



Summary of
MPV Business Index Survey
October 2009

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INDEX:

PARTICIPANTS SUMMARY	3
SECTION 1: INDUSTRY SENTIMENT.....	4
<i>Feelings of Practice Owners for the Future of the Veterinary Industry.....</i>	<i>4</i>
<i>Industry Performance for the BAS Quarter.....</i>	<i>5</i>
<i>Veterinary Practice Owner / Manager Feelings for the Future.....</i>	<i>7</i>
SECTION 2: HUMAN RESOURCES ANALYSIS	9
GENERAL	9
<i>Managers Perceptions of their Own HR Situation.....</i>	<i>9</i>
<i>Human Resources Plan</i>	<i>9</i>
<i>Staff Meetings.....</i>	<i>10</i>
<i>Core Values, Goals and Vision.....</i>	<i>11</i>
RECRUITMENT.....	12
<i>Training of Non-Veterinary Staff.....</i>	<i>13</i>
<i>Performance Reviews</i>	<i>15</i>
<i>Level of Staff Contentment.....</i>	<i>16</i>

This is a summary of the results of the MPV Business Index Survey of October 2009. A total of 72 practices submitted data that has allowed MPV Consulting to analyse the information. We sincerely thank these practices and hope that you will get some valuable information from this results summary.

Participants Summary

Chart 1 below gives a breakdown of the participants by State, Type, Size and Location. All sub-cultural groups were reasonably well represented considering the population sizes of each group.

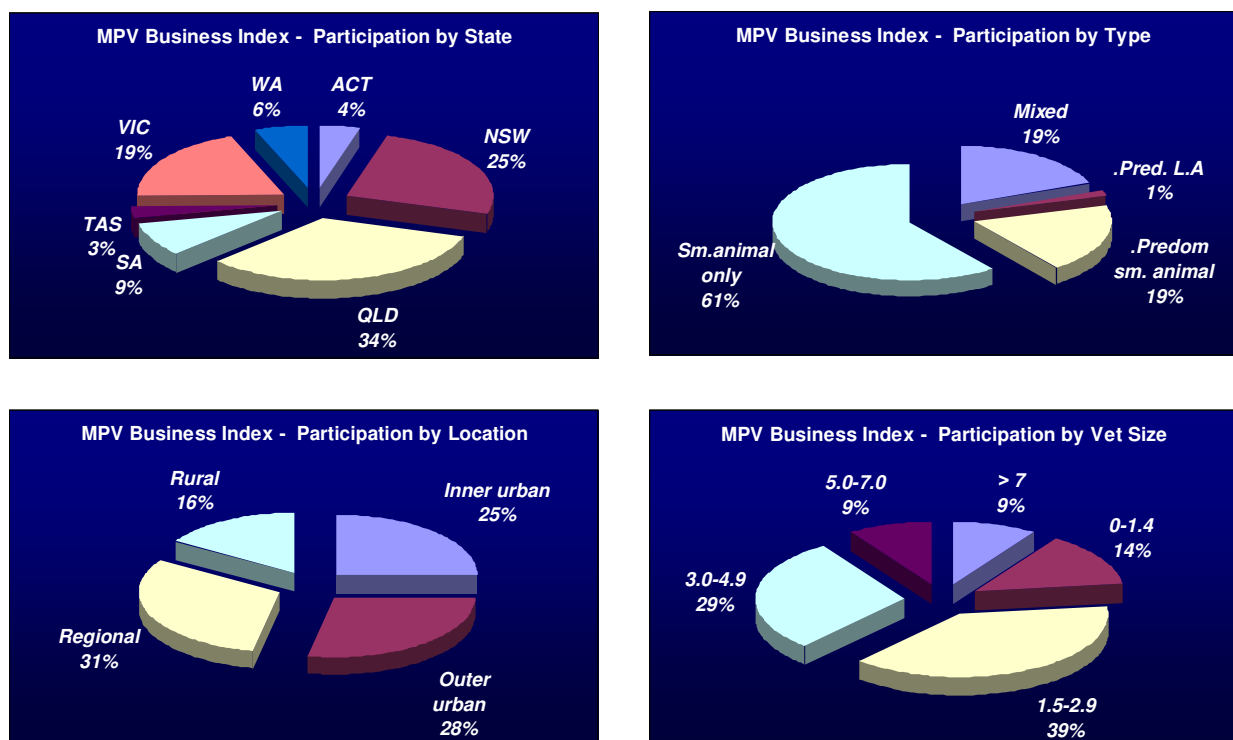
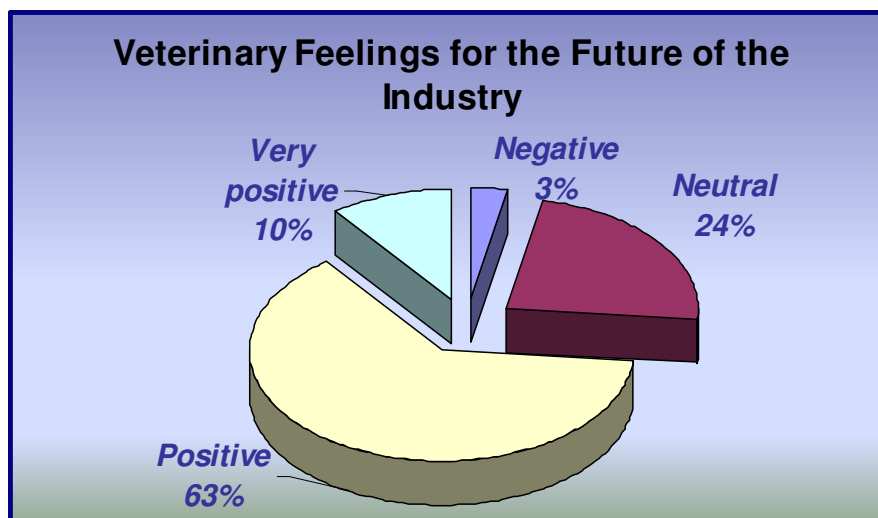


