

**Profit First:**  
Eradicating  
Business Poverty

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Mick Kling, OD  
Impact Leadership



**The Profitable Doctor**  
Eradicating Practice Poverty

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**Disclosures**

Impact Leadership

Practice Management  
and Transitions Advisor,  
Vision Source

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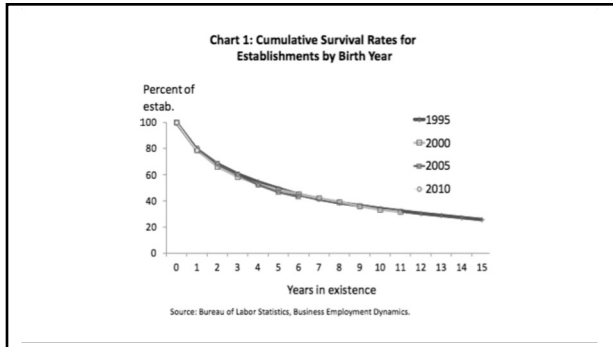
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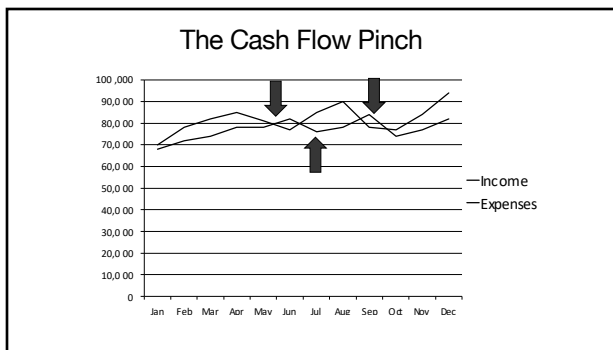
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Profit is not a desire, it's a decision.

Profit is not a result, it's an action.

Profit is not an event, it's a habit.

Profit is a choice!!

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Bank Balance Accounting



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Sales – *Expenses* = Profit

GAAP: Generally Accepted Accounting Principles

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Sales – *Profit* = Expenses

Profit First Accounting

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Sample Paycheck

123 - John R. Doe Pay Period 06/02/06 to 06/18/06				Required Deductions	
<b>Earnings</b>				Federal Income Tax	00.00
Hours	Rate	This Period	YTD	ICA - Medicare	12.16
50	9.00	450.00	900.00	WI State Income	00.00
Gross Pay				ICA - Social Security	33.94
				Health Insurance	00.00
				401k	00.00
				Parking	00.00
				<b>NET PAY</b>	<b>\$418.00</b>

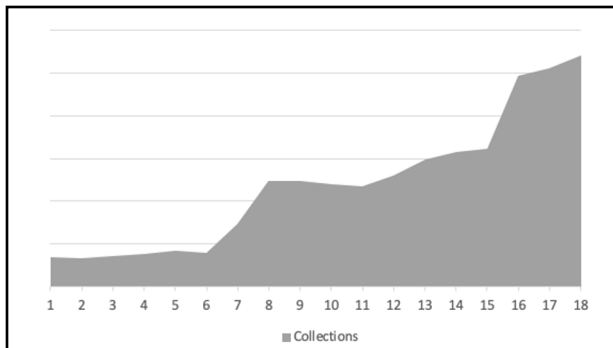
Your Employer  
 1234 Some Street  
 Milwaukee, WI ZIP CODE

Check Number: XXXXXX  
 Pay Date: 06/18/06

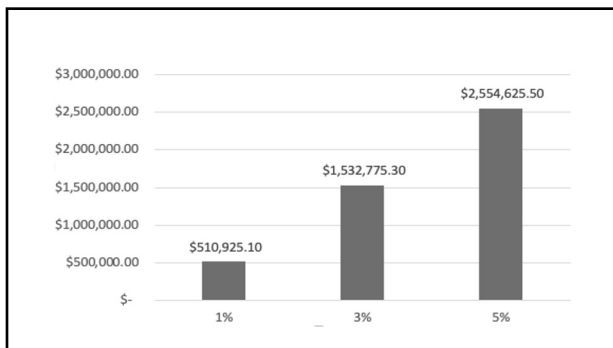
PAY \*\*\*\*Four hundred eighteen dollars and 00 cents\*\*\*\*\*\$418.00

