



FIELD GUIDE / FREE PRACTICE RESOURCE

The Profit Leak Audit

Is your busiest treatment quietly costing you money?

A PRACTICAL AUDIT IN 4 MOVES

01 / MAP Your revenue mix

02 / MEASURE Your margin per room hour

03 / DECIDE Fix, retain, or transition

04 / ACT Your 30-day reset



INSPIRED BY THE BUSINESS OF AESTHETICS CONVERSATION WITH

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A CLEARER VIEW OF WHAT ACTUALLY MAKES MONEY.

THE CORE IDEA

Busy is not the same as profitable.

Growing revenue feels like progress. But if the cost of delivering your most popular services rises faster than your margin, a full calendar can conceal a weaker business.

A DIFFERENT QUESTION

Which services earn their place on your schedule?

5-MINUTE READINESS CHECK

- ☐ We know revenue by major service category.
- ☐ We can estimate product, provider, and room-related costs.
- ☐ We track actual occupied hours, not only bookable hours.
- ☐ We can show whether a discounted service leads to profitable follow-on care.
- ☐ Our marketing promotes services we actually want to grow.

IF YOU CAN'T CHECK THEM ALL

That is the starting point, not a failure. The next pages turn missing information into a practical decision-making system.

01 / THE SERVICE-LINE MAP

Stop looking at one blended revenue number.

Start with 3-10 meaningful revenue families: injectables, lasers, skincare, surgical services, or other major categories. Go deeper only when a category warrants it.

YOUR PRACTICE / QUICK WORKSHEET

SERVICE LINE	MONTHLY \$	DIRECT COST \$	STAFF / \$	EST. \$

EST. \$ = revenue - direct product costs - directly attributable staffing. This first-pass view is not full profit: allocate room and other overhead before deciding what to keep.

INTERPRET THE SIGNAL

A line can be your highest revenue generator and still be a weak use of time. Circle the service that deserves a deeper cost review next.

02 / ROOM ECONOMICS

What does one occupied room hour really earn?

A room-hour view helps compare services with very different prices, costs, and appointment lengths.

THE WORKING FORMULA

REVENUE - SERVICE COSTS - ALLOCATED OVERHEAD

then divide by ACTUAL OCCUPIED ROOM HOURS

ILLUSTRATIVE EXAMPLE / NOT A BENCHMARK

TREATMENT REVENUE

\$12,000

PRODUCTS + PROVIDERS

\$7,000

ALLOCATED OVERHEAD

\$2,000

ACTUAL OCCUPIED HOURS

60 hrs

ESTIMATED CONTRIBUTION

\$3,000 ÷ 60 occupied hours = \$50 per room hour

CALCULATE YOUR OWN

Service line:

Revenue / month:

Total attributable costs / month:

Actual occupied room hours:

For decision-making, use consistent cost allocation assumptions. These are estimated contribution figures, not GAAP measures or standardized industry benchmarks.

03 / THE FULLY BOOKED TRAP

Demand is not proof of profitability.

If a popular service looks unprofitable, do not rush to remove it. Follow the sequence Sean describes: verify the data, attempt a repair, test the value of any downstream sale, then make a deliberate decision.

01

VERIFY

Is the service actually losing money? Check product cost, compensation, occupied time, and a fair share of overhead.

02

REPAIR

Could better pricing, purchasing, scheduling, or workflows make the service viable? Test the fix.

03

PROVE

Is it a genuine loss leader? Count real conversions and the margin on follow-on services, not anecdotal upsells.

04

DECIDE

If the math still fails, consider referring, partnering, or phasing the service out while honoring commitments.

THE RULE

Do not keep a loss-maker because the calendar looks full.

04 / DECISION WORKSHEET

Make one clear call on one service.

Work with real numbers first. Revisit the decision after a defined test rather than allowing habit or emotion to choose the service menu.

SERVICE LINE

REVENUE / MONTH

EST. MARGIN

ROOM HOUR \$

MARK ONE NEXT ACTION



KEEP + SCALE



REPRICE



RETEST



PHASE OUT

What is driving the cost or weak margin?

Cost / time / pricing / mix

What fix can we test in the next 14 days?

Owner + concrete action

What number will tell us whether it worked?

Metric + target

What promise to clients must be protected?

Memberships / bookings / follow-up

REVIEW DATE:

DECISION OWNER:

05 / TRANSITION RESPONSIBLY

Change the menu. Keep the trust.

A low-margin service can be redesigned or removed. The patient experience cannot be an afterthought.

01 HONOR

List active packages, memberships, appointments, and promised care. Decide how each will be fulfilled.

02 SET THE PACE

Choose the end date or review point. Stage the change at a speed your practice can support.

03 COMMUNICATE

Explain what is changing, when, and where patients can receive ongoing support.

04 REPOSITION

Update marketing to attract patients who need your best-fit, sustainable services.

Guiding principle: The service mix can evolve; your word to current patients still matters.

06 / THE YEAR-END WINDOW

The best time to plan is before the deadline.

Sean recommends speaking with a proactive CPA in the early fall, rather than waiting until year-end. For calendar-year US taxpayers, some opportunities depend on action taken before December 31.

YOUR PLANNING TIMELINE

1

NOW**Book the strategy conversation**

Ask your CPA what should be evaluated or implemented this tax year.

2

NEXT**Make the operating moves**

Test pricing, vendor choices, staffing capacity, and the service mix.

3

BY YEAR-END**Confirm what was implemented**

Review deadlines and documentation with the appropriate advisers.

TAX STRATEGY

Ask what actions are time-sensitive; do not confuse estimating tax payments with identifying legal tax-saving strategies.

PRACTICE ECONOMICS

Review profitability and utilization all year. Cost visibility can inform pricing, scheduling, and marketing immediately.

Educational only. Not individual tax, legal, accounting, or financial advice. Rules and deadlines depend on your circumstances and jurisdiction.

07 / IMPLEMENTATION

Make profitability a 30-day practice habit.

One month, one meaningful improvement: turn the conversation into a simple, repeatable review your practice can actually keep using.

THE 30-DAY PROFIT RESET

WEEK 01

MAP

Choose 3-10 major service lines. Collect monthly revenue for each.

☐ Proof: A revenue mix by service

WEEK 02

MEASURE

Add product, provider, overhead, and occupied room-hour estimates.

☐ Proof: A first-pass margin view

WEEK 03

TEST

Pick one suspect line. Run a pricing, process, or vendor cost test.

☐ Proof: A before / after comparison

WEEK 04

DECIDE

Keep, fix again, partner, or phase out; assign owners and dates.

YOUR COMMITMENT



FROM THE EPISODE TO THE NEXT MOVE

Your profit plan needs a patient acquisition plan.

When you know which services deserve to grow, your marketing should help bring in the right patients - not simply fill your calendar.

YOUR COMPLIMENTARY MARKETING STRATEGY MEETING

- Identify where current visibility may be leaking opportunity.
- Connect high-value services with more qualified inquiries.
- Outline priorities for a practical 12-month growth roadmap.

BOOK YOUR COMPLIMENTARY MSM

www.businessofaesthetics.org/msm/



SCAN TO BOOK

This is an educational resource inspired by a Business of Aesthetics podcast episode featuring Sean M. Duncan, CPA. Financial and tax decisions should be reviewed with qualified advisers. Meeting availability and services may vary.