Chart 1: Demographics of participants

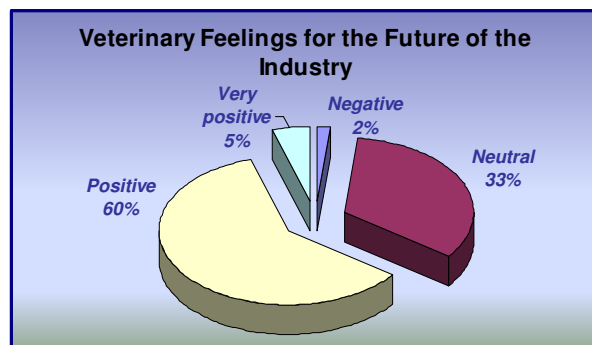
Section 1: Industry Sentiment

Feelings of Practice Owners for the Future of the Veterinary Industry

Well the great news to come out of the October survey was the positive feelings that continue from virtually all participants about the future of the veterinary industry. Chart 2 shows that veterinary practice owners/managers feeling either *positive* or *very positive* about the future of the industry has risen from 65% in April-June quarter to 73% in the July-September quarter. With this sort of positive feeling we could almost be mistaken for believing that a global financial crisis has not even existed.



Current survey: July-September 2009



Last survey: April-June 2009

Chart 2: Feelings for the future

Industry Performance for the BAS Quarter

The positive feelings for the future above were supported by the lack of recession that has occurred within our industry to date. The July-September quarter for participating practices has revealed a gross turnover **growth of 7.9%** compared to the previous year. Unfortunately MPV Consulting did not perform a survey in the January-March quarter so we have not had comparative data for this period. Chart 4 shows that for the last year growth has been consistently above 7%.

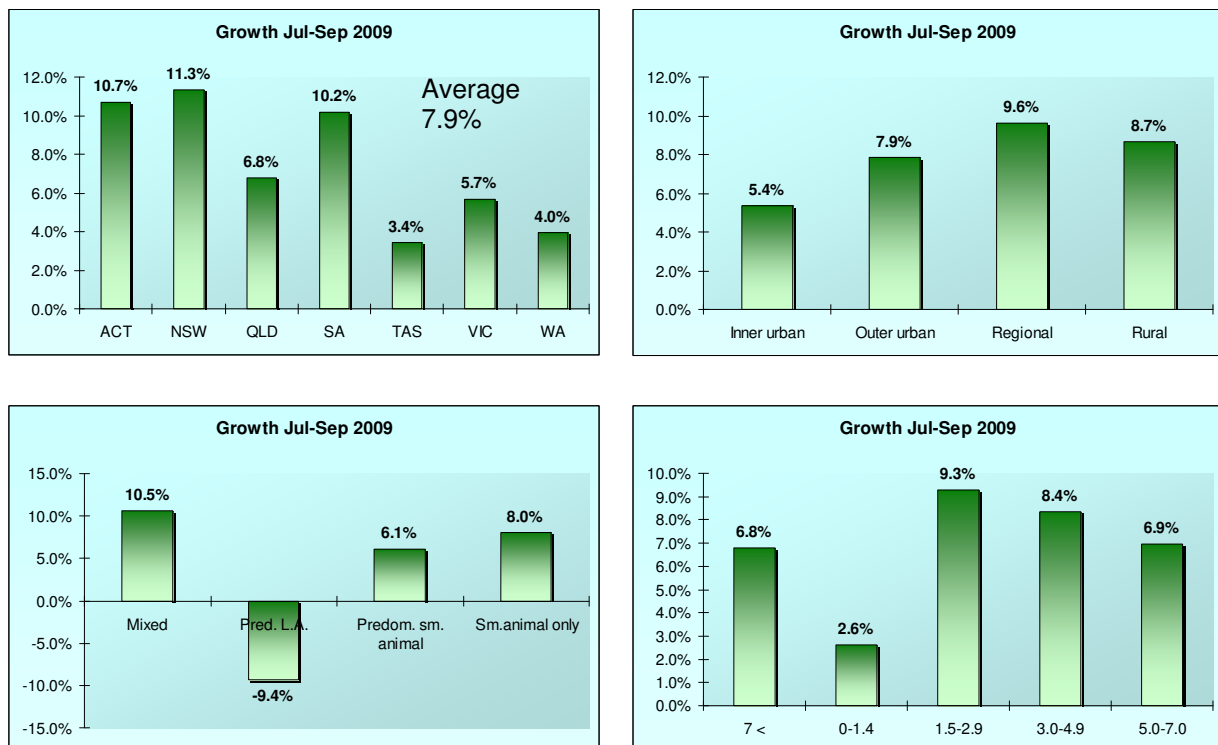
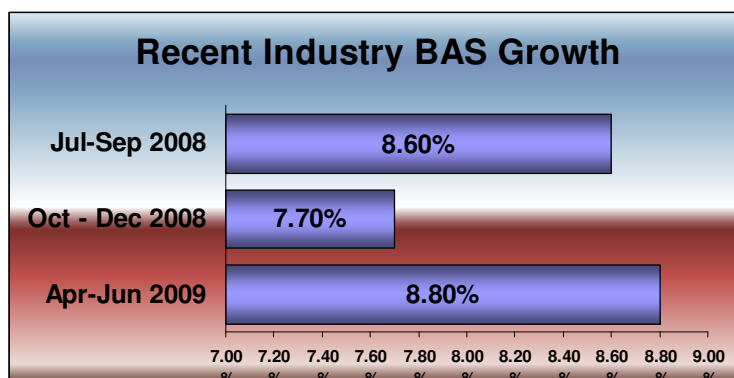