To the Order of  
 John R. Doe  
 565 Some Street  
 Milwaukee, WI ZIP CODE

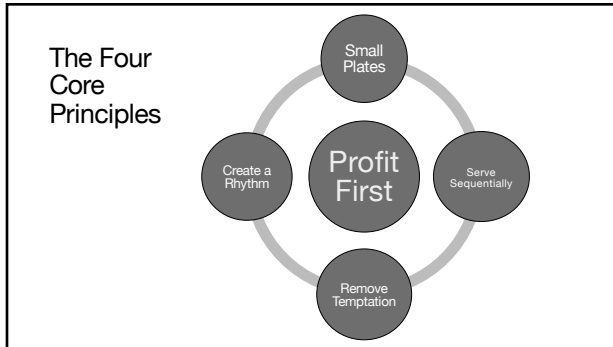
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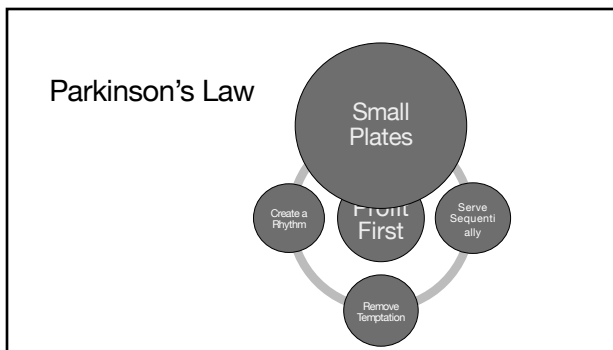
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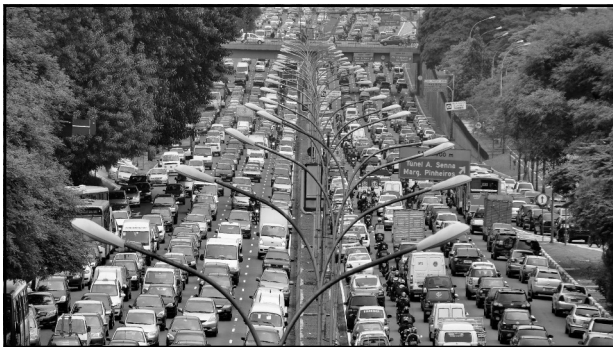
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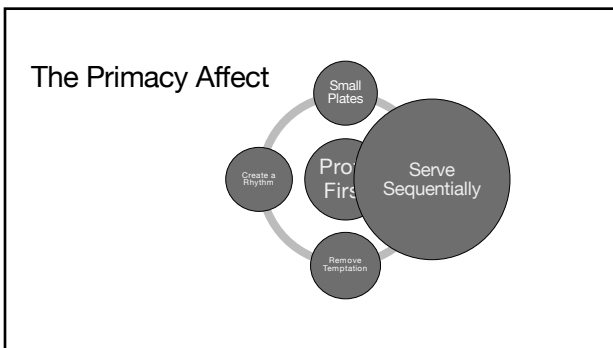
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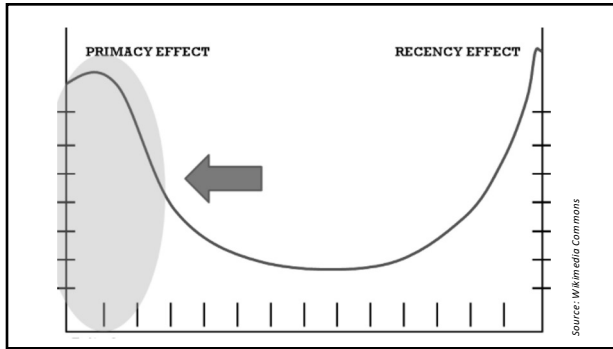
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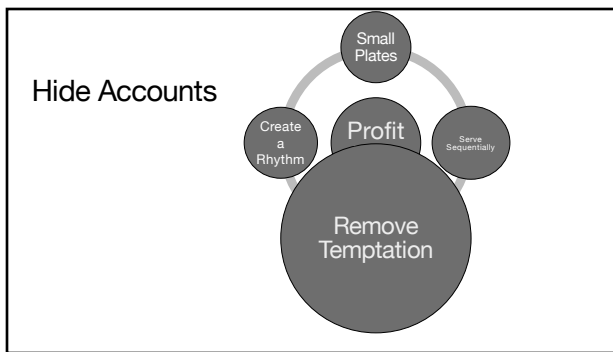
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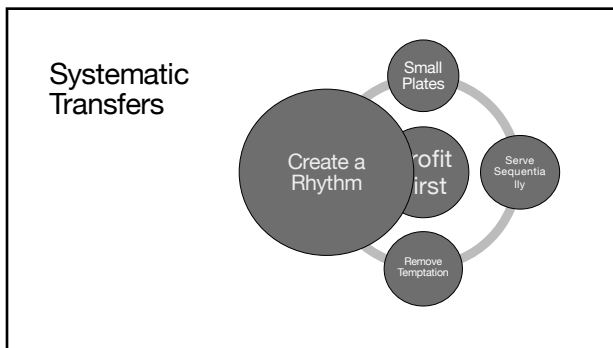
