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The Profitable Practice Playbook

Find hidden costs and uncover opportunities to improve the profitability of your professional practice

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Millions of small business owners have very full days, only to make little to no profit. Why?

To state the obvious, it's not easy to run a profitable practice. You have to set a company vision, inspire and lead a team and juggle dozens of priorities. You have to manage the dollars and cents of the business and the hours and the minutes of every day.

Only **40%** of small businesses are turning a profit.
Another **30%** are breaking even, and the rest are losing money.[1]

In the end, maximizing your profit means saving money on expenses, getting more value from your time, winning new patients or clients and retaining the ones you have. While every business — and every business owner — has different needs, these tried-and-true practices will help you maximize your bottom line.

More than **46,000** businesses — and Thryv users — have shared their best practices with us.
We've pulled their time- and money-saving tactics together to help you achieve higher profitability.

01 Save Money and Time

Little things add up: a few extra clicks, a few extra minutes, a few extra dollars. Back-office efficiency is all about freeing up time and money so you and your team can focus on higher-value tasks.

Many small businesses are struggling to stay afloat: **66% of them face financial challenges** that make it difficult to succeed, and 43% say their biggest challenge is paying operating expenses.[2]

"Where you have more cash flow, where you have more profit, that's where there's more options. And when you have more options, then you have more freedom."

— Chris Miles, "Secrets to Solving Your Cash Flow Problems," Winning on Main Street podcast

PUT PROFIT FIRST

Most business owners don't set aside money for profit — in fact, many business owners think profit is what's left over after taxes and expenses are paid. But Michael Michalowicz, author of "Profit First," suggests flipping the equation on its head.

Sales minus profit equals what you have to pay your expenses. In other words, bake profit into every transaction. Doing so constrains your pool of money for the other expense buckets: owner compensation (your salary), taxes (the only thing certain other than death) and operations (the cost of running the business itself, from payroll to paper clips).

Create a "set and it forget it" constraint by automatically routing profit to a designated account separate from the rest of your company's funds.

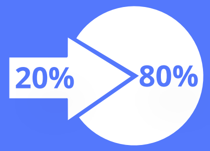
This way, you can short-circuit the temptation to spend everything available on your practice. Any lucid financial adviser would suggest a similar approach to personal savings: Hide money from yourself by setting up automatic withdrawals to a savings or investment account after every paycheck. You'll get used to working with less.

"Profit is not an event. Profit is a habit."[3]

— Mike Michalowicz

Do the math on a regular basis

Too many small business owners look at their books — and thus their profitability — only at tax time. In contrast, large companies have financial planning and analysis teams that generate real-time insights on their financial health and profitability year-round.



According to the Pareto Principle, about **80% of sales come from just 20% of clients**. Who are those clients for your business?

Track your revenues and expenses weekly or biweekly (at a minimum). Know the details about where your costs come from, how your revenue breaks down and what that means for your margins. More knowledge can help you make better, data-driven decisions that deliver optimized profits.

> "There's no getting out of avoiding the accounting part of (running a small business) because your decisions will be better if you know little things. ... If you don't know (those numbers), then you don't know (what's) a good decision and then you're just afraid."
>
> — Anne Gannon, CPA, founder, The Largo Group, "The Transformational Accounting Model for Small Businesses," "Winning on Main Street" podcast

REVISIT YOUR COSTS

Once you've set your profit aside, you'll need to cover your expenses. The higher your costs, the less money you have to reinvest in the practice. Make sure you know exactly where your money goes and be able to justify the value you get.

> "We sign up for this software and that software, the free trial for this, the free trial for that. And then we don't pay attention to the books. The next thing you know, we've got $1,000 a month for software that nobody's used in three years."
>
> — Rocky Lalvani, "It's Your Business, Your Profit Should Come First," "Winning on Main Street" podcast

Here are three ways small business owners can lower costs.

- **Save on payment processing fees.**
  Consider using a low-cost point-of-sale (POS) processor to reduce your credit card transaction fees. While portals such as Square or Stripe are easy to set up, they often have higher credit card processing fees than others. Do your own research to find the right POS processor for you — and potentially save thousands on fees.

- **Shed unused subscriptions.**
  Small monthly recurring expenditures add up. Unless you've been scrupulously tending to every little subscription and invoice, chances are you have plenty of unnecessary expenses ripe for shedding.

- **Review vendor costs.**
  Your vendors — from utilities to software — have probably increased their prices in the past two years. (Shouldn't you, in this economy?) Once you've pared down your recurring expenses to only those necessary, check in with your vendors on current pricing. If the relationship is transactional and another vendor can beat the price, make the switch.

Avoid overpaying the IRS

Many small business accountants collect your information at tax time, submit your taxes and send you a bill. However, you may benefit more from a year-round relationship with an accountant, tax attorney or tax specialist who can help define your company's tax strategy, find deductions and write-offs you didn't know about, letting you keep more of your profits.

30% of small businesses believe they overpay their taxes and could claim more deductions and credits.[4]

MAINTAIN A HEALTHY CASH FLOW

Professional practices with healthy revenue streams still can suffer from cash flow problems — and most do. Today, 61% of small businesses around the world struggle with cash flow, and nearly a third can't pay vendors, creditors, themselves or their employees due to cash flow issues.[5] This is a huge risk, especially heading into a recession or during a cataclysmic event such as a global pandemic.

Cash flow is the **#1 reason** small businesses fail. According to the nonprofit SCORE, **82%** of businesses fail because of cash flow problems.[6]

Cash flow is not the same as profit. Even if your practice is making a profit, if you have too many unpaid invoices or too much cash tied up in inventory, there may not be enough to cover monthly operating expenses. This is negative cash flow — and it's a red flag that signals trouble ahead.

