AHEAD OF YOUR GAME

Andy McDougall on behalf of the BDPMA offers eight top tips to becoming a proactive practice manager

The sole purpose of managing a business is to steer it to achieve the goals set out at the start of each year. Without a plan, how do you measure progress and ensure you remain on track? In this feature we provide a few tips to help you become a proactive manager.

1. Have a plan
Every financial year you begin a new journey. Don’t go another year without adequate planning and preparation – that’s leaving your business success to chance. Steer the business to the result you desire. Planning and control is a fundamental differentiator between success and failure. What got you here won’t necessarily get you there. Can you rely on what you have done in the past, the world changes and so must you.

2. Develop a focus
Focus on what’s important. Ensure your time and resources are devoted to those crucial activities that will determine success. This might be growth through new customers or business development by offering additional services to existing customers. Don’t get caught up in the small stuff that ultimately won’t have added activity. When was the last time you looked at your processes? Can you be sure that your theoretical process is actually the same as the practical one your staff follow? Are your operating methods correct or are they full of holes? Are they cumbersome? Could there be better ways of working that would lower your operating costs? How many activities, when challenged, add no value – “that’s the way it’s always been done here”. How many meetings last four hours and when you read the minutes don’t exactly address the real business issues?

3. Prepare monthly accounts
It’s far too late to check how you are doing at year-end. A set of monthly management accounts will ensure you know if you are drifting off target and give you sufficient time to take corrective action. Too many business owners think they have a good feel for their business only to find an unanticipated result at year-end. Once you have created a map of your journey be sure to refer to it frequently: how else will you know that you remain on track?

4. Processes and costs
Eliminate all non-value-added activity. When was the last time you looked at your costs? Do you benchmark your expenses or mark yourself against best-practice? What do you regularly measure all manner of things in your business? Like the dashboard of a car, you should have a range of metrics to keep you informed. Measurement turns you into a proactive manager who steers the business to derive the result you want. What gets measured gets done. Remember to measure financial and non-financial things. If you have developed a great business plan your team’s objectives and the objectives of the business will be aligned – everyone will be rowing in the same direction. Ask yourself – is it sensible to have an element of the business which you know is crucial to success that goes unmeasured? If you had to market your business now there will be at least one and probably many unmeasured but crucial areas.

5. Marketing – focus on customers
Does your business plan have a marketing section? What marketing methods deliver great returns? Who is your target audience – customers are not all equally attractive. What is your new customer/lapsed customer ratio? Do you know why customers join/leave you? When was the last time you measured your service levels? If you have a brand, practice literature, a website and all the other marketing communications tools you have been advised you need, have you actually assessed their value? Marketing activity is action that is undertaken to fulfill a specific purpose so if you don’t have a plan with specific objectives, how do you assess the success of your marketing initiatives?

6. Measure performance
If you stay one step ahead, you too can become a good practice manager. Can you be sure that your business isn’t going to be around for long. How close are you to managing the cash, do you know this morning’s balance, do you know what the cash position is likely to be in a week or even a month and if it’s not looking too healthy what actions have you planned to change that situation?

7. Keep an eye on cash
Remember – turnover is vanity, profit is sanity and cash is king. We are all in business to make profit, but without cash your business isn’t going to be equally attractive. What is your new customer/lapsed customer ratio? Do you know why customers join/leave you? When was the last time you measured your service levels? If you have a brand, practice literature, a website and all the other marketing communications tools you have been advised you need, have you actually assessed their value? Marketing activity is action that is undertaken to fulfill a specific purpose so if you don’t have a plan with specific objectives, how do you assess the success of your marketing initiatives?

8. You are not alone
If all this seems a bit daunting, remember you are not alone. There are plenty of people and organisations you can get help and advice from. The first step is to be aware of what you don’t know. By exposing yourself to new skills and techniques you can assess where your learning gaps are.

The BDPMA works towards supporting everyone involved in the management of practice by providing practical workshops which not only give you loads of tips to apply back at the practice, but also enable you to benchmark your performance against best-practice commercial principles.

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