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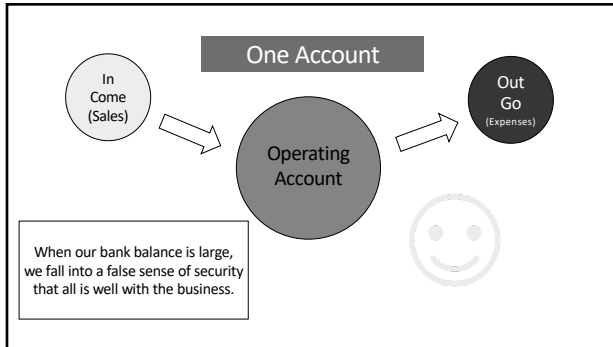
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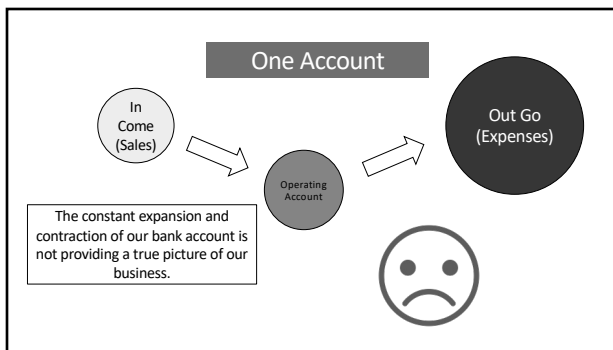
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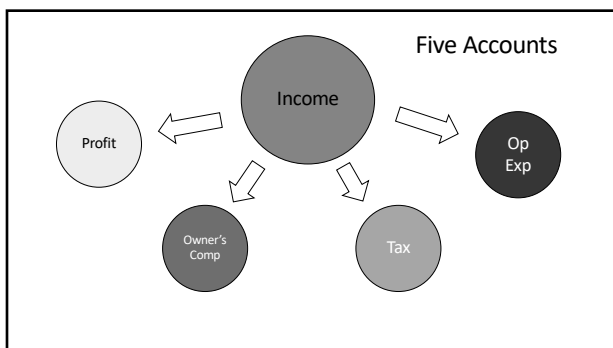
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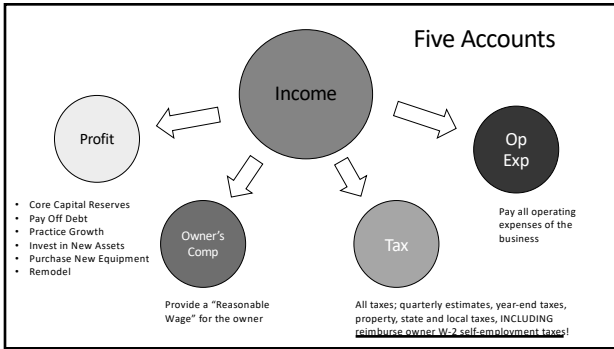
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Determining Owner's Compensation				
Office Role	Days/Week	Daily Compensation	Weekly Compensation	Annual Compensation
Clinical OD	3	\$500	\$1500	\$78,000
Practice CEO	0.5	\$308	\$154	\$8,008
Practice Admin	1	\$154	\$154	\$8,008
<b>TOTAL</b>				\$94,016

