
Benchmarking: Why, What, How

Why?

Benchmarking results provide an account with evidence-based practices to compare their performance against some of the top performing practices in the industry.

- It helps to identify inefficiencies and improve productivity with your staff
- Marketing analysis directs better focus for improved effectiveness and efficiency
- It provides data to build a business case for additional investment in your practice or department

What?

- An annual industry survey Phonak has fielded since 2008:
 - Summary and individual practice setting reports available (e.g. Audiology, ENT, Hospital)
- Phonak commissions a third-party—Patient Care Measurement & Consulting, LLC (CCMC)—to conduct the nationwide survey. Accounts who participate automatically receive summary reports at no cost
- There is complete confidentiality of information. The individual practice data will never be shared with anyone at Phonak or anyone else unless the account chooses to do so
 - CCMC signs non-disclosure agreements with any customer who desires one
- Over 2,400 participants and data points are used to determine "Top Performers" and "Best-in-Class"
- "Top Performers" and "Best-in-Class" designations are based upon the data:
 - "Top Performers" are defined for each year:
 - Based upon the top 20% of respondents for each specific metric. For example, "Top Performers" in total gross revenue, "Top Performers" in total units generated, "Top Performers" in average selling price
 - "Best-in-Class" is defined as follows:
 - To be eligible, practices must have reported metrics in 3 consecutive years to determine net profits
 - Based upon the top one-third in net profit compared to the bottom two-thirds of respondents
 - Designations are used to examine differences in processes and initiatives between "Best-in-Class" vs. the bottom two-thirds of respondents

How?

- Actively participate in the survey
- For those who participate in the survey, use the PPC report provided directly by CCMC to measure your practice against overall survey results. Others may use the KPI Benchmark Checklist as a comparison

Phonak Supporting Materials and Templates

- Practice Performance Comparison (PPC) Reports
 - Full survey
 - ENT
 - Private practice audiology
 - Private practice H.I.S.
 - Hospital

Best-in-Class Reference

How do “Best-in-Class” practices compare to median practices?

- Hearing professionals work more hours
- Gross revenue is higher
- Instrument revenue per unit is higher
- Gross revenue per square foot is higher
- Gross revenue per professional hour is higher
- Gross revenue per hearing professional is higher
- Number of instruments dispensed per full-time location is higher
- More profitable
- Execute marketing

“Best-in-Class” Net Profit

Practice Size	Net Profit (Median)		
	Bottom two-thirds	Best-in-Class	Difference
Small Revenue	\$22,573	\$150,000	+ \$127,427
Medium Revenue	\$145,500	\$380,000	+ \$234,500
Large Revenue	\$312,000	\$1,344,344	+ \$1,032,344

Dotted lines represent that “Best-in-Class” deliver better than the bottom two-thirds at the next highest level

What do “Best-in-Class” practices do differently?

- Work more hours
- Develop a detailed marketing budget
- Develop a detailed marketing calendar
- Use tools to track metrics or determine marketing effectiveness and ROI
- Develop patient referral and retention programs
- Routinely conduct patient satisfaction surveys
- Conduct in-office technology demonstrations
- Develop physician networking and referral programs
- Include patient testimonials
- Recall patients semi-annually for cleanings
- Provide health benefits for licensed hearing professionals
- Solid HR policies and procedures
 - Written job description for all staff and written performance reviews
 - Front desk/practice performance incentives
 - Utilize employee assessment evaluations

Comparison Metrics	Bottom two-thirds	“Best-in-Class”	Difference
All licensed hearing professionals in the practice work more hours	2,707	4,100	+ 51.5%
Gross revenue per professional hour is higher	\$162/hr	\$178/hr	+9.9%
Number of instruments dispensed per full-time location is higher	249	460	+ 84.7%
Develop a formal, detailed marketing budget prior to the start of each year	45%	70%	+55.6%
Develop a formal, documented marketing calendar prior to the start of each year	49%	80%	+63.3%