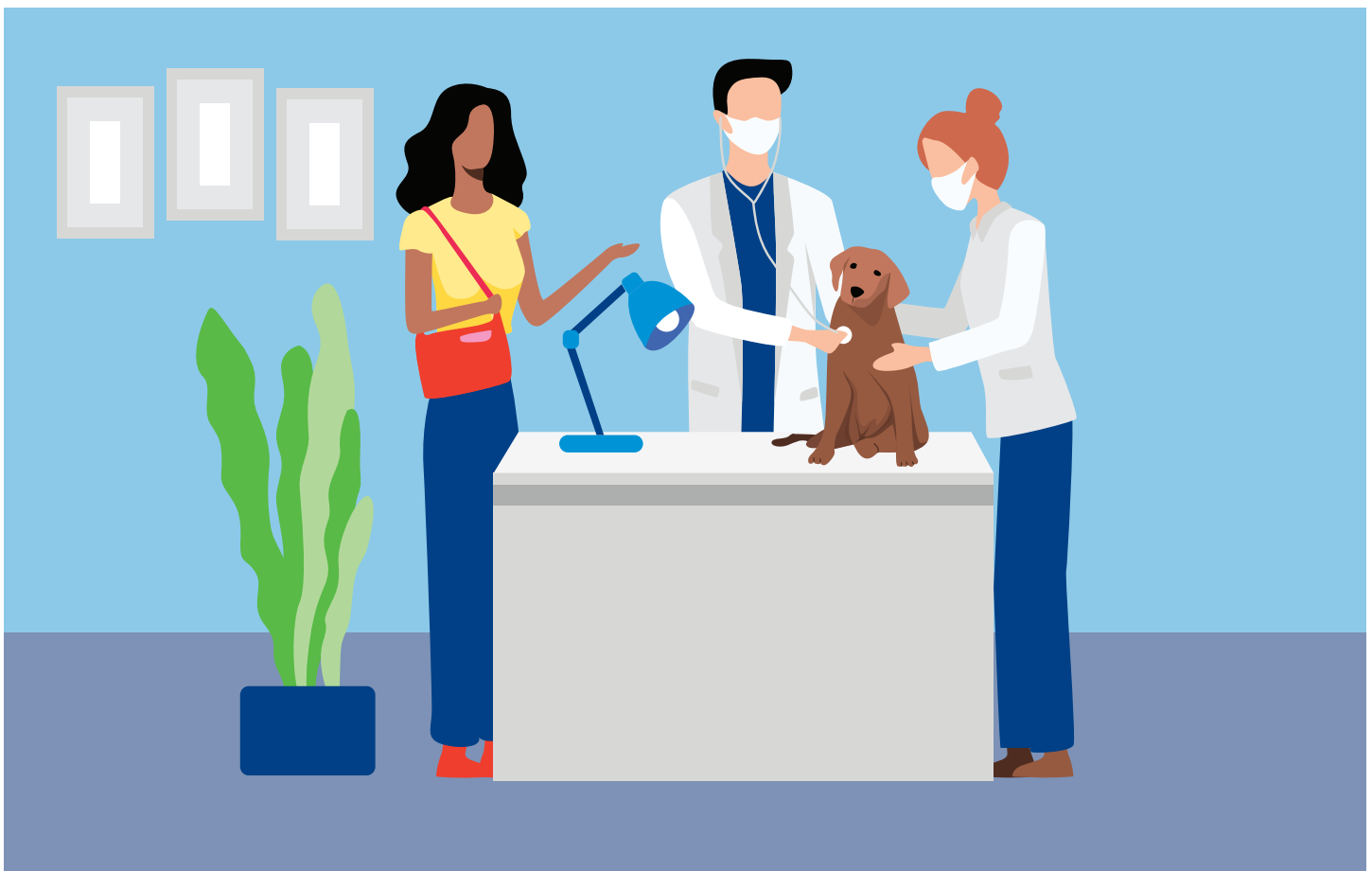
The good news is this: Even making small changes could help vet offices maximize time and minimize shortfalls.

