



THE VALUE OF PRACTICE MANAGEMENT ■ INFO ■ STATS ■ DATA
Profit Drivers Australia
by Business Health Pty Ltd

Profit Driver	% of Aus practices	Profit per principal*	Profit increase per principal*
Client Segmentation			
No	38%	\$201,300	-
Yes	62%	\$295,587	+47%
<i>Effective implementation</i> <i>(Formal segmentation model, differentiated service offers and process reviewed annually)</i>	34%	\$322,541	+60%
Client Review Process			
<i>Involving adviser alone</i>	60%	\$243,285	-
<i>Involving adviser plus another from the business</i>	39%	\$291,176	+20%
Seek Client Feedback			
No	74%	\$219,634	-
Yes	26%	\$385,459	+76%
<i>Effective implementation</i> <i>(Formal feedback process, involving external expertise & sharing results with clients, staff and business partners)</i>	2%	\$416,410	+90%
A Class Client Contacts			
<i>10 or less times per year</i>	73%	\$233,807	-
<i>More than 10 times per year</i>	27%	\$334,894	+43%
Business Planning			
12 Month Operational Business Plan			
No	33%	\$165,092	-
Yes, partially documented	45%	\$239,852	+45%
Yes, fully documented	22%	\$449,361	+172%
Longer Term Strategic Plan			
No	18%	\$195,258	-
Yes, partially documented	58%	\$204,487	5%
Yes, fully documented	25%	\$440,185	+125%
<i>Effective implementation</i> <i>(Documented strategic & operational plan, reviewed at least 6 monthly, monthly progress to plan monitoring)</i>	8%	\$515,099	+161%

*Note the profitability calculations include a notional \$100,000 salary for each principal working in the business.
 COPYRIGHT© BUSINESS HEALTH PTY LTD 2022.

Profit Driver	% of Aus practices	Profit per principal*	Profit increase per principal*
Succession Planning			
<i>No written plan or buy sell agreement</i>	76%	\$243,038	-
<i>Documented plan with buy sell agreement</i>	24%	\$323,365	+33%
Effective implementation <i>(Documented plan, reviewed regularly, covering all contingencies, successor identified with funding in place)</i>	5%	\$561,663	+131%
Staff Management			
Staff with up-to-date job descriptions			
<i>None</i>	21%	\$117,696	-
More than 75%	63%	\$331,431	+176%
Offer staff incentive/bonus program			
<i>No</i>	52%	\$200,691	-
Yes	48%	\$327,666	+63%
Staff with individual performance objectives			
<i>Less than 50%</i>	32%	\$158,514	-
More than 75%	51%	\$344,375	+117%
Last performance reviews/appraisals			
<i>More than 12 months ago</i>	23%	\$157,104	-
Within last 6 months	48%	\$296,783	+89%
Last salary/remuneration review			
<i>More than 2 years</i>	7%	\$106,906	-
Within last 12 months	77%	\$203,058	+165%
Seek staff feedback			
<i>No</i>	29%	\$204,764	-
<i>Yes, conducted internally</i>	66%	\$255,454	+25%
Yes, using someone external to the business	5%	\$716,942	+250%
Client Value Proposition			
<i>No</i>	22%	\$147,810	-
<i>Yes, but only in the principal's head</i>	31%	\$268,893	82%
Yes, and fully documented	47%	\$305,829	107%

*Note the profitability calculations include a notional \$100,000 salary for each principal working in the business.

COPYRIGHT© BUSINESS HEALTH PTY LTD 2022.

COPYRIGHT ©BUSINESS HEALTH PTY LTD 2022

The material contained herein represents intellectual property residing within Business Health Pty Ltd. It has been provided on the basis that it will not be reproduced or conveyed to any third party without the prior written approval of Business Health.

HEAD OFFICE AUSTRALIA PH +61 2 9518 6966 ■ EMAIL: INFO@BUSINESSHEALTH.COM ■ WWW.BUSINESSHEALTH.COM

■ PROFIT IMPROVEMENT PROGRAMS ■ CLIENT SURVEYS ■ WORKSHOPS ■ BENCHMARKING ■ RESEARCH ■ COACHING

➤ AUSTRALIA ➤ NEW ZEALAND ➤ USA