Clinical OD based on \$130,000 annual compensation  
Practice CEO based on \$80,000 annual compensation  
Practice Administrator based on \$40,000 annual compensation

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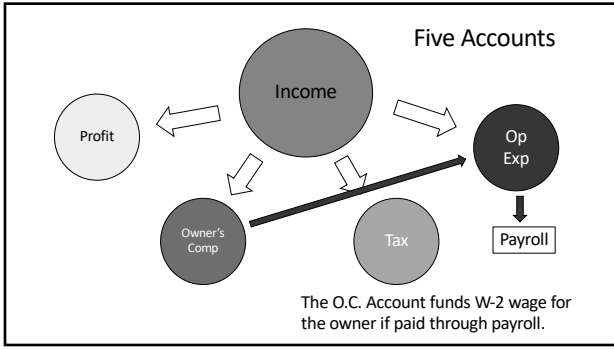
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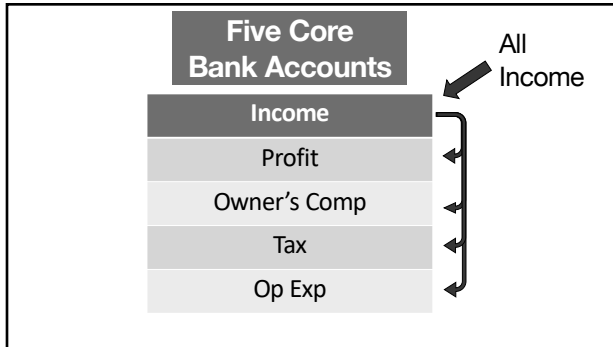
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Bank Account View			
Income 6327		Tax 5 TAP 5 6386	
Available Balance	\$17,273.24	Available Balance	\$42,354.01
Current Balance	\$17,273.24	Current Balance	\$42,354.01
Own Comp 8 TAP 10 6562		Op Exp 85 TAP 75 6335	
Available Balance	\$8,189.39	Available Balance	\$52,980.11
Current Balance	\$8,189.39	Current Balance	\$52,980.11
Profit 3 TAP 10 6378			
Available Balance	\$17,284.62		
Current Balance	\$17,284.62		

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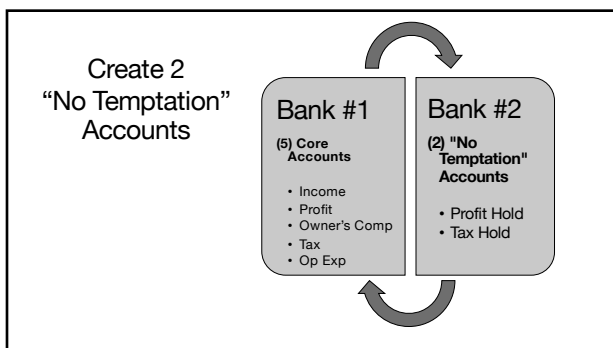
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Create a Rhythm

January 2018

SUN	MON	TUE	WED	THU	FRI	SAT
			X			
	1	2	X	3	4	5
6			X			
7	8	9	X	10	11	12
13				X		
14	15	16	17	X	18	19
20				X		
21	22	23	24	X	25	26
27						
28	29	30	31			

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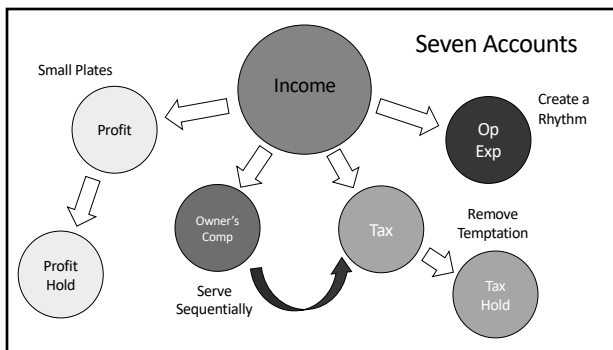
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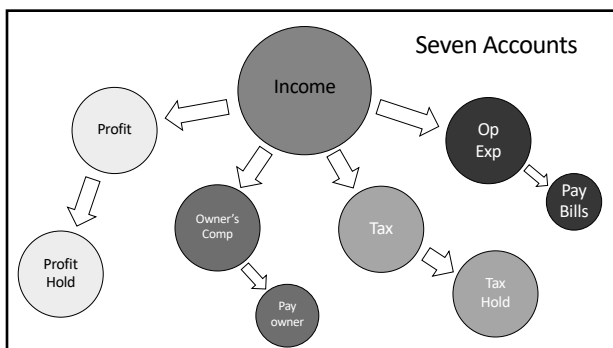
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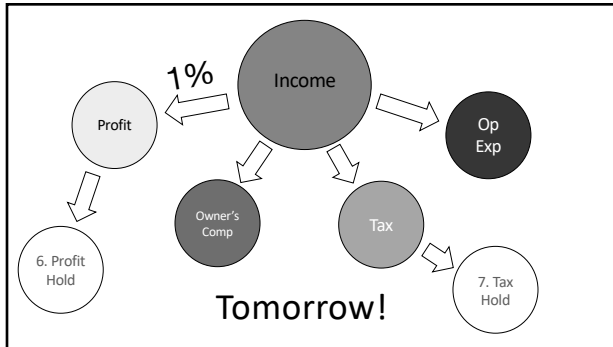
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Instant Assessment - Target Allocation Percentages (TAP)					
	\$	%	TAP	Target \$	\$ Diff
Collections	A1	100%			
Profit	A2	B2	10%	D2	E2
Own Comp	A3	B3	15%	D3	E3
Tax	A4	B4	10%	D4	E4
Op Expense	A5	B5	65%	D5	E5

