

Various uses of pivot tables in practice including calculating ProSal salaries

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Abstract

The author implemented a production pay system within his veterinary practice, Waupun Veterinary Services LLP, in which partners and senior veterinarians are compensated for 2 different activities. First, a percentage of client invoices is returned to the veterinarian who generated the invoice. Second, activities that benefit the overall health of the practice are compensated. These activities include nights, weekends and holiday on-call, in-clinic management, vacation, continuing education and student/new hire mentoring. A pivot table within Excel® is used to summarize the data on a monthly basis. Other applications of Excel and pivot tables within the partnership are presented. They include customized client product and services breakout per client requests, aged receivables management, and invoice development from pharmaceutical distributors to client invoices within Sage® accounting. The later invoicing requires no data entry by office staff. All the Excel applications save office labor and increase accuracy by eliminating manual data entry and transfer.

Key words: production pay, pivot table, Excel®

Introduction

Waupun Veterinary Services (WVS) pays partners and senior veterinary employees with a production-based system. The data is downloaded into a pivot table within Excel®. WVS also uses Excel and pivot tables for many other accounting management procedures. An overview of the development and theory behind the production pivot table is presented. Other Excel applications are also presented.

History

WVS, like many large animal practices, paid employees a salary. Partners were compensated with a percent of practice profits based on percentage ownership of the practice. This system produced some animosity, because individual partners perceived their contribution as greater than their compensation. An alternative process, or ProSal system, was developed to alleviate some of the animosity.

A ProSal system was developed that compensated partners for field work billed, but also compensated partners for time spent in the clinic for various management activities. The system was also designed to compensate partners for vacation, continuing education, in-clinic work and emergency nights. Basically, the practice attempted to incentivize partners for behavior that benefited the function of the practice. Clinic profits continued to be shared equally by partners based on percent ownership (salary) but after the production pay (production) is compensated.

After the production pay system was functioning for 2 years, senior veterinary employees were given the option to participate.

Implementation

The development of a detailed chart of accounts in the practice accounting software is the basis for a production-based pay system. This allows activities that veterinarians bill clients for to be categorized, summarized and thus tracked separately.

There are 2 compensation components to the WVS production pay system. The first involves a pivot table that summarizes the various itemized invoice charges that are developed within our accounting software. Table 1 shows part of WVS's chart of accounts that individual invoices journal to. Table 1 on the right-hand column also shows a weighting system for production pay. These fractional numbers are multipliers from the pivot table that assigns a compensation weight to various charges that a veterinarian's invoice could contain. For example, if a veterinarian ran an emergency call, they would be compensated for 70% of the call charge. If they spent 30 minutes time billed to the client, the veterinarian would be compensated for 50% of that time charge. If pharmaceuticals were dispensed, for example a bottle of penicillin, there would be no compensation. This was designed to minimize compensation for drug sales and maximize compensation for running calls and interacting with clients and patients.

Table 1: General ledger chart of accounts for sales and weighting for production pay purposes.

Actual tab from ProSal Pivot table		
401	Sales-Nutritional Per Cow Fee	0.5
405	Sales-Routine Call Charges	0.4
406	Sales-Emergency Call Charges	0.7
409	Sales-Chiropractic	0.5
410	Sales-Services	0.5
411	SALES OB time	0.5
412	SALES Surgery	0.5
413	SALES-Consulting	0.5
414	SALES-Nutrition Consulting	0.5
415	SALES-Milking Equipment Consul	0.5
416	Sales-Small Ruminant	0.5
417	Sales-Spanish Training	0.5
418	Sales-Radiology	0.5
420	Sales-Dispense Drugs	0
421	Sales-DRUGS DROP SHIP	0
422	Sales DRUGS INTERNET	0
423	Sales Drugs Administered	0.5

The second component involves activities not directly affecting client billing. Table 2 lists the activities and the rate of compensation for said activities. Paid vacation, listed in the third row, is \$200 a day up to a maximum number of days per year. If a partner chooses not take vacation, to work and earn more, then that veterinarian forfeits the \$200-a-day vacation. The On-Call Weeknight (per night) row shows compensation of \$240 per night. This is paid in addition to any income earned from invoicing clients. Emergency duty is assigned initially, but trading is easy with this system. It also allows senior partners to avoid emergency duty, but in essence they are giving up income.

