Business indicators

- **Gross profit**
    - measures the clinical revenue left over once the costs of clinical services are subtracted
    - quick way of determining if there is sufficient cash being generated to cover direct clinical costs with an allowance for overheads
    - on average, gross profit needs to be well over 40% to ensure sufficient revenue is available to keep the lights on!
- **Net profit**
    - what is left over after all of the business expenses are paid and before tax is applied.
- **Revenue per appointment and appointments per hour**
    - quick and easy averages to use on a weekly basis to monitor the types of patients a doctor is attracting
    - some doctors see more patients per hour, but they are predominantly children who are bulk billed
    - other doctors see a mixed group of patients, some of whom can be privately billed so a slower throughput is in fact paired with a higher average revenue
- **Population growth rates in the region vs. practice active patient growth**
    - if the population is growing faster than your patient cohort you are losing market share
    - this may be a sign that others have a better offering than you or your practice
- **Clinical indicators** like "results not yet given", numbers of reminder letters sent, "near misses", medication safety summary reports from the National Prescribing Service and numbers of patients seen per week by doctor can all be used to ensure that legal obligations are being met, Medicare remains happy and fatigue and professional development are being managed.
- Business efficiency and safety indicators might include statistics on **who a patient first sees** at a practice

Generating the data on these various indicators is possible by extracting information from many of the software programs used in general practice. Sadly, none do the maths which link timesheets to billings or no shows to clinicians. This is where a highly skilled and computer literate Practice Manager will stand out from the pack.