Typically, wellness exams begin with a technician. An owner will give the vet tech the pertinent health history

and note any concerns they might have about their pet. Then a doctor enters the room and often reviews the same information, causing appointments to run longer than needed. Many vet hospitals are learning this traditional method may be inefficient with too much duplication between the doctor and the technician.

What if vet hospitals instead adopted a “doctor first” mentality? In this approach, both the doctor and technician enter the exam room at the same time at the start of the appointment. That’s exactly what some clinics are doing for wellness exams, and they are seeing surprising results.

When doctors and techs begin an appointment together, their time in the room is maximized. Pet history is gathered, and any potential issues are discussed with the pet owner only once. Also, both the



doctor and the technician are on hand to answer any questions, address any concerns, and create a plan for next steps that optimize pet care.

Hospitals using the “doctor first” method are seeing shorter exam times and the ability for doctors to move on to the next patient faster. In fact, this approach may even allow a hospital to double a doctor’s capacity. For example, a hospital that schedules 30-minute appointments could begin scheduling 15-minute appointments. Once the doctor has completed an exam, the technician can initiate the treatment plan while the doctor moves on to the next appointment.

As if reducing appointment times wasn’t enough, increased doctor-technician collaboration also helps with maintaining medical records. While the doctor is speaking with the pet owner and starting the exam, the technician can take down medical notes. This allows the doctor to focus on assessing the pet, determining the best treatment plan, and addressing any questions. Taking this approach also has the added bonus of expanding the technician’s knowledge of pet care.

Once the exam is complete, the doctor can then review and modify the medical notes on the spot to ensure the records are as accurate and complete as possible. This reduces the amount of time that a doctor may spend updating medical notes after an appointment is finished while also preventing errors or omissions in documentation.

Making adjustments in a hospital setting –even simple adjustments–takes time and tweaking to get just right. But when clinics adopt a more expedient, team-oriented approach, everyone wins. Doctors gain valuable time, techs develop new skills and pet know-how, owners get a streamlined experience, and our beloved pets benefit from optimal care.

Benefits



Streamlined communication for clients



Maximized time in the exam room



Shorter exam times



More accurate medical notes



**Expanded pet care knowledge
for technicians**

Back to Basics: 6 Building Blocks for Effective Practice Management

Whether it's a jam-packed day or a busy time of year, keeping up with your hospital's pace can be challenging at best – and overwhelming at worst. Your downtime might be rare, but it is also powerful if you make the most of it. These slower moments can be prime opportunities to revisit core functions and make sure your hospital is running efficiently and effectively.

By focusing on the fundamentals, veterinary hospitals can ensure they have a solid foundation for future growth and success.

1 Reminder Follow-Ups

Every hospital has those pesky situations where clients miss appointments, costing you valuable time and money. To help solve this challenge, consider setting up automatic appointment reminders – especially for clients with a history of ghosting.

Reminders are only useful if they're actually being delivered. For starters, establish a monthly habit of checking the hospital's email for a test reminder just in case. Then review the practice management system reports to ensure clients who missed appointments are acting on the reminders they receive.

2 Finding Missed Revenue

Increasing the number of booked appointments might be your go-to strategy for boosting overall revenue. But capturing charges for services already provided can add to the bottom line without much additional effort.

Simply pull a few random invoices and compare that to a pet's chart. Check to see if all the services noted on the chart were billed correctly on the invoice. Keep an eye out for trends like missed charges related to a specific doctor or a specific service. If you notice a pattern, a quick staff in-service training can help prevent future mistakes.

3 Forward Scheduling

Many of us have made our next dental cleaning, annual doctor's visit, or hair appointment right as we're checking out. This approach, called forward scheduling, encourages compliance.

By booking ahead, appointment scheduling is streamlined, reducing the amount of time staff spends sending reminders. Not to mention setting up appointments in advance can help ensure patients are seen regularly, which results in better patient care while also increasing revenue.

