

Average Doctor Transaction (ADT) is a product of all DVM driven revenue (any revenue credited to a veterinarian) divided by the total number of DVM Transactions (invoices with a doctor code). The national average for a small animal veterinarians ADT is about \$157. For food animal and equine practitioners, expect this number to be in the upper \$200s to lower \$300s. The ADT is such a valuable number to know because it is the result of three important components in any practice:

1. Thoroughness of care
2. Client compliance
3. Pricing

As an associate interviewing, all three say a lot about a hospital's culture, medical philosophy, clientele, leadership and management. Not only does knowing a hospital's doctors' average ADT help an interviewee judge the aforementioned, it will also give her an idea of the volume of patients she'll need to see in order to produce enough revenue to make her desired salary. The higher the ADT, the lower the volume of appointments needed.

Understanding Key Performance Indicators (like ADTs) are critical in helping an interviewee ascertain information, but when asking a practice owner/manager, it tends to work best to frame the question in a way that doesn't come across as potentially judgmental. I usually save financial questions for the actual negotiation stage of the interview process (i.e. I typically wouldn't ask about them on the first phone interview) and have found an approach like the following works pretty well:

*Dr. Smith, I am by no means an expert on the economics of veterinary medicine, but I do understand enough about business to realize that regardless of how you pay me, you need me to be not only the right fit for you and your clients, but you also need me to perform at a certain production level. To help me better understand what this looks like at Name of Hospital, would you mind if I ask a couple basic financial questions?*

The key from there is knowing enough about averages to ask more questions if there is an outlier. For example, if the owner of a small animal hospital says their ADT is \$300, an interviewee might respond with "Dr. Smith, my understanding is that an ADT of \$300 is well above average. That's awesome. What do you attribute that to?" On the flipside, if the owner says their ADT is \$100, an interview might respond with "Thank you for sharing that with me. What do you feel the ADT reflects? Is the ADT currently where you'd like to see it?"

If an owner responds to financial questions with something like "Oh, we don't worry about that here." I'd strongly encourage the interviewee to push a little harder because without this information, they're making a guess at whether or not the practice can support them (and don't be fooled by how fancy the facility is or how new the equipment is... neither necessarily reflect what we're trying to learn through these questions). In a case like this, I'd respond with something like

*"Dr. Smith, I completely understand this isn't about the money and I'm not asking because I'm looking for any particular numbers. It's really important to me that I practice, communicate and lead at the level you expect and these benchmarks are just a way for me to create measuring sticks for myself. With that in mind, would you mind sharing those numbers with me?"*

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