

5 Best Practices for Dental Reporting and Analytics

Does your practice make the best use of data to achieve your vision? Dental reporting and analytics are powerful advantages that, when done correctly, can help you understand your operations on a deeper level and make better decisions for the future of your practice.

The reason PBA is dedicated to the dental industry is that many dental professionals and office managers find themselves struggling to balance time commitments for patients and the business, while still focusing enough on their accounting. Optimizing financial reports, metrics and analytics for your practice will help you spend less time trying to decipher spreadsheets and more time on what matters.

Here are five tips to help you get the best value from your financial reporting and analytics:



1. Start with your goals in mind



What is your long-term vision for your business? Do you hope to grow geographically? If so, how quickly do you want to expand? Do you hope to reach certain benchmarks for patient satisfaction and return rates? Are you hoping to expand the range of services you offer?

Whenever you're working on your accounting and looking at financial reports, you should always be asking yourself which data matters and why. If you don't have a clear, quantifiable vision for the future of your practice, or if you haven't revisited your goals recently, you should focus on that first.

Remember, your accounting partner should be constantly helping you achieve goals – so you need to know what those goals are. When you have deeper visibility into your finances, you can fine-tune your goals and growth strategies.

2. Pay attention to your cash flow report



Keeping up with cash flow is a common challenge for all dental practices. An accurate, timely cash flow report is a critical component of your accounting, because building healthy cash flow is at the heart of your financial health. Your cash flow will vary from month to month, but if you pay close attention, watch for revenue patterns, and keep a tight rein on your expenses, you'll gradually discover trends that can help you plan for the future and increase your profit.



3. Measure operational metrics in addition to financial metrics

Cash flow isn't the only thing indicating the health of your practice. Your actual dealings with patients are important too! How can you measure these in a way that helps you better understand your business?

Operational metrics are somewhat unique to each practice, but common metrics include Production to Hygienist, Production to Dentist, and Production to Net Collections Ratio. These indicators can help you understand what's working well in your business, and areas for improvement.



4. Optimize processes for efficiency

Reports are awesome – but only if you can get them in a timely fashion. Many dental practices use manual reporting processes and spreadsheets so you're analyzing data long after it's relevant. That doesn't give you the opportunity to be proactive in adapting to changes or making decisions that guide your business in the right direction. Additionally, many practices struggle with issues caused by slow reconciliations – which makes it difficult to know how much cash you actually have and harder to prevent fraud and other issues.



5. Compare to industry averages and other benchmarks

It's one thing to know the performance metrics of your own practice – but how do those compare to other dental practices in your area, in your specialization, or throughout the country? This information is a key way to set realistic goals for your business, outsmart the competition, and identify areas for improvement. At PBA, this is a huge advantage for our clients because we work closely with a variety of dental professionals such as dentists, periodontists, orthodontists, endodontists, etc.

How can you implement these best practices?

Performing financial and operational analysis is an essential component of running your dental practice. However, that doesn't mean you have to spend all your time compiling reports! Efficient processes, effective technology, and industry expertise can all help you spend less time on accounting while gaining actionable information to drive your business forward.

Want to see what financial reporting and analytics for your dental practice should look like? Contact PBA today to talk to our dental accounting experts and schedule a valuable accounting assessment.



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