Chart 3: Current BAS quarters by profile groups



Previous BAS quarters

Chart 4: BAS growth for current and previous periods

Mixed practice: The big winners for the quarter were mixed practices with a 10.5% growth in business. This figure was on top of a 16.5% growth in the previous quarter. It would seem that mixed practice are doing very well in the current environment.

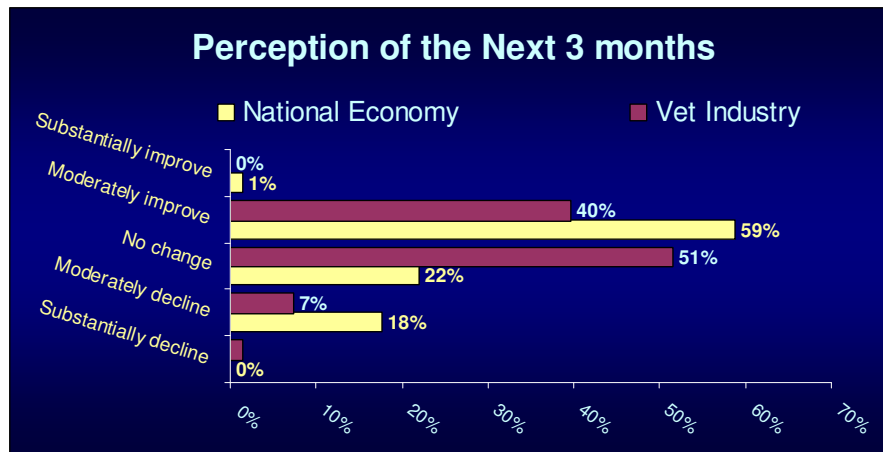
Predominantly small animal practices: appear to have suffered the most. This is possibly due to the fact that many of these practices are on the fringe of metropolitan and regional areas where pet owners may be suffering a little more than some other areas.

Small animal only practices: have maintained good growth at 8.0% even though this is well down on previous years. This is compared with the 6.6% growth in the previous quarter.

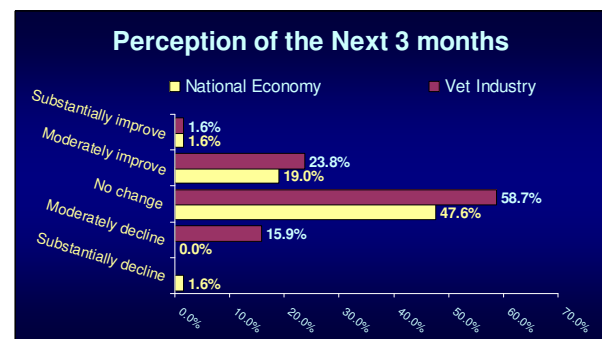
This is for the industry as a whole and does not reflect what specific individual practices or groups of practices may be experiencing. It is unfortunate that some practices are in fact suffering considerably whilst others have done very well. I would recommend for those that are suffering should not be disheartened and may consider more promotional activity to see if your practices can weather this storm as well as possible.

Veterinary Practice Owner / Manager Feelings for the Future

In the survey questionnaire veterinarians were asked their opinions of how they see the future of both the national economic situation as well as the future of the veterinary industry. This included the next BAS Quarter (October - December 2009) and the next 12 months (2009 calendar year).



