



Welcome to another edition of
Financial Insights with Lozelle!

This month, we're exploring how CFO services relieve tension in your business, learning crucial financial KPIs for health & wellness businesses, and managing the inflated and rising overhead costs.

We'll translate the financial jargon, equip you with actionable tips, and keep things engaging (because financial literacy shouldn't feel like a foreign language. So, grab your favorite coffee (or tea!), settle in, and get ready to level up your financial knowledge!



Before, you begin your journey of reading, I invite you to:

Take a deep breath, clear your mind, and think about what you're grateful for at this moment.

I will start: At this moment - I'm grateful for Being able to take a few days off to do nothing. As there is so much sweetness...in just doing nothing.

OUR LATEST INSIGHTS

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How a Massage Therapist
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Dear Dangerously In Love With Finance....

Dear Dangerously in Love with Finance,

I'm a behavioral health therapy business owner located in Scottsdale Arizona, with seven therapists working for me. Managing the inflated rising overhead costs is, in fact, pretty tricky with the increasing rent, utilities, and supplies, including a cost-of-living adjustment for my staff. I am at my wit's end. How do I handle these financial pressures effectively without letting my behavioral health practice quality and financial stability suffer?

Sincerely,

Therapist Overwhelmed in Overhead

Dear Therapist Overwhelmed in Overhead,

First, let me say that you are not alone. Many business owners, especially within the mental health sector, are facing similar circumstances. The key here is to adopt a strategic approach to your accounting, bookkeeping, and overall financial management. Let's break this down into more manageable steps to help you navigate these turbulent financial waters.

Step 1: Understand Your Costs. Begin by understanding all your expenses in detail. This will require you to dig deep into your accounting records and break down every cost of running your therapy practice. Maintaining up-to-date bookkeeping is essential. It will show exactly where the money is going. Pay attention to overhead costs like rent, utilities, office supplies, therapist salaries, insurance, and any other type of expense that happens every month. This view will allow you to identify which costs are most impacted by inflation.

Step 2: Adjust the Budget. Once you are transparent about your costs, return to your budget. It is important to realign your budget with current price levels. Consider it an opportunity to fine-tune your expenditures. Even small savings can accumulate over time.

Step 3: Price Adjustment. Although price increases are a touchy subject, the financial health of your practice might depend on it. Take a look at your pricing structure for therapy and anything else you provide a price for. Then, compare your price points with similar practices in your area. If you are way under, consider a slight bump up. Be transparent with your clients about how this is needed: many will know that cost increases relate to most other aspects of life.

Step 4: Invest in Technology. Investing in the right technologies can be a game-changer for your therapy practice. With cloud-based accounting and practice management software, most automation processes are being done to

improve operations by reducing errors while saving precious time. These tools come with facilities for automated billing, scheduling appointments, and financial reports. Make sure that the technology that you choose fit your operational and financial needs.

Step 5: Regular Financial Reviews. The most important practice is maintaining regularly scheduled financial reviews. These meetings with your bookkeeper or accountant to review your financial statements are proactive in pointing out trends and being able to address issues before they really become significant problems. Staying on top of cash flow helps you be ready to pay surprise expenses without scrambling for cash, which adds security and a sense of control to your financial situation. Regular financial reviews also provide an opportunity to celebrate financial wins and identify areas for improvement, fostering a positive financial culture within your practice.

Step 6: Building an emergency fund. A certain percentage of your monthly revenue should be reserved to build a cushion. This helps manage any contingency cost without dependence on credit or loans.

Step 7: Communication With Your Staff. Open communication is essential. Your staff must be well-informed about the fiscal challenges the practice is experiencing and how they can contribute as team members. They must be encouraged to generate cost-cutting and efficiency ideas. For instance, staff meetings might be scheduled regularly for financial report review and brainstorming ideas on saving money. Their frontline insights could be invaluable. Another possibility is to offer professional development opportunities that increase their skills and, ultimately, their value to the practice.

Step 8: Consult with a Professional. Invest in a financial accountant that specializes in the behavioral health therapy industry. The support and advice of a financial advisor, knowledgeable in healthcare and/or mental health practices, will be precisely in your practice's interest. They can help you design a long-term financial plan and find ways to optimize your tax strategy, provide investment opportunities, and plan for growth in the future. They are the professionals who can make a difference in managing the financial health of your therapy practice.

Remember – you are not alone. Facing financial challenges head-on with a strategic plan will not only help you manage current inflation but also set a solid foundation for your therapy practice's future stability and growth.

Staying resilient and proactive while keeping your clients' well-being at the heart of your decisions will help with keeping your behavioral health practice quality and financial stability top notch.

If you need any bookkeeping, accounting or financial management support, please do not hesitate to contact us. As this is what we do...

Regards,
Dangerous in Love in Your Finance

Lozelle Mathai, MBA, Certified Forensic Examiner
Your health and wellness accountant

FALL DANGEROUSLY IN LOVE WITH YOUR FINANCES.

Stop the financial stress and ignite your passion!
Schedule a free consultation to find out how
Healthy Bodies of Finance can help your holistic practice thrive.

Get Started



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