The In-Clinic Work (per hour) row incentivizes work involving practice management. This is arguably the most important row in Table 3 from a practice management perspective. If a doctor is involved with setting up a producer meeting, or with human resources issues, they are thus compensated through this system. This avoids the pitfalls other practices identified as a drawback for a ProSal. If compensation is only derived from production, then veterinarians just ran calls.

A later addition to the second component involved student mentoring. Because some veterinarians enjoyed students and mentoring new graduates, an additional row was added to the pay incentive tab that included student mentoring (Table 2). WVS veterinarians are compensated when senior veterinary students and newly hired graduates ride along on call. This is designed to compensate the WVS veterinarian to slow down and invest in educating and guiding the new grad or student. Some veterinarians enjoy this, and some don't want to be bothered and this system makes it work.

The monthly implementation

Once set up correctly in Excel, the production pay system is simple to execute. First, all invoices must be entered for the prior month. Then, using Sage® reports, a previously designed report is downloaded and pasted into the ProSal pivot table. In the case of WVS, this report contains roughly 10,000 rows of data each month, which makes the use of a pivot table critical. Next is the only manual data entry in the process. Data is entered for the 7 extra or incentivized activities that are compensated for. Table 3 shows a single veterinarian's data by month. The process is completed in less than 30 minutes. Individual tabs within the Excel spreadsheet monitor individual veterinarians.

Other Excel applications

WVS produces pivot table summaries by inventory items, inventory class or by general ledger applications for select clients. The reports are tailored to the client per their request. An example is shown in Table 4 and Table 5. The pivot table is constructed so that a customized report from Sage is exported to Excel and then copied and pasted into the pivot table. Table 4 sum varies based on an inventory report and Table 5 sum varies based on general ledger category.

Excel is also used to sort delinquent clients through receivables aging so that actions can be initiated in a timely fashion. Again, a report is generated within Sage and exported into Excel. The Excel report maintains notes on prior month's actions minimizing the need to refer back to notes and allowing lists of a step wise dunning system.

Table 2: Additional compensation areas within WVS Pro-Sal payment system. Tab from pivot table where values can be filled in.

	1/2022	2/2022	3/2022	4/2022	5/2022	Total
Dr. 1						
Vacation	1		1			2
Clinic Advancement (CE) (per hr)		5				5
In-Clinic Work (per hr)	4.5	9.25	10.5		9.5	33.75
On-Call Weeknight	3	4	2	4	5	18
On-Call Long		1	1	1		3
On-Call Holiday					1	1
Student Mentoring (per day)	3	0.5		2		5.5

Table 3: Tab of a single veterinarian with monthly data. Extra data filled in through May 2022. These rates are set for the month, so the second column is January, allows us to adjust midyear which has never happened. This table from a tab in Excel Production Pay that sets rates with the 7 areas vets are compensated extra for performing.

Extra	Rate Jan	Rate Feb	Rate Mar	Rate Apr	Rate May
Vacation (per day)	200	200	200	200	200
Clinic Advancement (CE) (per hour)	100	100	100	100	100
In-Clinic Work (per hour)	75	75	75	75	75
On-Call Weeknight (per night)	240	240	240	240	240
On-Call Long (per weekend)	1200	1200	1200	1200	1200
On-Call Holiday (per night)	600	600	600	600	600
Student Mentoring (per day)	200	200	200	200	200

Table 4: Pivot table results for a client bill breakout and based on inventory items.