Cash flow is how money moves in and out of your practice. In addition to revenues and expenses, your cash flow analysis should include the following financial inputs:

- Accounts receivable
- Accounts payable
- Inventory
- Capital expenditures
- Operating expenditures
- Debt services

Here are three things you can do today.

- **Get paid faster.**
  Late payments and unpaid invoices are often the culprit of cash flow issues, and nearly one in three small businesses estimate it takes more than 30 days to get paid.[7] Reduce the time it takes to get paid by offering flexible payments, positive incentives and frequent nudges (see sidebar).

- **Stay ahead of the curve.**
  Cash flow can be seasonal. For example, it usually takes a hit during the holidays, when businesses spend more on employees and stock up on inventory. So in cash-rich months, set aside reserves to cover the lean ones.

- **Secure a line of credit.**
  If you anticipate not having enough cash reserves at any given point, consider a business loan. Lock down a business loan or grant when your cash flow is positive and you're not in dire straits.

How to get your clients to pay on time

- **Check your procedures.**
  If your payment terms aren't clear, don't expect to see your money on time. From day one, make sure your contracts clearly outline what is expected of your patients or clients — including when you'll invoice, when payments are due, how to pay and penalties for late payments.

- **Allow for flexible payments.**
  Make it as easy as possible for your customers to pay you by offering multiple options, such as PayPal, credit card and automated clearing house (ACH) payments. You can also offer payment plans (for costly services), scheduled payments (through a payment processor), online payments and pay-by-text for even more convenience.

- **Offer rewards.**
  Try using a carrot instead of a stick. Offer positive incentives. This could include discounts for early payments, a membership program rewarding on-time payments or special offers when customers meet milestones.

- **Follow up with automatic messages.**
  Don't wait until a payment is past due. Send gentle reminders to notify customers of upcoming payment dates — and use text or email automation to save you time doing it. (Hint: your payment processing software may be able to help you.)

- **Decide when enough is enough.**
  If you have a client that chronically pays late or avoids payment, it may be time to end the relationship. Rather than hounding someone for money, your time may be better spent developing new relationships with more reliable customers.

AUTOMATE TO WORK SMARTER

Your time is your most valuable resource. You want to spend it doing what you love (and what drives profits higher), not on mind-numbing administrative tasks.

24% of small business owners spend up to **10 hours a week** solely on administrative tasks.[8]

Accountants spend **86% of their time** on tasks that could be automated, according to QuickBooks.[9]

Technology is here to make your back-end processes cheaper, faster and more efficient. In particular, automation should be a core part of your day-to-day, from document sharing to appointment booking, invoicing and client communications. That way, you and your employees can spend time on the value-creating activities that matter.

40%

Law offices spend an average of 40% of their time on administrative and manual tasks.[10]

48%

Nearly half (48%) of patients prefer to schedule appointments by phone.[11]

$13

According to Levvel Research, automated billing can save businesses an average of $13 per invoice. If you process 500 invoices a month, that's $78,000 savings a year.[12]

91%

91% of companies with more than 11 employees now use customer relationship management (CRM)[13]

"The reality of running a profitable business is that there are only so many hours in the week. The ability to leverage technology and automation tools is what drives profitability without working more hours."

— Ryan Cantor, chief product officer, Thryv

Here are five processes your professional practice can automate to save time and resources.

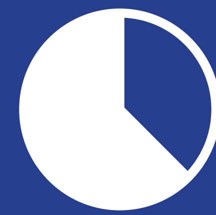
- **Client intake.**
Onboarding new clients can be a lengthy process. Let online client intake forms do the work for you. You'll get most or all the relevant information before your new client even steps in the door without having to pick up the phone or decipher handwriting.

- **Scheduling and reminders.**
An online booking system allows patients or clients to schedule appointments based on your availability. Connected to your CRM system, it also can help send automated email or text reminders, which means fewer delays and no-shows.

- **Invoicing and billing.**
With the right payment and billing software, you can transform estimates into invoices with a click of a button, eliminating manual data entry. Your software should also be able to send automated payment reminders (both before and after the invoice due date) and keep track of all your invoices in one secure place.

- **Document storage and sharing.**
An online document storage and sharing software can help you locate and share the information you need — past legal cases, contracts or detailed medical records — within seconds. Make sure you choose software that keeps sensitive information safe and secure, follows privacy laws and reduces your cybersecurity risk (see next page).

- **Client communication.**
A good CRM tool is like a Swiss army knife that automates the more transactional aspects of your client relationships. Find one that can help keep your contacts organized in one easy-to-find place, centralize client interactions in a single inbox and personalize your marketing communications.



In 2021, **two out of three** organizations were hit with ransomware attacks.[15]

Data privacy and cybersecurity

Cyberattacks put your patients' or clients' information — and your business reputation — at risk. One single breach can irrevocably damage your brand and result in serious long-term costs, from business disruption to legal liabilities and attorney fees.

If you think your practice is too small to be a cyberattack target, think again. In 2021, 82% of ransomware attacks were against companies with fewer than 1,000 employees. Small businesses are particularly vulnerable: More than half of small businesses don't have cybersecurity measures in place.[14]

One of the best ways to protect yourself and your patients and clients from cyber and reputational risk is to use a secure platform for document storage and file sharing. Avoid email. Restrict permissions to make sure client data can be viewed only by those who need access. And make sure whatever platform you use meets the latest security standards as well as privacy requirements.

How to right-size your tech stack

Digital tools and automation can make running your practice easier and faster — and more profitable as a result. But sometimes, in the shift to digital, small businesses find themselves implementing too many different software and applications, leading to less efficiency and more headaches.