\* Suggested TAPs for an optometric practice.

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Target Allocation Percentages (TAP)					
	\$	%	TAP	Target \$	\$ Diff
Collections	A1 700,000	100%			
Profit	A2 0	B2 0%	10%	D2 70,000	E2 (70,000)
Own Comp	A3 100,000	B3 14%	15%	D3 105,000	E3 (5,000)
Tax	A4 21,000	B4 3%	10%	D4 70,000	E4 (49,000)
Op Expense	A5 579,000	B5 83%	65%	D5 455,000	E5 126,000

\* Suggested TAPs for an optometric practice.

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Current Allocation Percentages (CAP) – Q1

	\$	Day Zero (%)	Adjust	Day One	Target \$	Diff \$
Collections	175,000	100%				
Profit	0	0%	1%	1%	1,750	(1,750)
Own Comp	24,500	14%	1%	15%	26,250	(1,750)
Tax	5,250	3%	1%	4%	7,000	(1,750)
Op Expense	145,250	83%	-3%	80%	140,000	5,250

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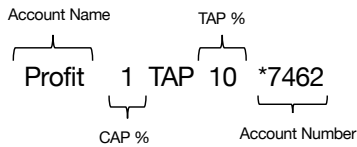
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Naming Your Accounts



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Bank Account View

Income 6327 Available Balance \$17,273.24 Current Balance \$17,273.24	Tax 5 TAP 5 6386 Available Balance \$42,354.01 Current Balance \$42,354.01
Own Comp 8 TAP 10 6562 Available Balance \$8,189.39 Current Balance \$8,189.39	Op Exp 85 TAP 75 6335 Available Balance \$52,980.11 Current Balance \$52,980.11
Profit 3 TAP 10 6378 Available Balance \$17,284.62 Current Balance \$17,284.62	

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**Naming Your Accounts**



**Income** \*7645  
**Profit 1** TAP 10 \*9645  
**Owners Comp** 15 TAP 15 \*5625  
**Tax** 4 TAP 10 \*6345  
**Op Exp** 80 TAP 65 \*4253