To implement forward scheduling, make sure all staff members – from the front desk to the technician to the checkout area – are prepared to communicate the same message: Book now to ensure your pet's best care later.

4

Reports and Margins

When you're selling any product or service, it's critical to have healthy pricing margins. But updating them in a veterinary hospital's practice management system is often overlooked.

First, make sure the pricing margins for pharmacy items and laboratory services are updated in your system. That way, when vendors increase their prices, the amount charged to clients will automatically increase according to the set margins. These changes may be small, but they can really add up and make a significant difference to the bottom line.

Reviewing the pricing margins on all services may sound overwhelming, so prioritizing is key. Start with the most common services you provide since they will likely have the biggest impact on your budget. Then work your way down the list.

5

Inventory Counts

Taking stock of your inventory is vital to avoid running out of items, but more importantly, it allows you to catch potential fraud early. While we all want to think the best of our team, employee theft is a real problem that can cheat your hospital out of thousands of dollars.

The types of products and volume of patients will determine how often you need to check inventory. For example, high-volume supplies like flea and heartworm medicine, vaccines, gloves, and syringes may need weekly or monthly counts. Lower-volume supplies, like e-collars, leashes, and food can be assessed every three to six months.

Many practice management software tools keep track of inventory digitally. It's a good idea to do manual counts as well just to be sure. Any variances between the actual inventory and the inventory in the practice management system could have an impact on the cost of goods sold and category margins.

6

Marketing Plans

Reviewing your hospital's marketing plan is crucial to attracting new clients and reengaging existing ones. In today's competitive market, clients are not only looking for great service but for a hospital that stays up to date and offers a personal touch. Marketing tactics like customized communication and loyalty programs, for example, can go a long way in client engagement. Take a look at your current marketing and brand strategy. Then ask yourself these questions:

- Is our website functioning well? Does it look and feel updated?
- Does the logo need a refresh or a whole new look?
- Does our brand voice still capture our hospital's personality?
- Is our messaging speaking to our audience well? Does it need tweaking?
- How can we encourage existing clients to stick with us? What incentives can we offer?
- How well are we communicating on social media? How can we improve?
- What else can we do to showcase our expertise and services? Email marketing? Advertising? Community involvement?

Summary

The strongest businesses are built on solid foundations. With booming pet ownership and staffing challenges, pet hospitals are downright busy. It can be easy to forget the basics that made you successful in the first place. Don't underestimate these key fundamentals, and your hospital will be better prepared for any future ups and downs.



Should Your Veterinary Hospital Close on Saturdays?

This is the age-old question many clinics have wrestled with—and for good reason. Working weekends has big implications for hospital culture and staff morale. The additional workday can also have a significant impact on a hospital’s bottom line. To ensure the decision to close on Saturdays is financially sustainable for both hospital and staff, it’s critical to identify effective strategies for handling the workload and improving efficiencies during the rest of the week.

Establish a clear target.

Take a look at the Saturday revenue and average number of appointments that would need to be incorporated into the weekdays.

Historical data from the hospital’s practice management system can help you determine target revenue needing to be replaced during the week. This information will provide a clear benchmark for making an informed decision and for tracking progress.

Expand the weekday schedule.

For some hospitals, closing on Saturday might mean adjusting the hospital’s weekday business hours to accommodate more clients. By extending hospital hours during the week, veterinary hospitals can accommodate a larger number of clients and appointments.

Consider opening earlier and closing later to provide more flexibility for pet owners who are unavailable during typical business hours. This can also help distribute the workload more evenly throughout the week.

Boost efficiency.

Efficiency is key in any successful business, and veterinary hospitals are no exception. Streamlining processes and optimizing workflow can have a significant impact on productivity and revenue generation –not to mention increased productivity frees up additional appointment time to schedule even more patients. Here are a few suggestions to enhance efficiency:

- **Embrace technology.**

Explore new ways to automate various administrative tasks such as appointment scheduling and record-keeping. This opens up valuable time for veterinarians and staff to focus on providing quality care to patients.

