

Key Performance Indicators – June 2008

Measuring the quality and value of your private practice and ensuring its success is sustainable is vital in today's highly competitive marketplace.

Most consultants would respond along the lines of "my turnover seems fairly stable" or "I presume my patients are happy as I have no real complaints". Fine in the past but not so now

The only effective way of knowing how well your practice is performing and whether it is heading in the right direction is to put Key Performance Indicators (KPIs) in place. Collecting data and feedback and then analysing the results against targets and strategy will give you an objective critique of your business. Consider your car's dashboard. When you drive everything you need to drive properly and safely is in your immediate vision on the dashboard – the controls to drive and performance data to tell you whether everything is performing properly. These are effectively Key Performance Indicators. Just as in a car your own private practice needs a dashboard.

When you decide to identify your own business's KPIs, keep this vision in your mind and place everything you need to manage your practice on your practice dashboard.

I have highlighted some of the essential KPIs below to get you started:

1. Referrals in – look at the number and source of referrals. Does this reflect your business development strategy?
2. How long are your patients waiting for an appointment? You may need to extend the number of locations if the wait is getting longer
3. How many telephone calls does your practice receive? Is the number of calls increasing?
4. How many of those calls are answered and how quickly? The accessibility of your practice is ever more important.
5. How many calls go to voicemail? Patients do not like leaving messages!
6. Produce a patient survey and plot the answers. Encourage patients to tell you what they think. If they are not given the opportunity to tell you they will surely tell lots of other people!
7. How quickly are your letters produced?
8. How quickly are your invoices issued and payments received? If you are slow to receive payment then your cashflow will suffer
9. What outstanding debts do you have? Stay on top of this as it is a widespread issue in the market, which harms your bottom line
10. Where is your income coming from? Make sure it is spread across several sources to ensure better sustainability

Whatever KPI's you implement remember that the feedback they provide needs to be analysed against the goals you have set for your private practice. Collecting data is of no use unless you analyse, compare and act accordingly

Drive carefully!