**Profit Hold** \*0858  
**Tax Hold** \*7364

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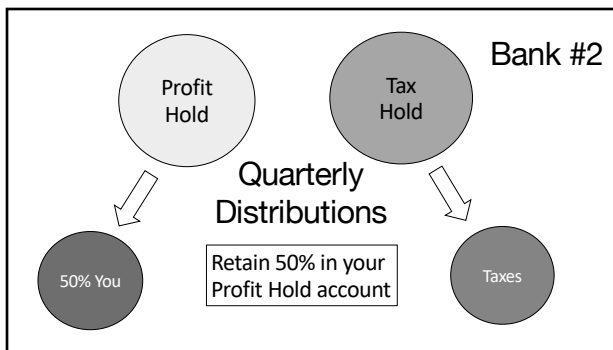
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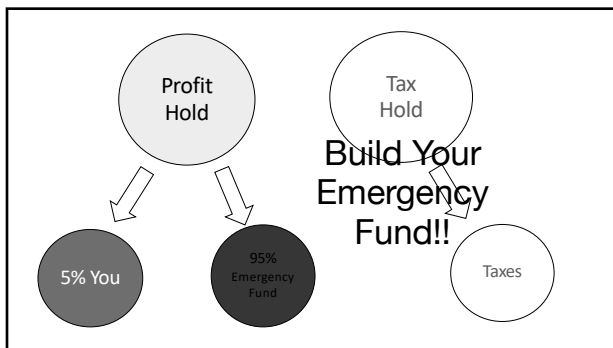
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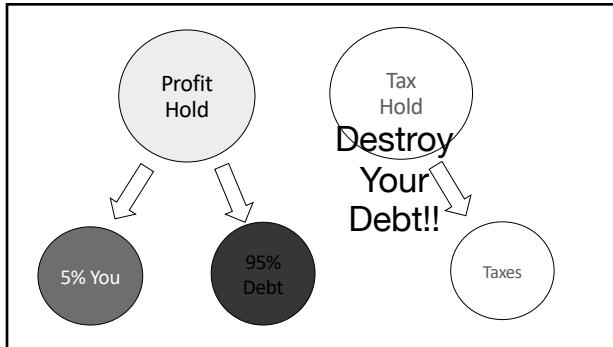
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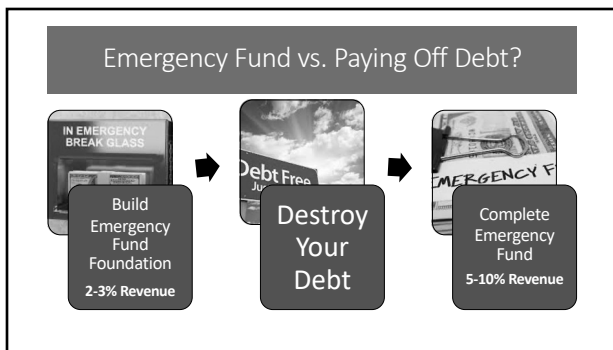
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Debt Destroyer				
Debt	Debt #1	Debt #2	Debt #3	Debt #4
Starting Balance	\$5,427	\$13,487	\$26,837	\$75,263
Jun	\$4,477	\$12,487	\$24,837	\$71,263
Jul	\$3,527	\$11,487	\$22,837	\$67,263
Aug	\$2,577	\$10,487	\$20,837	\$63,263
Sep	\$1,627	\$9,487	\$18,837	\$59,263
Oct	\$677	\$8,487	\$16,837	\$55,263
Nov	-\$273	\$7,487	\$14,837	\$51,263
Dec	\$5,537	\$12,837	\$47,263	
Jan 2020	\$3,587	\$10,837	\$43,263	
Feb	\$1,637	\$8,837	\$39,263	
Mar	-\$313	\$6,837	\$35,263	
Apr		\$2,887	\$31,263	
May		\$887	\$27,263	
Jun		\$23,263		
Jul		-\$1,113	\$17,263	
Aug			\$11,263	
Sep			\$5,263	
Oct			-\$737	

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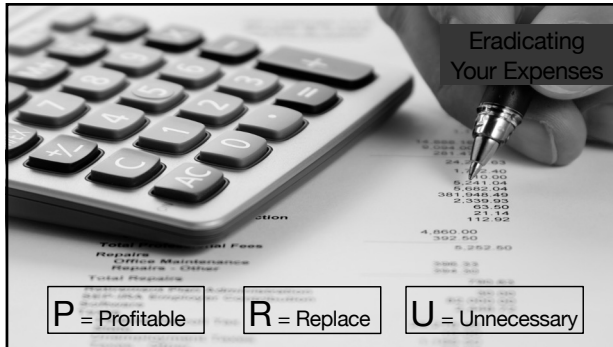
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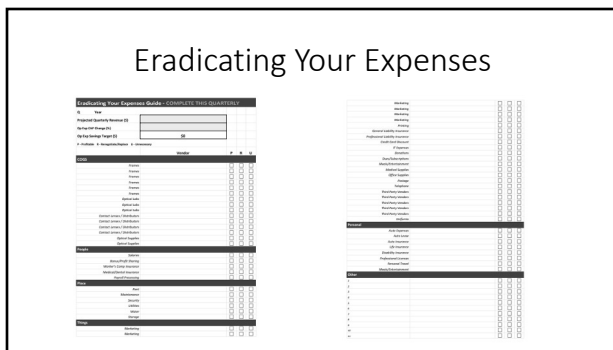
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**Profitable Conclusions**

Profit is a Choice  
Proven system that works  
Structured plan for managing cash flow  
Caters to our natural behavioral tendencies  
Our businesses can no longer survive on the leftovers  
Profit is our reward for taking risk, we deserve it!

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**Mick Kling, OD**  
Coaching / Speaking / Workshops

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Email: [dr.kling@invisioncare.com](mailto:dr.kling@invisioncare.com)

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