Current survey: July-September 2009

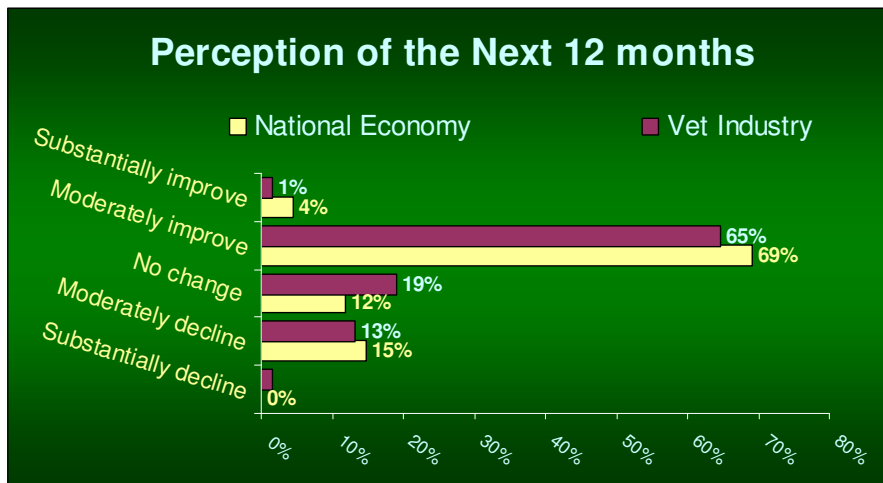


Last survey: April-June 2009

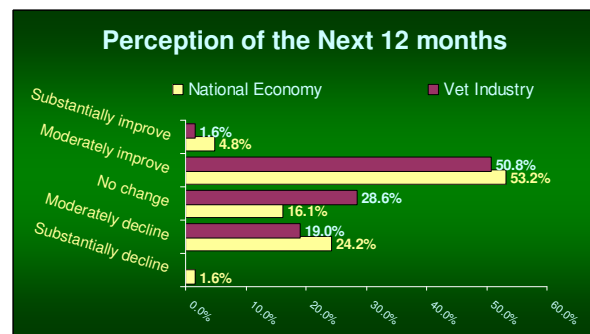
Chart 5: Perceptions for the next 3 months

As you can see from the above graphs, the last quarter has come with a renewed optimism for both the national economy and for the veterinary industry. In the April-June quarter only 19.0% of respondents thought the national economy would *moderately improve* in the next 3 months whereas July-September shows that 59.0% of respondents feel that the national economy will *moderately improve*. This represents a major change in feelings of practice managers for the national situation.

As far as the veterinary industry is concerned there is also a more positive feel however all surveys to date have shown that we all have felt positive about our own industry anyway when compared to the national economy.



Current survey: July-September 2009



Last survey: April-June 2009

Chart 6: Projected future of veterinary industry for next BAS quarter and next 12 months

Similarly to the comments on chart 5, chart 6 is further evidence that participants for the most part feel pretty good about both the national economy and the veterinary industry over the next 12 months.

Section 2: Human Resources Analysis

General

The aim of this section of the survey was to find out what was 'normal' within the veterinary industry for general HR activities. With the new Fair Work Legislation and increasing focus on compliance with industrial relations and OHS as examples, it is imperative we all improve in this area. We hear from all the management experts what we should be doing and the reality of developing and implementing it all effectively can be an enormous challenge. If you sometimes wonder about your own level of performance in HR, then this may allow you to see if you are above average, middle of the pack or below average.

Managers Perceptions of their Own HR Situation

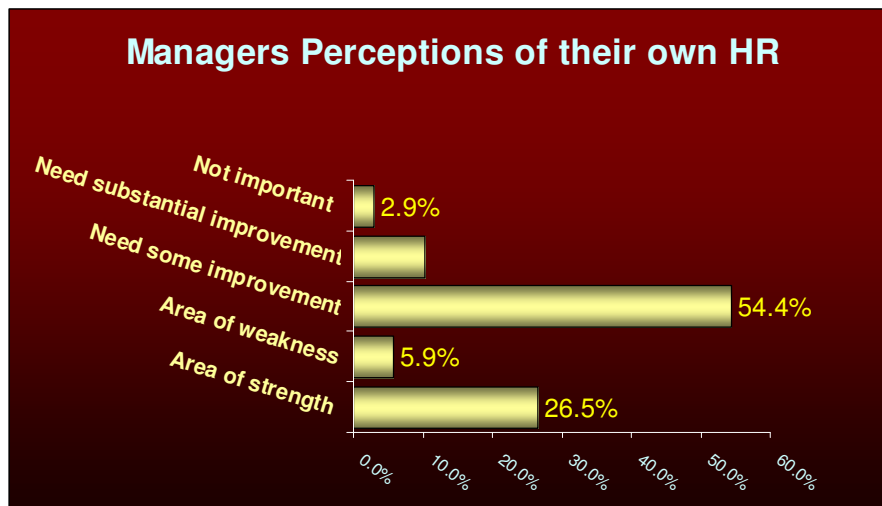


Chart 7: Managers perceptions of their own HR abilities

Human Resources Plan

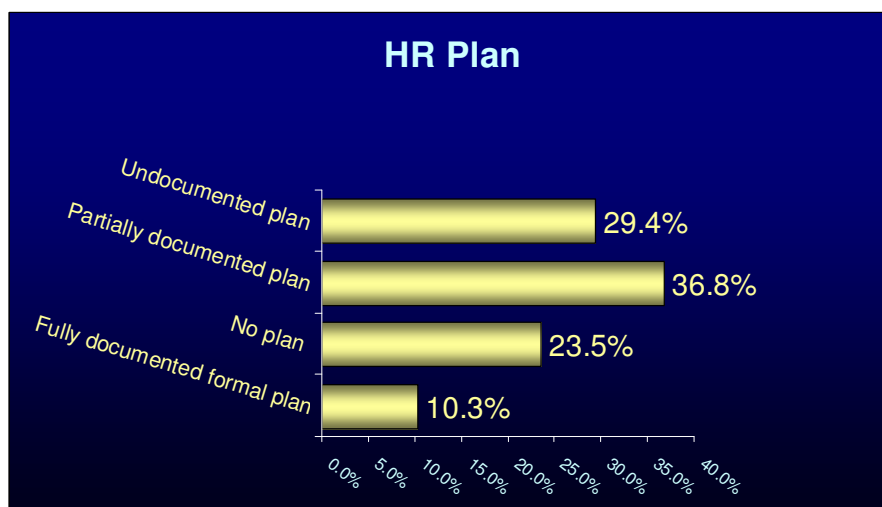


Chart 8: development of a HR plan

Chart 7: 54.4% of respondents feel that there is room for improvement in their HR management whilst only 26.5% felt that it was an area of strength. This would tend to indicate that further HR training would be beneficial for most. Chart 8: reveals that only 10% of respondents have a fully documented HR Plan