After the pandemic, **13%** of small business owners said they're relying more on technology to help run parts of their business. Also, **14%** said they're spending time in lots of different apps and software.[16]

When selecting a digital tool to add to your tech stack, consider the following criteria.

- **Fit-for-purpose.**
  Don't invest in tech for tech's sake. Ask yourself how the digital tool fits into your business strategy (and your budget) — and reevaluate periodically.
- **User experience.**
  Think about who will use the technology and how it will affect their day-to-day workflow. For example, if your employees aren't the most tech-savvy, choose a tool that offers robust onboarding tools and hands-on customer service.
- **Integrations.**
  Any software you choose will ideally integrate with other important applications you already rely on (such as your accounting software and email platform).
- **Short- and long-term needs.**
  While you may not need every technology feature today, chances are that as your practice grows (and the market changes), you'll benefit from additional tools and services. Pick a software provider that can adapt to your evolving needs and grow alongside you.

Dori Abell, owner of Allegro Entertainment
Thryv user since 2019

02 Protect and Grow Your Revenue

Equally important as cost is revenue — the other side of the profit equation. More revenue comes from raising your prices to match your value, getting more clients or scaling your practice profitably.

PRICE WHAT YOU'RE WORTH

Optimizing your pricing strategy is one of the most simple and effective ways to increase profits. Most professional practices set prices by summing up costs and tacking on an arbitrary profit margin. But this approach overlooks one of the most important aspects of your business: your value.

> "The single most important decision every business will make is pricing. Cash flow (problems) are always a function of not pricing enough to generate some free cash flow."
>
> — Stephen King, founder and CEO of GrowthForce, "Fixing Your Pricing Model Can Help You Live the Dream," "Winning on Main Street" podcast

Too often, three myths prevent professional service providers from charging what they're worth.

- **Myth #1: Prices should be purely based on your competitors or "the marketplace."**
  Pricing yourself at what your competitors charge isn't the only or best strategy. There are people who want to pay for the best there is — and that could be you. You can and should charge higher prices for added value, which could be a better experience or your unique expertise.

- **Myth #2: Profit margins should be consistent across different products and services.**
  By using a "peanut butter spread" approach to profit margins, you could be leaving money on the table. Patients and clients are willing to pay more for some services. If you know what those are, you can optimize your prices — and maximize your profits — for every service you offer.

- **Myth #3: You'll lose all your clients if you raise your prices.**
  Not necessarily! Good clients understand when you need to raise prices to reflect fluctuating costs and the true value of what you deliver (hello, inflation!). The key is to effectively communicate about periodic price shifts and offer as much transparency as possible. If you do lose some price-sensitive clients, factor that into your pricing so higher margins from your remaining (and new) clients make up for it.

Four in 10 U.S. small businesses intend to **raise selling prices by 10% or more** amid decades-high inflation, according to a survey from the National Federation of Independent Business.[17]

Here are three things you can do today to make sure the price is right.

- **Lean on the data.**
  While there is no single pricing formula to follow, some metrics can help you determine whether the price is right — that is, whether your price matches your target clients' willingness to pay. According to *Forbes*, if you win more than 80% of your prospects, your prices are probably too low. An ideal customer close rate is between 75% and 80%.

- **Know your worth.**
  To set the right price, you need to be able to articulate why you're worth the money clients spend on you. One time-tested way is to find the weakness in each of your primary competitors. For example, if you compete with a national chain, you might want to gently remind your customers they're supporting small businesses when they work with you.

- **Abandon unprofitable services.**
  If you find the prices clients are willing to pay don't generate enough profit to be worth your time, then reconsider your portfolio. Pivot your business toward the most profitable services and segments — and let go of the rest.

KEEP YOUR EXISTING CLIENTS

Client experience is the accumulation of every interaction a client has with your practice, from start to finish. It's what your clients will remember — and what will keep them coming back.

Businesses that focus on customer experience see an **80% increase** in revenue.[18]

Getting a new customer is **six to seven times** more expensive than retaining an existing customer.[19]

On the flip side, a negative experience is the quickest way to lose patients and clients and leave money on the table. Each year, companies lose an estimated $1.6 trillion due to bad customer experiences.[20]

Convenience is key. Clients want a frictionless experience that makes their lives as easy as possible. Today, that means offering digital scheduling and payment options and communicating on the channels and platforms they use most.

> "Customers no longer compare you only to your direct competition. They compare you to the best service they have ever received from anyone."[21]
>
> — *Forbes*

Offer online scheduling

When it comes to making an appointment, not everyone wants to pick up the phone or send an email. The more options and the more convenience you offer, the more appointments you'll get. That translates to more revenue and more profit.

