

## PHYSICAL THERAPY PRIVATE PRACTICE

## BUSINESS METRICS THAT MATTER







## **KEY PERFORMANCE INDICATORS**

Metrics matter. Tracking metrics lets you improve results and meet important objectives within your practice. If you want a healthy cash flow and an actionable way to achieve your business goals, you need to know the key performance indicators for your physical therapy private practice.

The following metrics are what you should be tracking to have a proper pulse on the heartbeat on your business:

- Revenue per full time team member
- Total payroll vs. net sales (as %)
- Gross margin vs. net sales (as %)
- Operating expenses vs. net sales (as %)
- Facility expenses vs. net sales (as %)
- Rent vs. of net sales (as %)
- Sales & marketing expenses vs. net sales (as %)
- Total employee related expense vs. Net Sales (as %)
- **Total administrative expenses vs. Net Sales (as %)**
- Accounts receivable should be \_\_\_\_\_ days' sales outstanding or less
- Cash reserves should exceed \_\_\_\_\_ financial obligations
- No more than 15% of your referrals should come from any one group
- No more than 5% of your referrals should come from any one individual
- Know debt to equity ratio



## IMPROVE RESULTS HIT YOUR GOALS

Our advisors would be happy to help you analyze and understand key performance indicators for your physical therapy practice, we will complete a business analysis to help you understand where your practice stacks up and the opportunities you have to improve. While our formulas are proprietary, more than half of all our practices see a 40%\* growth in their collections when they use our model. When private practitioners succeed, everyone wins!





For a comprehensive business analysis and to see how you measure up against the industry standard. <u>Contact a</u> <u>FYZICAL Advisor.</u>

\*FYZICAL conversion model saw the following revenue growth; average 40%, median 37.7%, 51% (44/87) who joined FYZICAL met or exceeded the average 40% revenue growth. p.48 F.D.D.