- **Optimize patient flow.**

Analyze the patient flow within the hospital and identify potential bottlenecks. By reorganizing the layout or introducing new triage systems, the hospital can reduce wait times and enhance overall efficiency.

- **Educate staff.**

Encourage staff members to develop a diverse skill set by cross-training in different areas of the hospital. Multi-skilled staff can manage a wider range of tasks and ensure that resources are utilized effectively, especially during peak hours.

Get your team on board.

Implementing changes to improve efficiencies or eliminate Saturday hours requires the support and buy-in of both staff and doctors. Encourage the team's involvement with the following:

- **Open communication**

Engage the team in open discussions about the financial impact of being closed on Saturdays. Clearly explain the need to increase revenue during weekdays to avoid pay cuts and ensure the hospital's sustainability. Encourage feedback and suggestions from staff members to foster a sense of ownership and responsibility.

- **External motivation**

Consider introducing incentives tied to meeting revenue goals, achieving appointment targets, or improving hospital efficiency. This could include performance bonuses, recognition programs, or even team-based competitions. Incentives can motivate staff members to actively participate in achieving the hospital's goals.

- **Training and development**

Provide training opportunities for staff members to enhance their skills and knowledge. Professional development not only improves the quality of care provided but can also boost staff morale and engagement. This kind of investment also demonstrates a commitment to the growth and success of the team.



When it comes to operating hours, patient load, doctor capacity, and staffing goals, every hospital's situation is unique. With some tweaks to your weekday hours, improvements to office and patient flow, and team buy-in, gaining an extra day off in the week may be just what your hospital –and team–needs.

How To Boost (or Establish) Your Hospital's Mentorship Program

There are many reasons why creating a mentorship program at your hospital is a good idea. Younger generations crave mentorship and professional development. Mentorship can also improve employee retention, fuel increased production, and differentiate your hospital. But starting a mentorship program can be daunting. How do you ensure it's a success?

Over the course of his 30-year veterinary career, Dr. Jim DeLano has learned how to implement an effective mentoring program and began Organized Onboarding (www.organizedonboarding.com). He's seen firsthand how powerful mentoring can be—boosting production by more than 50% and rocketing retention to 95%. Here are a few of Dr. DeLano's tips for creating a successful mentorship program.



Create a structure.

Too often mentorship consists of a mentor asking, “What do you want to know?” Creating a structure can help make mentorship more proactive and comprehensive. A mentorship program should include topics such as systems, operations, communication, medicine, and surgery. Incorporating role playing can also be used as a way to help mentees practice what they've learned and can provide opportunities for feedback.



Dedicate time in the appointment schedule.

In the day-to-day busyness of a veterinary hospital, it can be hard to find a convenient time for mentorship. Regularly blocking out time in the schedule—and honoring it—can help ensure that time is devoted to mentorship. This shows intentionality and emphasizes to the mentee that mentorship is taken seriously and that promises are honored, which goes a long way toward building a strong hospital culture.



Be willing to invest.

Mentorship takes time and energy, but have you ever considered a financial investment in your mentorship program? By paying mentors for their time, it compensates them for what they would have been earning or producing in the exam room and helps them feel valued. It also communicates the importance of mentorship at the hospital. In Dr. DeLano's experience, investing in mentorship has yielded nearly 50% increased production in mentees' first year of employment, making the investment well worth it.



Have the conversation.

Mentoring can help drive revenue and retention, but it shouldn't be required of everyone. It's important to sit down and talk with individual team members to better understand their expectations and needs before signing them up for a mentoring program, whether as a mentor or a mentee.

Whatever your reason for establishing a mentorship program, the bottom line is that it's beneficial for the hospital and for the industry. “I want a young person to enjoy their career as much as I've enjoyed mine,” Dr. DeLano said. “If I can help a young person enjoy it, that's a win for our profession.”

Client Success: Your Goals Realized

Katz, Sapper & Miller’s veterinary services are designed to meet you where you are—and help you make the most of your future. Here are a couple of examples showing how we’ve helped our clients successfully address profitability issues and achieve their goals.