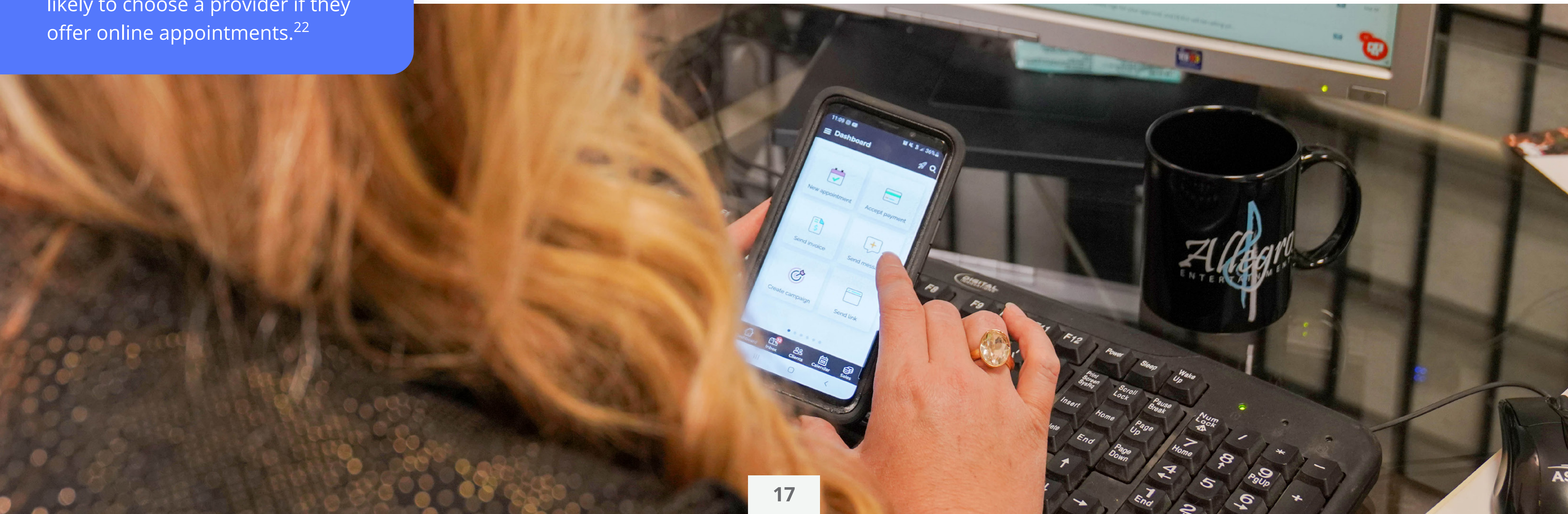
With online scheduling, your clients can book appointments 24/7 from any device. They can view an up-to-date calendar of your availability — and easily keep track of their past and upcoming appointments. And when plans change, they can also request to reschedule with the click of a button.

An online scheduling tool makes it easy for you to configure automated messages for:

- Upcoming appointments;
- Post-appointment thank-you notes;
- Online review requests; and
- Reminders to book follow-up appointments.

Your patients or clients will appreciate the regular communication, and it'll make you look professional and organized, all without having to lift a finger.

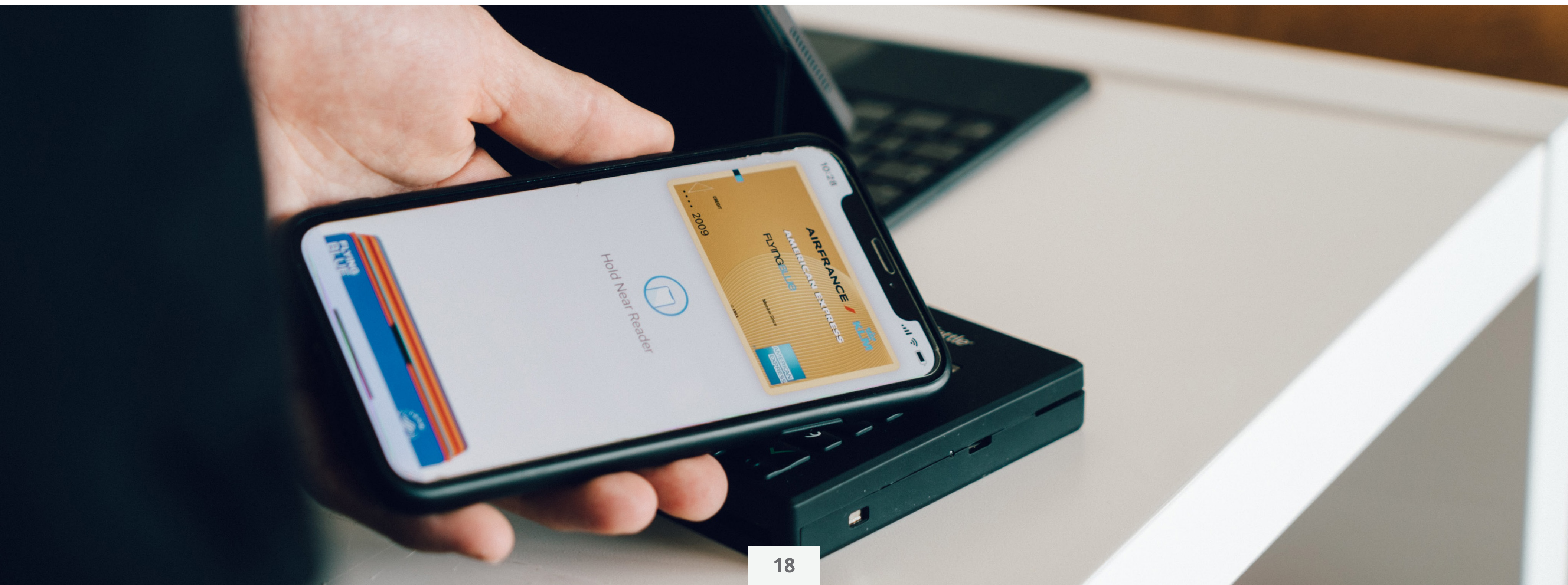
68% of patients say they are more likely to choose a provider if they offer online appointments.[22]



Adopt digital payments

Digital payments are on the rise. Clients value the flexibility to pay how they want — and the options are expanding. For example, digital wallets are becoming more and more popular, especially among Gen Z. Professional practices that don't accept mobile payments could be losing out on an important prospective segment and a big chunk of revenue.

More than 80% of consumers have used contactless payments in the past 12 months.[23]



57% of consumers say they are more likely to do business with those who offer a contactless payment option.[24]

77% of customers believe using a credit card on an online portal is just as safe or safer than paying in person.

