

# Keeping Tabs: Key Performance Indictors

Written by Cheryl Whitman



Business success is all about the numbers. If you do not have systems, processes, procedures in place, and a way to track your business analytics, you are setting yourself up for failure. Key performance indicators are specific things you will want to track. They are a roadmap to your medical spa or health care practice's success. Identifying, tracking, and assessing your key performance indicators allows you to make better business decisions based on performance, not intuition. However, like any roadmap, if you do not follow it, it does not help you reach your destination. In other words, tracking the numbers is not enough. The information they provide must be acted on in order to be successful.

## REPEAT CLIENTS

Perhaps the most important key performance indicator is your actual client count. This is simply the number of clients that come through your door on a daily basis. You want to see the average number of clients increasing.

Once you understand your actual client count, you will want to dig deeper and determine how many of them are first-time clients and how many are repeat clients. Client retention rate is a key indicator. This is simply the number of returning clients divided by the total number of clients. If you do not have a high percentage of returning clients, you should take a serious dive into why. That means that clients are trying your practice one time, maybe looking for bargains, but are not satisfied enough to return. You need to determine why and work to correct the problem.

## OTHER KEY PERFORMANCE INDICATORS

A Customer Satisfaction Score is another key performance indicator to consider. A post-visit survey of your clients is conducted, and a score assigned to their responses. This survey can be a simple follow-up text, call, or an email. Short and simple is the best way to get feedback.

Conversion rates should also be measured for phone, website, and in-person or virtual consultations. If clients are contacting your practice, but your conversion rates are low, action needs to be taken to identify and correct the problem. Sales and revenue deserve attention also. You will want to identify your total sales over a given time frame. Similar to the actual client count, you want to see this number trending upward. Total sales should then be broken down into retail sales and services sales. This gives you an idea of where your revenue is being generated. Another useful measurement is the average retail ticket, or the average amount of money a client spends during a visit.

## CREATING & INCREASING REVENUE

Having a thorough understanding of sales and revenue allows you to identify means of increasing it. For example, if the majority of your revenue is coming from services, you can focus on educating your clients about how to extend the benefits of their procedures through home maintenance products, and more. You may also want to increase the average ticket by bundling services. Training your staff to educate clients and upsell services can help increase revenue and lead to more satisfied clients.

Look at revenue generation per procedure also. Consider whether certain procedures or treatments are generating the majority of your revenue. Ask yourself if you have introduced a new treatment or procedure, but it is underutilized and just isn't producing sufficient revenue. Promote it and educate your clients about the benefits it provides. Offer a special introductory price for a limited time on new treatments. Time to get the word out and the clients in.

## STAFF UTILIZATION & ACCOUNTING

Key performance indicators can also be used to better understand staff utilization. For example, you can measure the number of clients per day per provider or the rebook rate by provider. If you have staff members with a low rebook rate, this can be an indication that additional staff training or other measures may be necessary. Perhaps your staff has extremely high utilization percentages, then you may want to consider adding additional team members.

Finally, it's important to measure your net profit. You may have a steady stream of clients coming through your door and still not be meeting your profit objectives. You need to keep an eye on your expenses and ensure you are within the normal range. Look back on your business plan or call your accountant.

By understanding the numbers provided by the key performance indicators listed above, you will have the information necessary to make informed decisions and grow your bottom line.

*Cheryl Whitman Internationally recognized aesthetic business development expert Cheryl Whitman is the founder and CEO of Beautiful Forever Consulting. She is a sought-after speaker and industry marketing specialist. With her seasoned team of professionals at Beautiful Forever, Whitman assists physicians and medical spas in creating new profit centers, developing profitable private label product lines, ghost writing articles and eBooks, and identifying and executing new business strategies aimed at improving their bottom line. A celebrated author, Whitman's "Aesthetic Medical Success System," a turnkey educational system, has assisted clients in opening or jumpstarting their current businesses. Her second book, "Beautifully Profitable, Forever Profitable," provides solid, practical information on how to create, launch, and grow successful aesthetic medical practices and related businesses.*