Case Study: Refocusing After Significant Attrition

Challenge

Improving a large hospital’s profitability after massive staff turnover in a short time period

KSM Response

- Assisted client in cleaning up financials to give a more accurate financial picture
- Established key performance indicator (KPI) metrics that KSM routinely monitors
- Created labor budget to help with scheduling and to reduce labor expense to normal range
- Developed a plan for managing the fluctuating cost of goods sold



\$3.2M

Est. Hospital Value Increase

\$400K

Est. Profit Increase Within 18 Months

Case Study: Increasing Value and Knowledge

Challenge

Growing hospital revenues and improving profitability after a veterinarian became a first-time hospital owner

KSM Response

- Organized financials properly, enabling them to be used for management decision-making
- Developed and implemented a customized plan to increase profitability and streamline operations
- Monitored and measured key performance indicators to create accountability with management team
- Equipped hospital owner with the knowledge and tools to make day-to-day management decisions based on financial data



\$1.1M

Est. Hospital Value Increase

60%

Increase in EBITDA* as a Percentage of Gross Revenue

*Earnings before interest, taxes, depreciation, and amortization

Prescriptions for Healthy Profits

Each veterinary hospital is different and faces unique challenges. And there's no one-size-fits-all solution. That's where KSM's veterinary consulting comes in. Our experienced team has helped hospitals across the country improve profitability, streamline operations, set and accomplish strategic goals, determine when to expand to a multi-site operation, buy hospitals, and sell them. Whatever your goal, we can help you get there.

Here's How It Works

We meet you without judgment, simply seeking to understand your hospital's situation and goals so we can work together to develop a customized action plan for your success. While there is no set formula or commitment period for our consulting, here's how it usually works:



Historical Diagnosis

First, we conduct a thorough exam. We learn more about your hospital, your goals, and your roadblocks. Using comprehensive financial analysis and our understanding of your hospital's operations, we diagnose existing areas of opportunity.



Treatment Plan

After taking time to get to know you initially, we then create a prescribed treatment plan that includes a specific set of goals and action steps that are tailored to your hospital's needs.



Regular Checkups

The value of veterinary consulting is maximized with regular practice management checkups, which enable us to not only assess progress but also identify areas for growth, efficiency, and profitability. But, because our ultimate goal is to help you feel empowered to run a successful veterinary hospital on your own, we don't have required minimums or ask you to meet with us longer than you need.