Digital payments provide more convenience — and a better experience — for your patients and clients. But that's not the only benefit to your bottom line. Consider:

- **Increased sales.**
  When paying is as easy as swiping and tapping, people are more eager to spend. And when they don't see the bills coming out of their wallets, they're likely to spend more.

- **Habit monitoring.**
  Digital payments allow you to gather invaluable data about your clients' spending behaviors. This can help you discover new target groups or even opportunities to cross-sell and upsell.

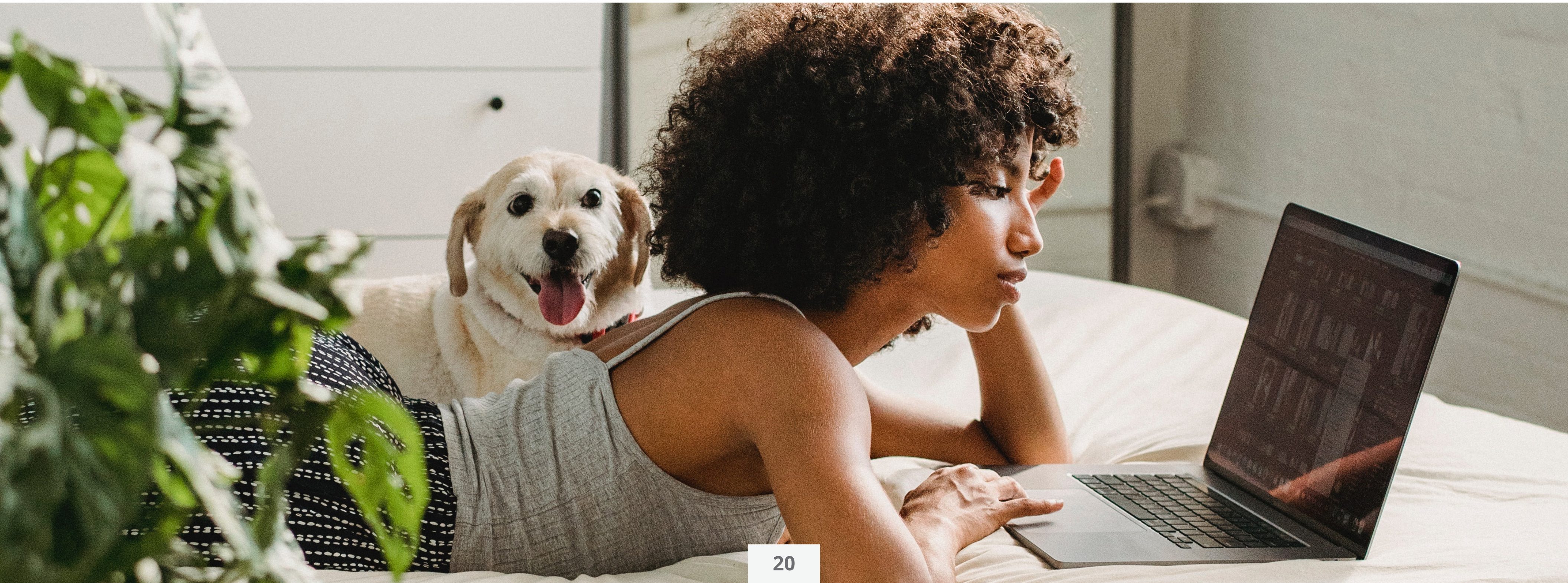
- **Lower risk.**
  Online and digital payments lower your risk of bounced checks, mishandled cash or internal theft. To avoid taking on excess cybersecurity risk, make sure you check security and breach history when choosing a payment processor.

Make sure your payment platform can manage both new and traditional payment methods so you don't abandon clients who prefer to use cash or check.

Communicate with purpose

Effective communication is a core part of the patient and client experience. It’s not just what you say but also where and when you say it. A well-thought-out communication strategy will help you build deeper and longer-lasting client relationships — which is the best, most cost-effective way to ensure a steady revenue stream.

> ”It’s not enough to just be a great insurance broker or a great doctor if you do not communicate effectively. If you do not follow up when you say you will, if you make your clients feel like you’re spread too thin, they will go elsewhere.”
>
> — Ryan Cantor, chief product officer, Thryv