Column Labels		2021				2022				2021 total	2022				2022 total
Row Labels	2020	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4		Qtr1	Qtr2	Qtr3	Qtr4	
Antibiotic	58,734.57	14,579.20	14,579.58	10,866.95	20,539.53					60,565.25	13,442.53	14,984.75	13,008.64		41,435.93
Dry Cow Therapy	55,227.45	7,378.76	10,535.36	8,506.14	12,093.82					38,514.08	8,490.55	11,359.34	5,507.82		25,357.71
Hormones	57,674.55	11,095.07	13,150.38	15,912.12	8,561.62					48,719.20	17,283.55	16,095.11	4,945.00		38,323.66
Mastitis	36,347.22	3,986.33	8,381.69	9,174.27	7,125.63					28,667.92	1,819.32	3,950.52	5,022.52		10,792.36
Medication	84,028.51	19,424.32	23,683.62	24,500.01	26,404.23					94,012.18	23,297.47	25,306.66	18,622.29		67,226.43
On-Farm Culture	5,253.82	625.02	879.85	1,275.70	1,215.37					3,995.94	691.50	1,077.57	878.93		2,648.00
Vaccine	86,957.71	21,248.15	23,630.50	17,170.36	22,613.85					84,662.85	19,372.40	19,331.89	12,833.17		51,537.47
Vet Supplies	50,896.97	12,311.79	14,215.82	19,985.80	17,470.62					63,984.03	13,887.08	18,667.08	8,206.40		40,760.56
WVS Lab	19,395.69	4,146.78	3,690.95	4,591.83	7,098.00					19,527.56	4,403.42	6,146.86	3,502.62		14,052.90
WVS Services	73,520.57	20,555.16	18,239.31	19,421.15	18,657.08					76,872.70	19,086.31	19,390.88	12,844.73		51,321.92
WVS Surgeries	7,340.96	1,485.26	2,505.14	1,951.08	1,180.31					7,121.78	3,990.48	2,476.66	3,523.49		9,990.62
Grand Total	535,377.99	116,835.83	133,492.20	133,355.40	142,960.07	125,764.61	138,787.32	88,895.62	526,643.50	526,643.50	125,764.61	138,787.32	88,895.62	353,447.55	

Table 5: Pivot table results for a client bill breakout based on general ledger.

Farmer A		Column labels					Grand total				
Sum of amount	Row labels	Jan	Feb	Mar	Apr	May					
	Drugs	\$ 2,082.69	\$ 11,374.95	\$ 5,214.90	\$ 11,905.45	\$ 7,383.20	\$ 37,961.19				
	Nutrition	\$ 1,933.08	\$ 1,892.44	\$ 1,888.02	\$ 1,918.04	\$ 1,961.76	\$ 9,593.34				
	Services	\$ 2,007.69	\$ 2,755.41	\$ 3,473.75	\$ 2,647.94	\$ 2,981.38	\$ 13,866.17				
	Genomics		\$ 14,080.00	\$ (7,040.00)			\$ 7,040.00				
	Services- Spanish Training		\$ 184.32				\$ 184.32				
Grand Total		\$ 6,023.46	\$ 30,287.12	\$ 3,536.67	\$ 16,471.43	\$ 12,326.34	\$ 68,645.02				

Another example of using Excel to decrease labor and increase accuracy is to upload invoices produced from proprietary cloud invoicing and medical records software. Invoices that veterinarians produce in the field are directly uploaded into Sage. Invoices from our pharmaceutical distributors (provided in an Excel format to WVS) are processed in Excel with two different finished products. First are individual client invoices. We print the tab for the client. Second, the invoices are uploaded from Excel using a CSV file format, directly into the client's account within Sage. This eliminates data entry errors, and the process takes less than an hour for 100 invoices.

Summary

Excel has tremendous potential to enhance veterinary practice management. It can be used to produce a production pay system that can be modified with minimal time involvement. Pivot tables can summarize data by categories, eliminating errors from manual entry and allowing mathematical applications on large

data sets. The solutions arrived at by WVS can be developed with many different pathways within Excel. This presentation is not intended to teach you how to use Excel, but to show possibilities and inspire practice management and owners to explore using Excel to further enhance practice profitability and goals.

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