

Detailed study of the data presented on the website will yield further information, and is essential reading for all practice managers. Relating the practice's performance to known benchmarks is a valuable exercise. It would be nice to assume that four years of NZVA benchmarking has resulted in improving practice profitability but other

factors are inevitably involved. There can be little doubt that the benchmarking survey has improved awareness of profitability issues. Thanks are due to all practices that submitted data. The more practices involved, the more relevant the results become.

## Business resolutions for the new year

by Hamish Edwards, Wellington

The start of a new year usually brings resolutions of a personal kind. But have you put any thought into what the New Year resolutions will be for your practice?

Veterinary practices have financial demands and constraints just like any other business, and the beginning of the year is the perfect time to evaluate business performance and plan for improvements. Signs are pointing to a future national economic slowdown, so preparing your practice now will ensure you are in the best position to take advantage of opportunities as they arise, while continuing to deliver quality services to your clients.

Here are some resolutions you might want to consider.

### • Plan ahead

Now is a good time to sit down and write a one-month and one-year business plan. Note the changes you want to make and the steps you need to bring you closer to your goals. Consider where you thought you would be by now and where you actually are. Ask yourself where you want to be in five years and use your yearly goals to achieve that.

### • Set financial goals and milestones

A five-year financial plan will help you reach your goals. Identify milestones as they will determine the next steps for your business. Remember, your practice not only needs to support you now, it needs to provide for your future.

### • Create a financial model

What is your business income, and what are the direct costs, wages, overheads and marketing costs (if any)? How do these relate to price and volume increases, customer numbers or working hours?

### • Monitor performance

Work with your accountant to identify financial targets and prepare a monthly report that highlights the key performance indicators of your plan. Introduce a 12-month rolling cash flow system. Evaluate the success of your business based on profit, not revenue.

### • Know your clients

Clients enjoy doing business with people they feel care about them and their animals. Compassion and

attention to detail are crucial in creating a trusting relationship. Cultivating these relationships is important because a strong and loyal customer base will drive growth, through repeat business and referrals.

### • Stand out from your competition

Take a good, hard look at your practice and ask yourself how you've distinguished yourself from your competition. Then determine what you have to do and how much it will cost to put your business at the top of your market.

### • Refresh your business

If the atmosphere in your practice seems stagnant, ask yourself why. Are your staff tired? Do they need an infusion of new blood, or is it a leadership issue? Consider holding regular staff meetings to generate new ideas and get business input. If you discover something negative, turn it into an opportunity to make positive changes in your business. Be a leader, show positive energy and integrity so people will follow you forward. And be prepared to trust people to do their jobs well, because you should spend as much time as possible working on your business not in it.

### • Take quality time

Finally, take enough time for yourself and your family or friends. The main reason many people set up a practice is so they will have more time with their families, more control over work hours or over how their time is spent.

Asking yourself some hard business questions early in the year will set you up for success. By identifying potential problems or issues early and dealing with them, you can make 2007 a year to remember in the process.

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