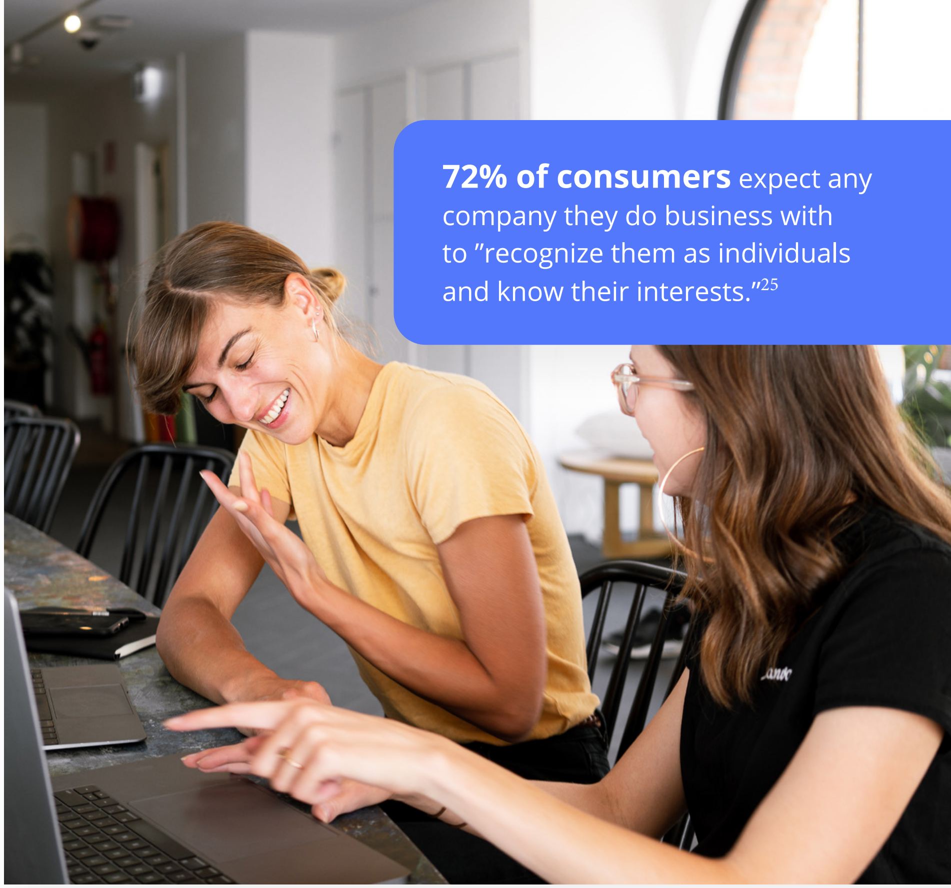


Here are three ways you can level up your communication strategy.

- **Ask your clients how — and how often — they want to hear from you.**
  These days, there are umpteen channels to choose from: email, text messages, a growing number of social media platforms and third-party apps. Take the guesswork out of it by sending a yearly questionnaire to your clients to ask their preferred communication channels, content and frequency.

- **Make it personal.**
  Every one of your patients and clients wants to feel special — even if you have thousands of them. Add a personal touch by using your clients' and their families' first names, sending milestone messages (e.g., on birthdays and anniversaries) and incorporating specific recommendations based on the services they've used in the past.

- **Test and learn.**
  Figuring out the right communication strategy for your practice will probably require some experimentation. Once you find out what works, focus your efforts on the highest-return communications and forget the rest.



72% of consumers expect any company they do business with to "recognize them as individuals and know their interests."[25]

For every communication you launch, track engagement metrics such as:

- Email open rates
- Click-through rates
- Click-to-open rates
- Subscribes/subscribers and unsubscribes
- "Likes" and "shares" on social media posts
- Sales conversion rates (e.g., number of conversions or total number of interactions)

WIN NEW CLIENTS

Expanding your patient or client base is an important aspect of maintaining and growing your professional practice. Building a strong online presence and a sterling reputation will help you stand out from the crowd.

Strengthen your online presence

Potential clients expect businesses to meet them where they are — which today is increasingly online, on their phones and on social media.

Here are three things you can do today.

- **Update your online listings.**
  Whether you're a lawyer or a veterinarian, prospective clients are probably relying on online search sites to learn about your practice. It's essential that your business profile — including your business address, phone number, service offerings and operating hours — is consistent and accurate across the more than 50 sites where they are looking for you.

Consider using an automated business management platform.

Many platforms will allow you to simply enter or update your practice info in a single place, then seamlessly populate that information across all the most popular online platforms.

Nearly 40% of Gen Z uses TikTok or Instagram for search, according to Google.[28]

- **Build a winning website.**
  Your website is the face of your practice. It's the only public-facing digital space you completely control — and it's where many of your customers will develop their first impressions. Make it count.

- **Embrace social media.**
  Social media is an easy and inexpensive way to raise awareness of your brand. In fact, more than half of consumers learn about new brands on social media.[26] It's also a fantastic way to create targeted ads, drive traffic to your website, conduct audience market research and keep an eye on your competition.

Social is the number one channel for brands to connect with consumers. When asked which communication channels give brands the best opportunity to connect with their customers, survey respondents ranked social media as number one.[27]

Get the referral

Referrals are one of the most cost-effective ways to increase the size of your patient or client base. And not only do you get more clients but you're also likely to get better clients: The leads you attract from referrals tend to be warmer than a cold-call prospect because they trust the person who referred them.

88% of global consumers trust recommendations from people they know more than any other advertising channel, according to Nielsen.[29]

Always remember to thank someone when a referral comes through.

How to win a referral:

- Provide exceptional client experience (nonnegotiable)
- Ask your current clients to recommend you to friends and family
- Offer incentives for referring prospects (such as discounts on future services)