Staff Meetings

Communication with our staff members is one of the necessary requirements for what is considered a well managed practice. It is generally accepted that one of the best means of communication is via staff get-togethers to discuss important issues. The need for these meetings will depend on many factors that include the size and type of business. Generally the larger the group the greater the need for this type of communication.

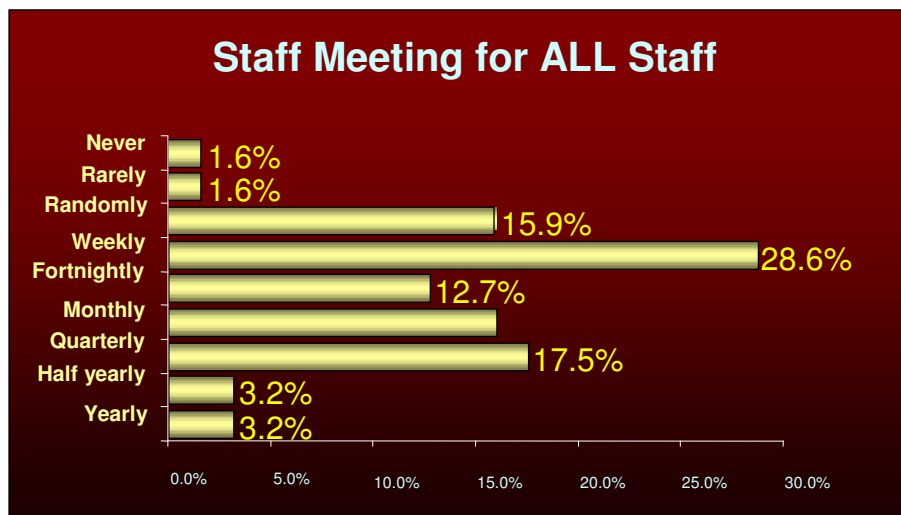


Chart 9: Staff meetings for ALL staff

Larger groups often require meetings of specific groups within the practice whereas smaller clinics often do not have the staff numbers to support further breakdown of meetings.

