

Creating a Financial Health Dashboard For Your Practice: Checklist

Jeff Zimmerman, Ph.D., ABPP

You've made a tremendous investment in your private practice. This investment deserves responsible financial management, just as if you had invested in someone else's practice. Building a dashboard (using excel or a similar program) can go along way to help you track these essential financial indicators:

- **Income and expenses across 2-5 years:** this can be done on a monthly or quarterly basis allowing you to see the fluctuations of income and expenses, and compare different time periods.
- **Productivity:** track the income generated and hours worked per cycle for yourself and/or each clinical staff member, and aggregate per full-time equivalent.
- **Debt activity:** track the outstanding debt on credit lines, and equipment loans making sure these are changing in the right direction over time.
- **Expense patterns:** pinpoint your highest expenses, and see where cost containment can make a difference. Many times leases can be renegotiated and compensation benefits can be configured to be less costly.
- **Cash flow:** examine fluctuations in cash flow over the course of a year based on income variations (for example taking time off) and expense fluctuations (such as attending a professional conference or buying new equipment).
- **Accounts receivable:** track monies owed to you in monthly aging increments, and then determine which accounts need to be followed to collect outstanding debt, have a payment schedule developed, or have the debt written off.

Following your financial indicators, can go a long way to decreasing your anxieties over costs, and increasing vacation time, and your income potential.

Member Note: TPI members have access to our expanded guides. For more information about creating a financial dashboard for your practice, download our full version with more detail about each of these steps, including examples, links, and recommendations for free.

The practice of your dreams can be your reality. If you're looking for personalized guidance or more on this topic, consider a one-on-one consultation with a TPI consultant. Contact us at support@thepracticeinstitute.com to arrange a convenient time.

TPI members have access to our expanded checklists, guides, and tips; a free one-on-one consultation; access to our on-demand Answer Desk; and free small group discussions on a variety of practice needs.

<https://thepracticeinstitute.com/join-tpi/membership-options/>

Last updated 4/17/24 (AE)