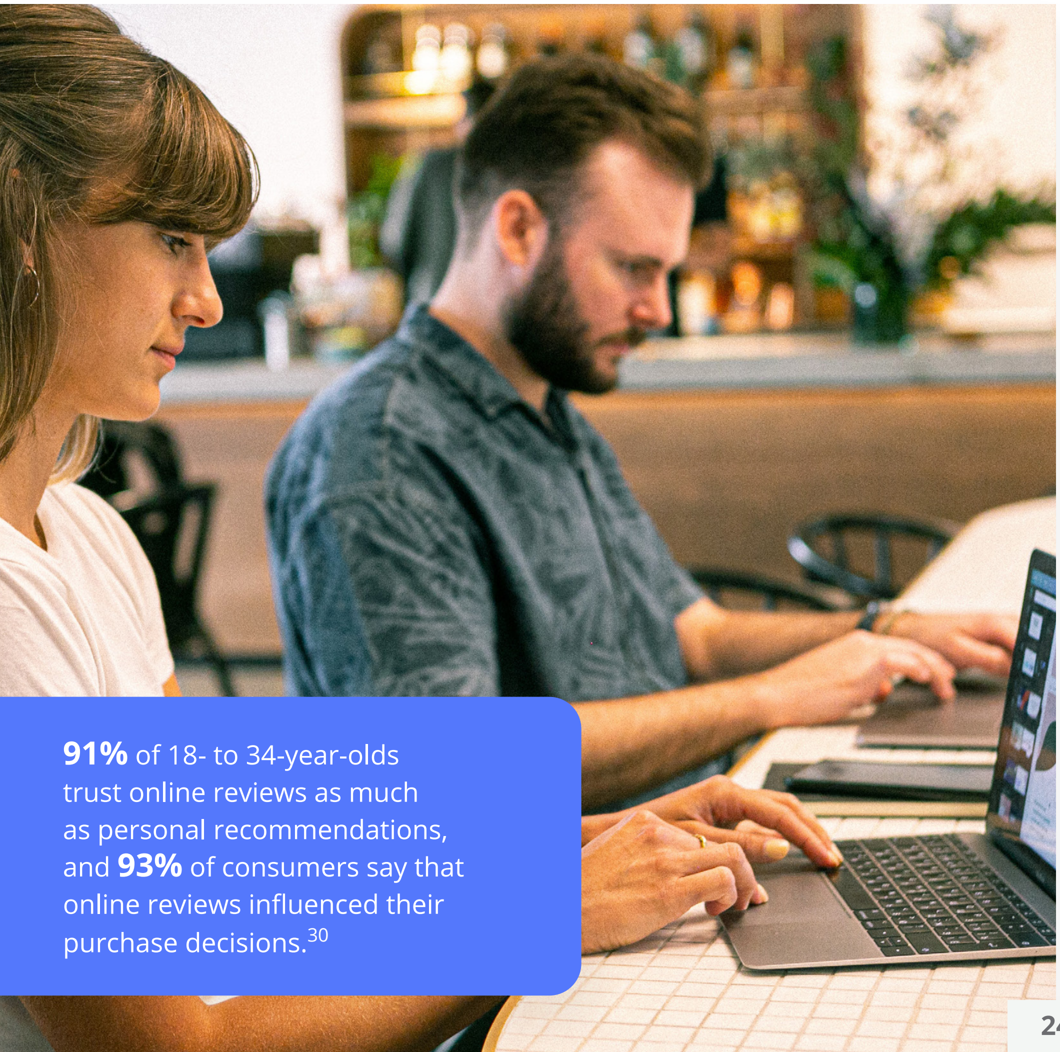
If a client doesn't feel comfortable reaching out to their network, consider asking them to write a review or submit a testimonial instead. These low-effort actions will also generate valuable leads and serve as compelling social proof about the quality of your practice.

Manage online reviews

41% of customers say when brands reply to their online reviews, it makes them feel the company really cares about their customers.

You know all too well the importance of online reviews. They can make or break your business.

Your online reputation is more than just a rating out of five stars. Patients and clients care about how many reviews are posted, how recent they are and how high-quality they are.



91% of 18- to 34-year-olds trust online reviews as much as personal recommendations, and **93%** of consumers say that online reviews influenced their purchase decisions.[30]

Getting reviews can sometimes feel like pulling teeth, but the effort almost always pays off.

Here are five things you can do to get more (and better) reviews.

- **Ask at the right time.**
  Don't wait to ask for a review. The best time is usually right after you've completed the service.
- **Make it as easy as possible.**
  Provide a QR code or a Google review link to minimize the number of steps (or clicks) it takes to leave you a review.
- **Automate the process.**
  A CRM tool can automatically send an email or text request, follow up as needed and personalize the message to increase your chances of success.
- **Offer rewards.**
  Consider offering discounts, freebies, gift certificates or other incentives for an online review or a social media post. When doing so, you can also require reviews to be of a certain length (e.g., two sentences or more) in order to qualify for the incentive.
- **Express your gratitude.**
  Show your appreciation by responding to the reviewers and thanking them for sharing their experiences with others.

How to manage bad reviews

It's impossible to satisfy every single patient or client. You can't control a negative online review, but you can control how you respond. When done well, you can turn bad reviews into loyal relationships that continue to bring in revenue for your business.

- **Respond quickly.**
  The first step is to listen and respond. Show your clients (and prospects) you care and are willing to do whatever it takes to fix the issue. The quicker, the better. Most customers expect businesses to reply to online reviews within seven days.

- **Say sorry.**
  Acknowledge the concern and apologize that the customer didn't receive the experience they expected. Even if you don't think you did anything wrong, try not to get defensive. Instead, say something like "We're sorry you feel we missed the mark this time."

- **Be thoughtful.**
  Tailor your response to the specific situation. Doing so will show you're taking the time to understand each customer's unique experience, setting you apart from those who simply copy and paste the same "I'm sorry" from one review to another.

- **Keep it brief.**
  No matter how long the initial review, try to keep your response to a few sentences. While you may feel the urge to defend every point, a lengthy reply could actually legitimize the bad review and further incite an upset customer.

- **Take it offline.**
  Issues rarely get resolved in the review section. Instead, offer to make things right by providing contact information, including the name and phone number of a specific representative (if possible). Customers will appreciate your receptiveness to feedback and your willingness to address any problems that may arise.

SCALE PROFITABLY

Scaling your business does not necessarily correlate with an increase in profitability. In fact, if you and your business aren't ready, scaling won't fix your problems; rather, it will most likely exacerbate them.

> "Nothing works big that doesn't work small. Scale doesn't help all things. You should become more profitable as your business grows—not equal, and not less."
>
> — Ryan Cantor, chief product officer, Thryv

Dr. Gaby Edery, D.C.
Thryv user since 2021

Growth vs. scale

The words "scale" and "growth" are often used interchangeably, but there's an important difference between the two.

Growth refers to a simple increase in revenue or customers — and that's not always a good thing. If it costs you $10,000 (or more) to gain an additional $10,000 in revenue, you've certainly grown your business, but you haven't achieved scale.