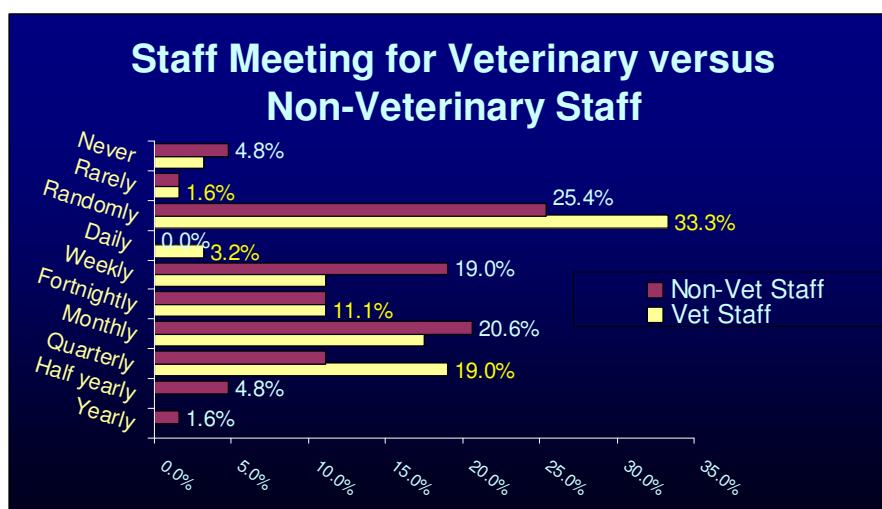


Chart 9: Staff meetings for veterinary versus non-veterinary staff

Core Values, Goals and Vision

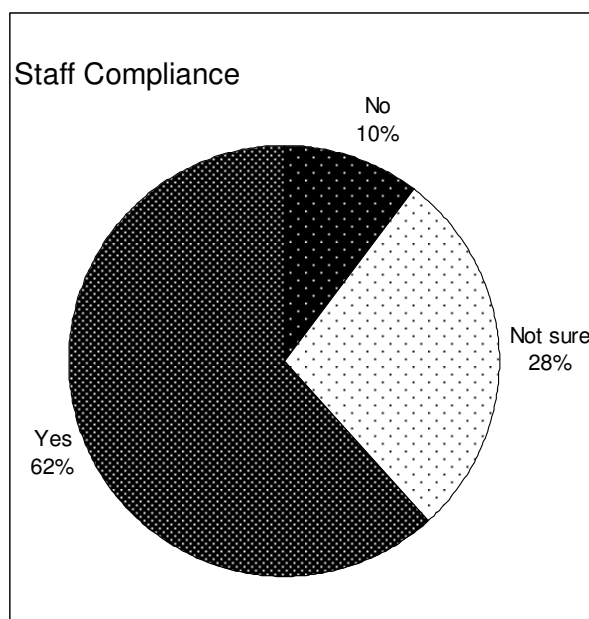
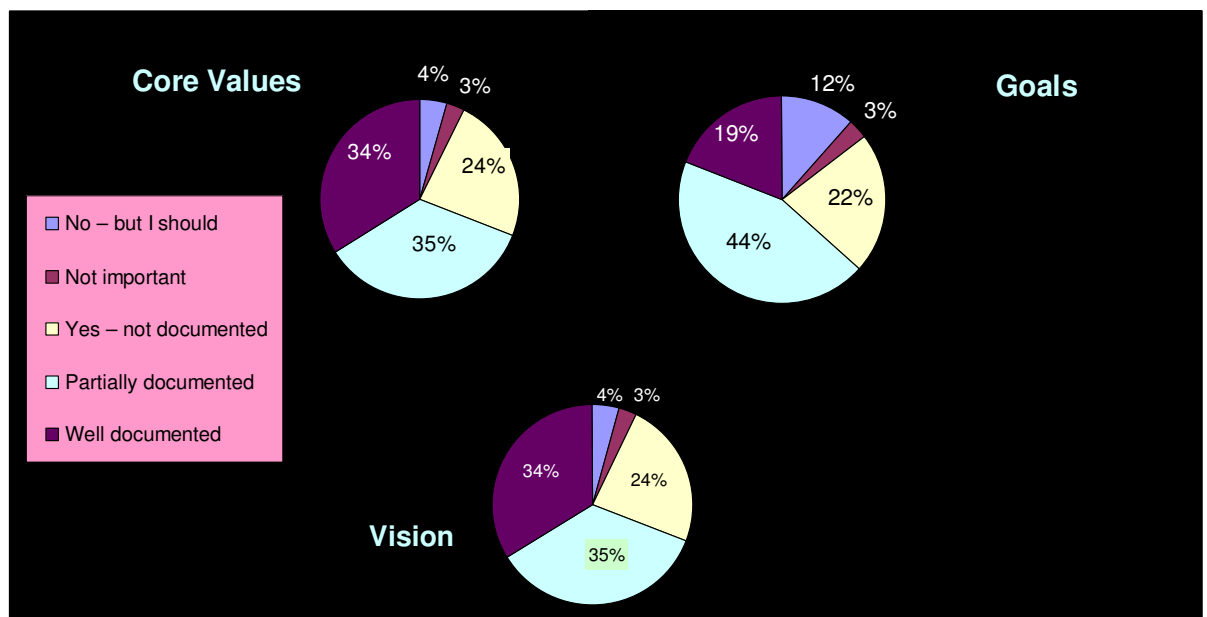


Chart 10: Goals, Vision, Core Values and Staff Compliance

Goals are an essential component of strategy whilst Common Goals, Vision and Core Values are fundamental elements that describe what a business really stands for. For any of these to work requires the input, alignment, participation and compliance of all staff and management. It would appear from the charts above that most practices feel these are all important parts of being in a business. The problem is that most practices have not retained a fully documented outline of these principles. The reality is that if the business does not have a clearly definable direction then it is difficult for staff to have a direction. It is probably an area where we should be putting in a bit more effort.

Recruitment

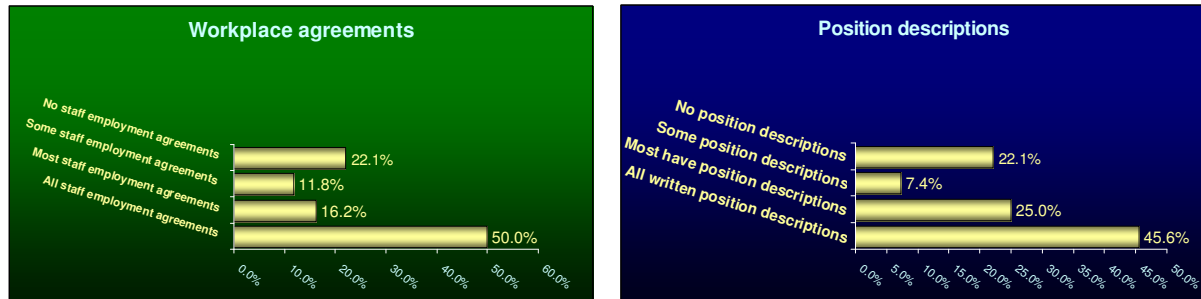


Chart 11: existence of Workplace agreements and Position descriptions

In today's employment environment we need to outline to our staff clear definitions about what is accepted practice within our own workplace and what each staff members job really involves. We often make the presumption that our staff automatically know or understand what is expected when in fact they are not sure. With the Fair Work legislation in place, all practices should ensure they are aligned to the relevant requirements. The Veterinary Practice awards are being "modernized" designed to simplify this area due for release in January 2010. I strongly recommend you ensure compliance in this area. All industries would consider these to items to be mandatory components of employment for all staff members. Many practices may have significant room for improvement in these areas.

Training of Non-Veterinary Staff

Clearly staff are a very important component of the success of our businesses. As veterinarians, our ongoing education is a fundamental factor of keeping up to date in what we do. Is it really different for our non-veterinary staff? Not only are qualifications desirable to the success of our business but are also necessary to retain staff who are motivated and wish to make a 'career' within the veterinary industry. Some years ago *on the job* training seemed to be sufficient but as we become more sophisticated *formal* qualification and training is becoming the norm.

