For most of us, the financial aspects of our jobs fill us with dread. We think of finance as something technical, and many of us are concerned that our knowledge of finance is not as good as that of our colleagues. But the answer is not to be afraid of finance. Common sense finance is based on the observation that if you understand how much something costs, you can make better decisions. And, in the end, that is all you need to know about finance.

Managing by numbers

Once we start to interpret numbers, we’ve transformed our business-planning process from a position akin to a bookkeeper to that of a manager. In this new world we begin to realise that numbers are everywhere. We need to be sure that we are using the right numbers, interpreting them correctly, and taking the necessary action.

Measurement is key

To achieve the result you are striving for, you need to monitor your performance regularly. This will allow you to see if you are on track and taking the necessary action. If you are not, you can take corrective action to correct the situation before it becomes too late.

Numbers will rule

You will suddenly start to think about everything you do at work in relation to numbers – have we planned to award pay rises at that level? Can we afford to purchase that new machine and if so when will it pay back? Should we be carrying stocks at that level? The numbers are now alive and you understand that whatever happens each day, there will be a corresponding financial impact in the numbers.

Finally, now that this nummber game is firmly under your belt, you will start to look further ahead. You will be able to begin to think about the next two and three years ahead. What is likely to happen over that period? Will there be new dental community regulations? How will you have to change your business? Will you need to change your business model in order to be a winner in the new competitive environment?

Your skills will now be such that you are able to model all these things and develop the strategies you need to put in place the pursuit of your vision. You will be able to see the financial impact and ensure you keep your business on track. You have advanced from manager to strategist.

So there you have it, a good overview of the development of this word on a journey through Finance. I will be delivering five compelling and not-to-be-missed seminars across the country in conjunction with the BDPMA from September to October. Further details can be found on the BDPMA’s website www.bdpma.org.uk or email info@bdpma.org.uk to request a PDF or hard copy brochure.

About the author

Andy McDougall has over 25 years experience of business planning and brings to the table a wide range of commercial and competitive business sectors. Andy now delivers business-planning services to help members of the dental community to respond to the dynamics of an increasingly commercial and competitive environment. A passionate exponent of his art, Andy is straight-talking and results-driven. He helps businesses to reach the next level and turn around poor performance.

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