Scale means your revenue increases faster than your costs, which means your profit is also expanding. It may sound simple, but scale calls for an intentional strategy going beyond getting more customers through the door.

Five business metrics can help you determine whether your business is ready to scale.

- **Customer acquisition cost.**
  The cost to acquire a new customer includes marketing, sales and overhead. If this cost is higher than your industry average, find less expensive ways to bring customers in the door — with either new or existing marketing tools.

- **Conversion rate.**
  The share of your prospects who become customers is your conversion rate. If it's lower than your industry average (typically 2% to 5% for a website or mailing list),[31] you'll need to address the root causes. This could mean a shake-up of your communication and marketing strategies.

- **Lifetime customer value.**
  The average value a customer brings over a lifetime is fittingly known as "lifetime customer value." As a rule of thumb, it should be at least three times greater than your customer acquisition cost.[32] If it's not, look to increase it with complementary services, a paid-referral relationship with ancillary service providers or a client referral program to get more value out of your existing client base.

- **Growth rate.**
  A company's growth rate is the rate at which revenue and client base increase over time. If your revenue growth lags your customer growth, that means your profitability falls with each new customer. You many need to streamline processes and reduce costs.

- **Churn rate.**
  The percentage of customers lost over a specific time period (usually monthly or annually) determines your churn rate. If your churn rate is higher than your growth rate, that's a clear impediment to scale. Find out why your clients leave and try to address any issues you uncover.

HOW THRYV CAN HELP

Though cost and time efficiencies are hard-won in professional practices, they can make or break the profitability of your business. Thryv's small business management software is an all-in-one platform with all the tools you need to run your business efficiently.

Imagine logging into a single dashboard where you can view your messages, communicate with your clients, review appointment bookings, automate your invoicing, accept and track digital payments and manage your online profiles and reviews, with seamless integration with other applications you rely on (like QuickBooks). Millions of people use Thryv to help them run their practice more efficiently — and more profitably — with a suite of features designed specifically for small business owners like you.

Secure document sharing.

Online document storage and sharing cuts the clutter and lets you securely request, store and share documents directly with your colleagues and clients. The Thryv Secure add-on offers an additional safeguard to protect sensitive client or patient data in compliance with HIPAA.

Easy appointment booking.

Thryv offers seamless online appointment scheduling that syncs with your existing calendar so clients can request and book appointments 24/7, receive automated email and text reminders before the appointment and process payments directly in the platform.

Centralized inbox.

Thryv's centralized inbox takes all of your messaging platforms, including social media apps, email inboxes, chatbots, Google's Business Messages, text and email, and consolidates it all into one place. Keep all your conversations and contacts organized so you never miss a message again.

Streamlined invoicing and payment processing.

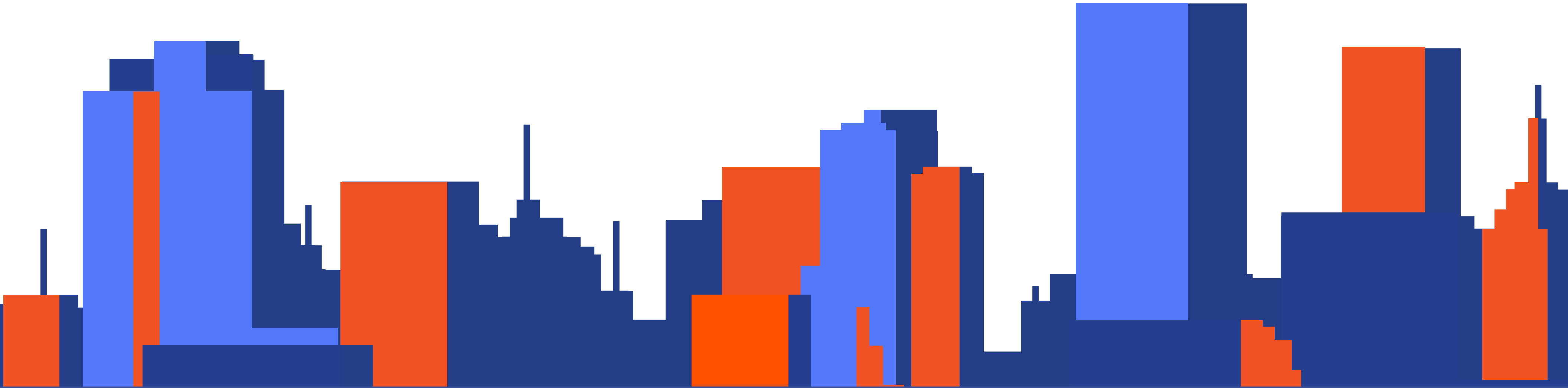
Thryv's cloud-based invoicing software lets you send interactive estimates and professional invoices at the touch of a button. And with ThryvPay, you can accept and process credit card and ACH payments, schedule future and recurring payments and save thousands on payment processing fees each year.

Consumer financing.

ThryvPay has teamed up with Wisetack to offer easy consumer financing. Give your clients more purchasing power, more flexibility and more time to pay so you can turn a "maybe" into a "yes." You'll still get paid as soon as the work is complete, which means no more tracking down customers for payments and no additional risk for late or defaulted payments.

Digital marketing.

Thryv's digital-marketing tools make it easy to replicate your business information across more than 40 trusted online listings, amplify your social media presence, manage your reviews and promote your brand through professionally designed websites and videos.



We hope this guide provides some practical tips and resources to help your practice achieve higher profitability and help you achieve your professional goals.

If you’d like to learn more about Thryv, reach out to a product specialist to find out how Thryv can meet your needs.

TALK TO A SMALL BUSINESS EXPERT

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