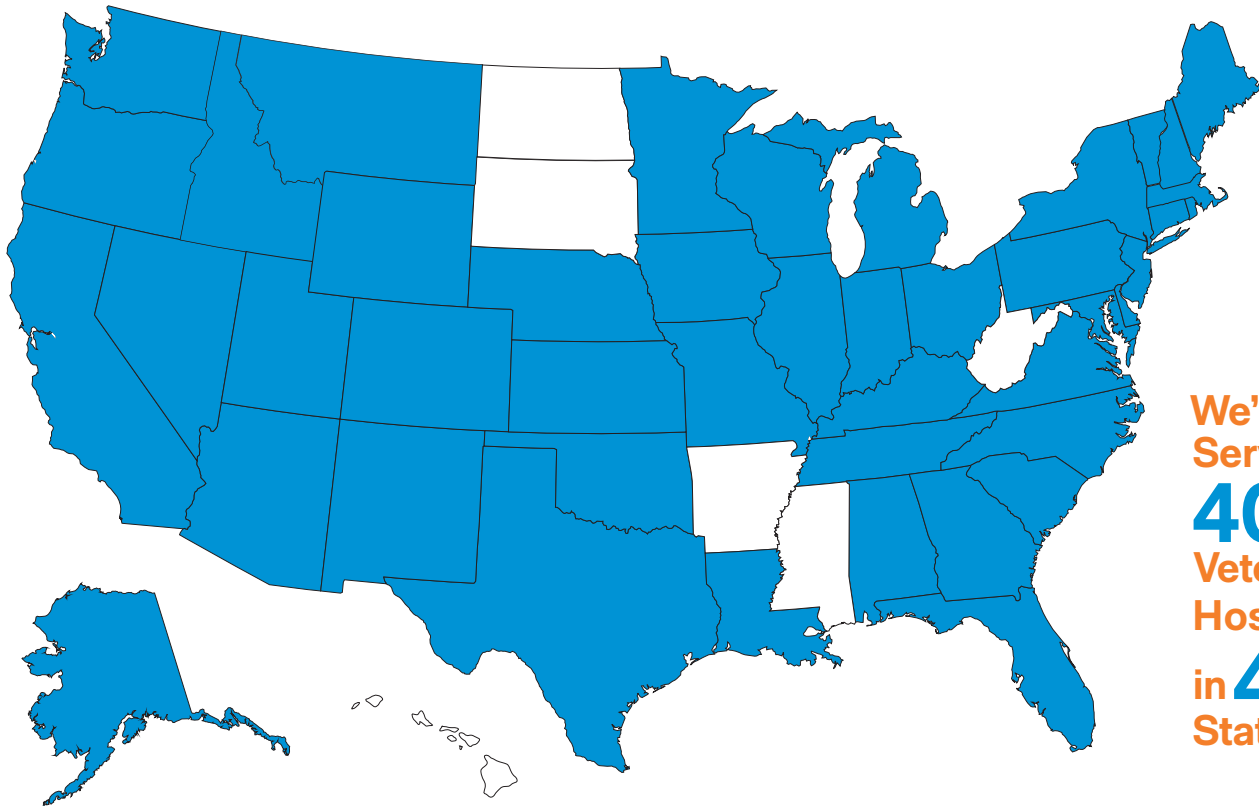


Interested in a complimentary, 30-minute introductory call to discuss how KSM can help your hospital?

Visit ksmcpa.com/vet and click the "Contact Us Today" button to schedule an appointment.

A National Reputation for Specialized Care

You became a veterinarian to provide pets with a supportive environment and an optimal level of care. You need a partner equally dedicated to ensuring your business is as healthy as it can be. KSM can help. We utilize our deep industry expertise along with data analysis to mitigate your hospital's challenges and maximize its opportunities.



We've Served **400+** Veterinary Hospitals in **44** States.

Contact us:



Terry O'Neil
Partner

P 317.580.2294
E toneil@ksmcpa.com



Beth Scott
Partner

P 317.580.2085
E bscott@ksmcpa.com



Ali Todd
Director

P 317.428.1102
E atodd@ksmcpa.com



Julie Kimbley
Director

P 317.452.1018
E jkimbley@ksmcpa.com

DVM Expense Percentages

The following benchmarks, compiled by KSM on behalf of VMG DATALINK, compare average vs. top-performing companion veterinary hospitals.

	Average	Top
Revenue	100.0%	100.0%
Direct Costs ¹	22.6%	20.2%
Labor & Benefits		
Owner & Non-Owner DVM ²	18.4%	17.1%
Non-DVM Staff	20.8%	17.7%
Payroll Taxes & Benefits	6.3%	5.3%
<i>Total Labor & Benefits</i>	45.5%	40.1%
Gross Profit	32.0%	39.7%
General & Administrative		
Advertising	0.7%	0.6%
Administrative & Fee Income Collection Costs	5.2%	4.3%
Rent ³	6.0%	6.0%
Facility & Equipment Costs	3.8%	2.9%
Other Employee Costs	0.9%	0.6%
<i>Total General & Administrative</i>	16.6%	14.4%
Earnings Before Interest, Taxes, Depreciation, and Amortization	15.3%	25.3%

¹ Contingent upon the revenue components
² Normalized at 20% of owner production plus the lesser of the amount of management wages paid or 3% of revenue
³ Normalized at 6% of revenue

VMG DATALINK is the financial data collection and analysis system for the Veterinary Management Group practices. Over 500 VMG practices contributed to the benchmarks presented here. Learn more about VMG at myvmg.com.

