

Money Makes The World Go Round

I love music but can't read a note. I also love earning and spending money because that's what money was meant for – the exchange of goods or services. I have had no formal training in music or financials and presumed that because I couldn't play or sing from a score then it was OK not to understand how a balance sheet and report worked and that I could rely on the accountant to sort me out.

There the analogy ends. An orchestral conductor looks at a score and can see where everything is going and leads the musicians, an accountant tells you 18 months (or more) after the fact where you have been. From this you hope that you have made a profit and that you will have enough to pay the tax man. I soon rumbled that this was a crazy way to behave so I started to read my own "score", that way I could see exactly in which direction my beautiful symphony was heading, where we were now and also where we had been.

How? Well first with graph paper and then with the utility that originally made computers essential in the workplace – spreadsheets. Using Microsoft Excel (for example) you can plot your way forward, you can see how much you are going to spend during the next week, month or year and therefore know how much you need to earn.

With clever tweaks you can see how much each surgery costs to run, whether your associate or hygienist is profitable or whether they should be paying *you* for the privilege of working in *your* practice.

Want to see the effect of bringing in an associate sliding scale? Easy.
Want to see how much the introduction of implants and botox *really* made to your profitability? No problem.
Fancy adjusting prices by a small percent or making an introductory offer, but not sure of the effect on cash flow? Just ask the system.

The alternative? Turn up, hope that everyone is doing what you think they're doing, cross your fingers and pray that there's less month than money this time round and that the tax bill your accountant is going to tell you about (sometime, maybe) isn't going to need to be paid with a credit card.

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