All staff are key elements of success of any business. Treat them well, educate them and give them positive attitudes to their jobs.

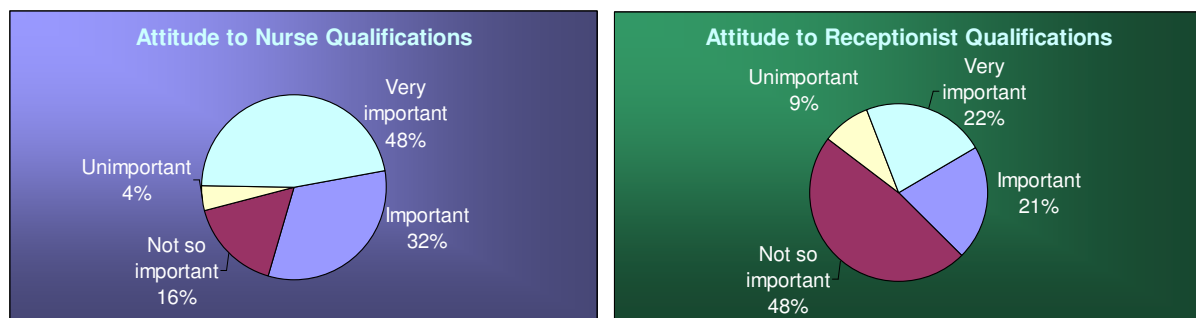


Chart 12: Attitudes to Nurse & Receptionist Qualification



Chart 13: Attitude to continuing education for Nurses and Receptionists

Charts 12 indicate that the respondents overall believe qualifications and continuing professional development are important in non-veterinary staff. This attitude is more prevalent for Nursing staff than Reception staff. 80% of respondents believe qualifications are either *Important* or *Very important* for veterinary Nurses but only 43% felt the same about qualifications for Reception staff.

Ongoing training of Nurses is seen as *Very important* or *Important* for 90% of respondents whereas 77% of respondents felt the same about Reception staff.

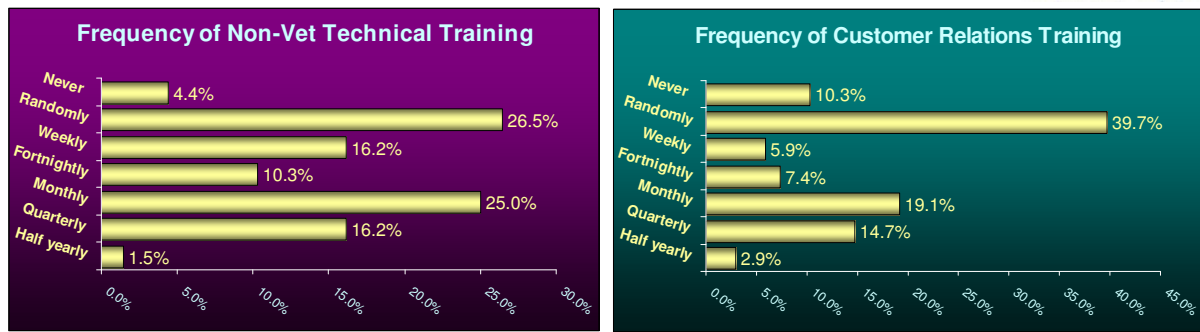


Chart 14: Training frequency

Whilst chart 13 indicates that the respondents believe on going training is important for all staff, chart 14 indicates that the actual implementation of the ongoing training is quite variable and, in most instances, random. Definitely room for improvement here!

I personally find the *customer relations training* an interesting one. I know how important it is for my staff to deal with my clients brilliantly every time. Reinforcement with customer relations training is essential.

