



Insight Sue Crampton

WITH

Critical Success Factors 2010 Do you know yours?

Do you know what is necessary to ensure your practice succeeds in 2010? You may be clear on what you want, but do you know the activities required to get there? With so many daily tasks competing for our attention, it's not surprising that business owners can lose their way.

Identifying Critical Success Factors goes a long way to determining the 'non-negotiables' for practice success. If you are looking to make more money Critical Success Factors may centre around profit margins, cash flow or a % decrease in expenses. CSF's are intrinsically linked to the practice vision, mission and values. These are often determined by a strategic plan. This year, Crampton Consulting Group worked with practices to build a strategic plan and determine Critical Success Factors in areas such as finances, marketing and staffing. If you have not considered the opportunities for practice growth and development in these areas, then let me remind you of why it is so important...

Strategic Planning...

Strategic planning is the process of determining where a practice is going, how they are going to get there and how they will know if they got there or not. Whilst there are a multitude of models and approaches to creating a strategic plan, the overall emphasis is on goal-based planning and clear KPI management strategies. Strategic plans are commonly created for a three year period although they can range from 1-10 years.

Whilst it is often the case that practice owners and partners know where they are going, strategic planning is a meaningful developmental tool for communicating goals and strategies to other members of the team. It ensures all staff are on the same page and 'buy in' to the practice plans for success. Additional benefits come from clearly defining the purpose of the practice, stakeholders involved, goals and objectives and ensuring the most effective use of resources available. Moreover, strategic plans foster a sense of ownership and pride in the practice and forms the foundation for establishing mechanisms to measure success. Attempting a strategic plan is a daunting task, especially when practices are caught in the cycle of 'fire fighting', meaning they are constantly reacting to problems.

It is always difficult to find the time to stop and analyse what needs to be accomplished to make real, measured progress.

Managing the finances...

Part of the financial plan should always be budgeting. Creating a budget can always be a challenge but the benefits outweigh the initial work. Being cognisant with your budget also empowers you to evaluate your current bills, identify unnecessary expenses and remove those areas which stop you from achieving your KPIs. Budgeting and sound financial controls also allow practices to feel confident in determining client fees accurately and purchasing additional equipment or hiring new staff. It also gives you the power to determine 'If I purchase this endoscope I know I need to increase my consults per day to X'. This is also extremely important information to share with Associates and allied staff, but practice owners often haven't had the time to calculate these examples themselves. Unfortunately this means the practice team are not focused on their own contribution to good financial management.

So in a nutshell, before practices can truly make sound business decisions, careful planning and thought must be given to the 'Now, Where, How' philosophy. Where am I now financially? Where do I want to go financially? How am I going to get there? As we move into the fourth quarter of the 08/09 financial year, start your plan of attack for 09/10.

My suggestions would be to:

Know where you stand **NOW**. Utilise practice programs such as Vision VPM to extract your data and do a 'year in review'.

Prioritise time to do an 09/10 budget. There are plenty of templates, programs and workshops which can assist you with this.

Know where you want to go – set a **WHERE** target. Liaise with your Associates and staff to do a SWOT analysis on your ideas and figures. Your staff will be the key to driving your goals.

Spend quality time devising your **HOW** plan. This process involves creating the steps required to walk towards success, who is responsible and timeframes for tasks. If you wish to increase your average income per consult, you need to plan how it will be implemented, who will drive it and how will the

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veterinarians be trained to make it happen. It is the same principle for staffing – if you need another nurse, consider how you are going to afford this additional salary. A good financial plan will determine which area of the business must step up. Being clear with the team in these areas also offers solutions whilst giving them their own key performance indicators. An example being “If you can increase your OTC’s by 10% I can then look at an additional nurse on Saturdays”.

If the thought of attempting this process is a little daunting, why not register yourself for our Business Financials Boot Camp next month. They are an ideal starting point for success in the new financial year.

Building a strong practice team...

A strong, skilled and motivated team is not just an asset, but also your competitive advantage. The profession is full of team members with great potential, with the ability to offer more, learn more, and to be more to the profession. As a practice owner or partner, you will be faced with many people. You may manage these people as a part of your role, you may be managed by other people. Whatever the situation, Investment in People is a vital factor for practice success.

Using a marketing plan...

Have you ever had a good idea but lacked the strategies to implement it successfully? Effective marketing results from managing and coordinating key activities by having a marketing plan. This doesn't mean an academic dissertation but a brief, yet thorough working document.

Preparing a marketing plan allows you to:

- Analyse your competitive strengths, weaknesses, opportunities and threats; who your target markets

are; what you know about your market's needs, wants, attitudes and buying patterns; your competitors.

- Plan how to achieve your practice goals through your product/service offerings, pricing, and promotional strategies.
- Implement your plans well by defining what specific actions need to be done, by whom and by when.
- Control your marketing efforts by monitoring and reviewing your results, so that you can improve every aspect of what you are doing.

A marketing plan is a means to an end, not an end in itself. It can be likened to the tracks that a train runs on; without it the train cannot get anywhere.

As you head into 2010, consider the components to success for your practice. What specifically MUST occur after the planning has been done? Engage your team to contribute to your Critical Success Factors. After all, it will be the staff who implement and drive your strategic plan.

From all the team at Crampton Consulting Group, we wish you a successful and enjoyable 2010. We look forward to working with you to achieve greatness.

**Merry Christmas,
Sue Crampton**

Sue Crampton is the lead consultant for Crampton Consulting Group (incorporating Animal Industries Resource Centre). In 2010 Provet CCG will continue it's Practice Fitness 'Insight Leadership' Boot Camp Series, focusing on Strategic Planning, Business Financials, Marketing Savvy and Investment in People. If you would like more information, contact the AIRC/CCG office on 07 3289 1900 or speak to your Provet Business Account Manager.

Seasons Greetings to our wonderful clients and students!

Looking forward to working with you in 2010!

The AIRC and Crampton Consulting Team

