

Introducing the new ProfitCalc feature.

As you know already, prior to using the reports, you must first show the program *what your current price is, how often you do something in any given time period and what the actual profit (or loss) is* based on your current price either in labor, inventory or services.

Version 4.0 - has a menu providing the option of using one of two **ProfitCalcs**

1. the Service based **ProfitCalc**
2. the Product based **ProfitCalc**

You must select the right one, in order for it to work correctly. If it is a service that is only inventory, you use the product **ProfitCalc** to show your actual mark-up on the product; if it is a service that includes labor, inventory, and equipment you use the service **ProfitCalc** which calculates the markup all at once to cover billable labor, non-billable labor, overhead and profit.

When to use the Service or Product Based ProfitCalc

1. The Service based ProfitCalc

Your veterinary clinic is a service business so you will use the **Service ProfitCalc** on *every service except* on those services which are ONLY inventory. If the service is ONLY inventory (no labor or equipment), then use the **Product ProfitCalc**.

Right click on the service name in the second hand column where all the services are listed. A menu will appear and left click on the Service ProfitCalc. This will automatically adjust all the profits on the right hand side to the exact same profit level.

However, sometimes you need to be judicious and do this differently - there are other ways to arrive at the profit level of the service. If your inventory items are *competitive* you will want a *low markup* – and if it is *non competitive*, you will adjust to a *higher markup*. In this case you hand set the inventory markup at a specific level and then adjust labor. *Simply type in any profit desired, and adjust the other profits to account for more profit in any area.*

Note: Any non competitive inventory item that has a certain cost, you should probably hand set (to see where the profit in labor falls) so ultimately a specific percent of total profit is derived from inventory. However, inexpensive inventory items use the Service ProfitCalc.

Ultimately if you use the Service ProfitCalc it ignores the concept of achieving a specific profit level in inventory. However, it does show you across the board the exact profit level of the service, regardless of where you want to make the profit.

2. The Product based ProfitCalc

If in your clinic you sell inventory over the counter with no labor attached, then use the **Product ProfitCalc** .

*After entering in the price for the service, right click on the service name in the second column where all the services are listed. A menu appears and left click on product **ProfitCalc**.*

Any other product based business with services that include labor and equipment, then the profit on labor and equipment is driven to zero. The markup of the inventory is adjusted to reflect the markup on inventory above the breakeven cost of labor and equipment.

3. Subservices and calculations

If you use a subservice within a service, the profit level of the subservice does not change when you use the **ProfitCalc** button. To show one profit level for the entire service, the subservice must be broken out into labor, equipment and inventory in the above reference areas.