Performance Reviews

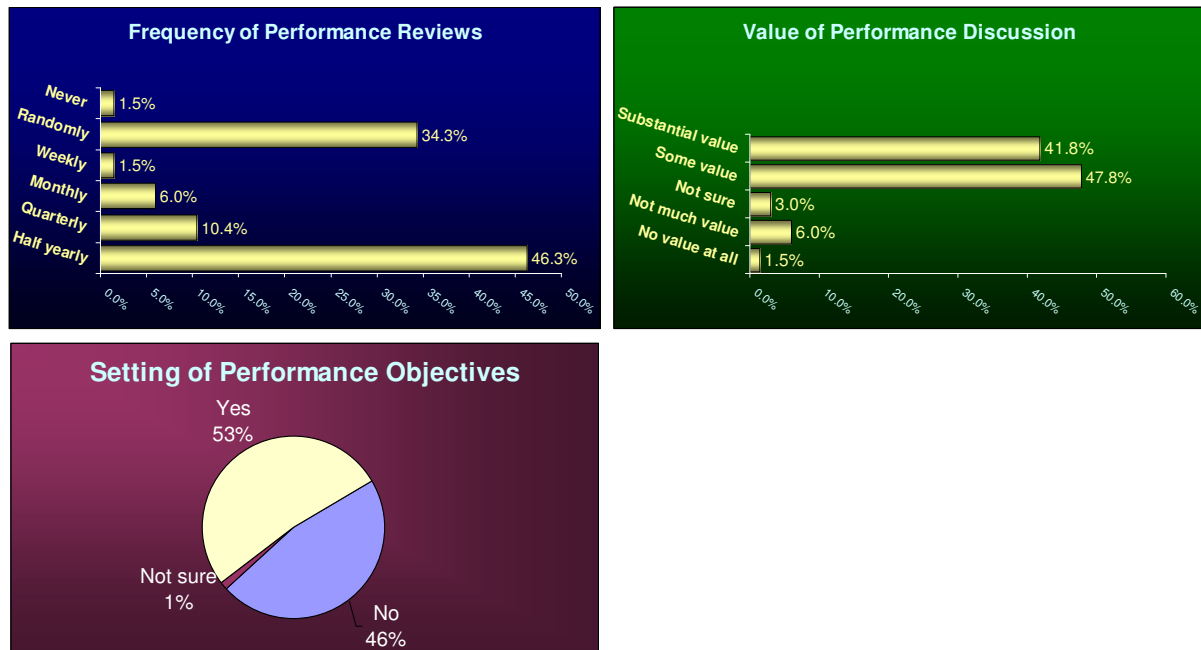


Chart 15: Benchmarks for Performance Review

One of the questions that may arise for many is how do you actually measure performance? These questions will often relate back to *job descriptions* that were examined earlier. For a performance review to be effective clear goals need to be set along with some capacity for measuring results. Chart 15 shows that 47% of all respondents do not set performance objectives for their staff. This in turn may affect the performance reviews for the future and may be a factor in why 58.2% of respondents did NOT get *substantial value* from their performance discussions.

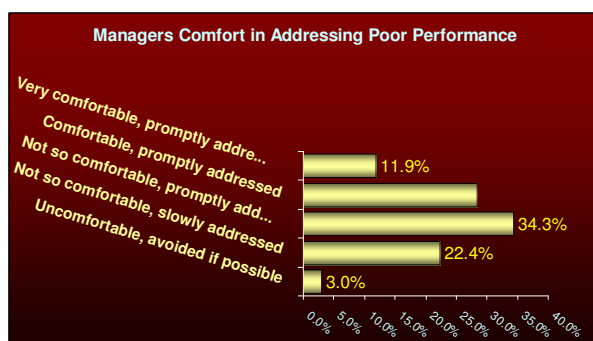


Chart 16: Level of comfort for managers when addressing poor performance

Performance based problems are a difficult one for many managers with 60% of respondents not being comfortable in dealing with them. If you are in this group then you are in the majority. Getting advice from professionals in this area may help address these issues.

Level of Staff Contentment

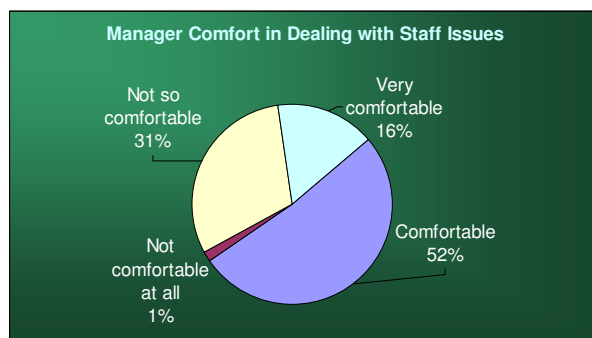
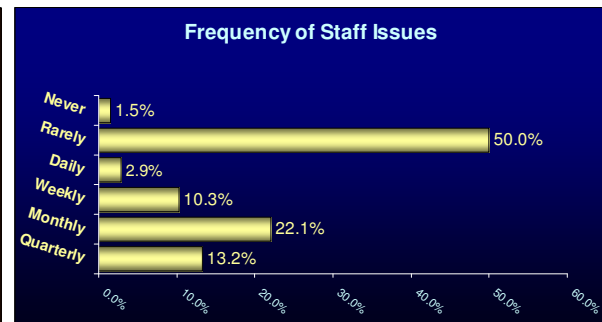
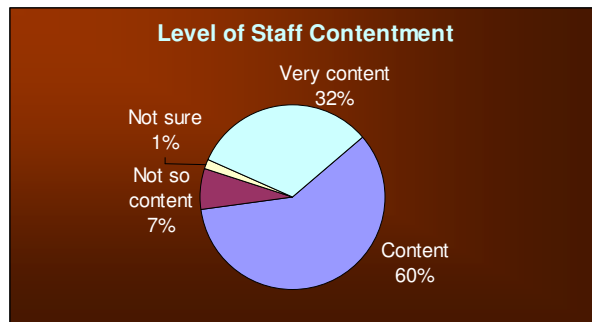


Chart 17: shows a breakdown of Staff Issues.

It would appear that most veterinary clinics have a high level of staff contentment with 92% of respondent managers claiming their staff are either *Very content* or *Content*. Whilst this is a very admirable statistic, it may be worth canvassing your staff directly to see if they would answer the question the same. Obviously the number of staff that any clinic may have will usually be a factor in the level of contentment.

Chart 17 shows that 68% of managers are either *Comfortable* or *Very comfortable* when dealing with staffing issues. If we refer back to Chart 16 only 40% of practice managers are comfortable in dealing with performance based issues. The conclusion here is that managers as a group are significantly more comfortable in dealing with *staff problems* than they are in dealing with *performance based problems*.