

Dear Friend,

Research shows that nearly 95% of veterinarians are guessing at their fees and it is hurting the profitability of their practice. If your fees do not represent your staff, equipment and inventory costs, you are dependent on increasing client visits. In today's economic times, this is risky and extremely stressful.

It is unfortunate to work for a month and not make a paycheck yet this is what happens at many clinics. Owners that are stressed when they have to pay the bills at the end of the month and they have not seen enough clients will have to cut down on staff hours or cut inventory. But it does not have to be that way.

### Setting Fees That Are Fair

Most all veterinarians want to charge fees that are fair to their clients, fair to their staff and fair to themselves.

The majority of veterinarians guess at their fees until they are comfortable. But how do you know if you are covering the costs of overhead? Do you know what the actual cost is for the animal to walk through the door including lights, water, rent, staff, benefits, taxes, etc. to provide that service?



When you and your staff don't understand how your fees were arrived at, it could cost you thousands in lost revenue each month. Creating fees that are fair takes the guessing out of fees and creates a TEAM environment where Together Everyone Achieves More!

Especially in a multi-doctor practice, and even if the practice feels they have good protocols, doctors vary in their charging habits. Resolving these differences will improve practice protocols, resulting in better communication between doctors, staff and clients.

### Tips to Establishing Practice Fees

- When practice staff understand fees, it helps support new opportunities and improved benefits for the staff, new equipment for diagnostics and money for remodeling and updating the clinic.
- Review the fee structure with ALL practice personnel, especially reception staff.
- Describe what the item is and how it should be used; describe how the price for the item

was arrived at; briefly describe how items in one category are associated with services in other categories (Anesthesia goes with Surgery).

- Discuss how to present the fees to a client and potential problems with a client's understanding of the item.

## Setting Fees

Most veterinarians prefer not to raise fees and instead, hope more clients will come through the door. But if you do not understand your fees or are guessing at them, it could COST YOU THOUSANDS IN LOST OPPORTUNITIES EVERY MONTH.

A profitable practice makes for a happy owner and happy owners make better bosses. A practice where the owner does not get paid tends to create an owner that is burned out. No one wants to work for free. There are so many variables to consider when developing a fee structure.

### So ask yourself the following:

- Is your fee schedule logical? Does it make sense?
- Do you make enough money to pay your bills and still make a profit?
- Are you getting paid what you are worth as a doctor?
- Are you earning a return on your investment?
- Are you paying yourself fair market value for your real estate?

## Does Your Staff Fear Talking to Clients About Fees?

- Do you run when a client is given an invoice when picking up their pet?

- What does the staff think when the clinic increases their prices?

.... The doctor is making more money.

..... The increase is to pay for their salaries and benefits.

..... The increase is for new diagnostic equipment.

Unfortunately, the reality is that when the doctor does establish a fee increase, the staff thinks he/she is making more money. This does not create a team environment.

### How Did You Set Your Fees?

- Called the clinic down the road.
- Price sheet from former clinic.
- Demographic zip code.
- Guessed at your fees until you were comfortable.

How do you charge for the costs associated with "soft time" such as answering phones, filing, inventory ordering, inventory unpacking, reminders, cleaning the clinic, client billing, payroll, inventory returns, client communications, mail and staff meetings?

## We Can Help Your Practice Achieve Success

AVCSuccess is a full service veterinary practice management consulting firm. We partner with our clients to deliver solutions that help solve the most complicated needs to help you reach your financial and business management goals.



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