

Learning the Critical Building Blocks of Your Business



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Questions

- 1) How do we know if our business is growing **healthy and profitable**?
- 2) How do we **manage our teams** and relationships with vendors?
- 3) What should our priorities be when we **design and set up our practices**?
- 4) How will we **communicate with our patients** both personally and electronically
- 5) What **financial information** is critical to understand and track?
- 6) Should we be a **concierge service-oriented** business?

Characteristics Successful Business Owners Follow

Mindset

Your ability to focus and consistently commit time & energy

Metrics

Manage / measure the results of our business

Habits

Informed decisions, proactive versus reactive, always be the ambassador of change.

Celebratory Culture

Empower your team to do the right thing all the time

Knowledge

Dedicate scheduled time each week to work on your business NOT in it

Resources

Alliances & Buying Groups, Industry, Peers, Professionals, Consultants



How Many Departments are Needed to Operate Your Business?



Business Health

HR

PR

SpO2

RR

HR

HR

SpO2

HR

HR

89

108/68

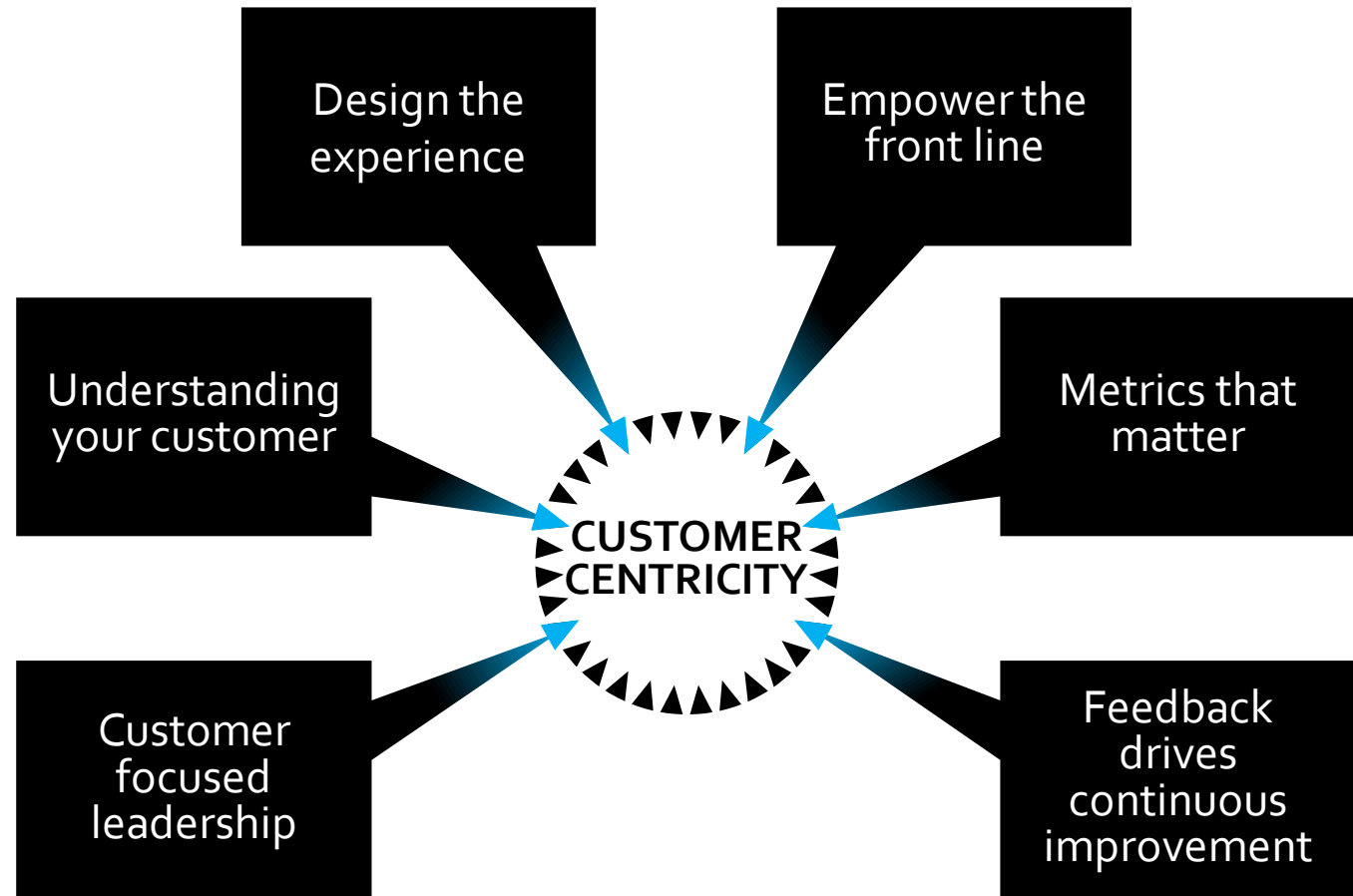
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36-8

Customer Centric Business Planning

Provide a positive **customer experience** before, at, and *after the sale* to drive profit and gain a competitive advantage.



A Business Model to Weather the Storms

The People

Committed Leadership & Vision
with Total Team Inclusion

How much time do you dedicate?

How far are you willing to go to support
the success of your team?



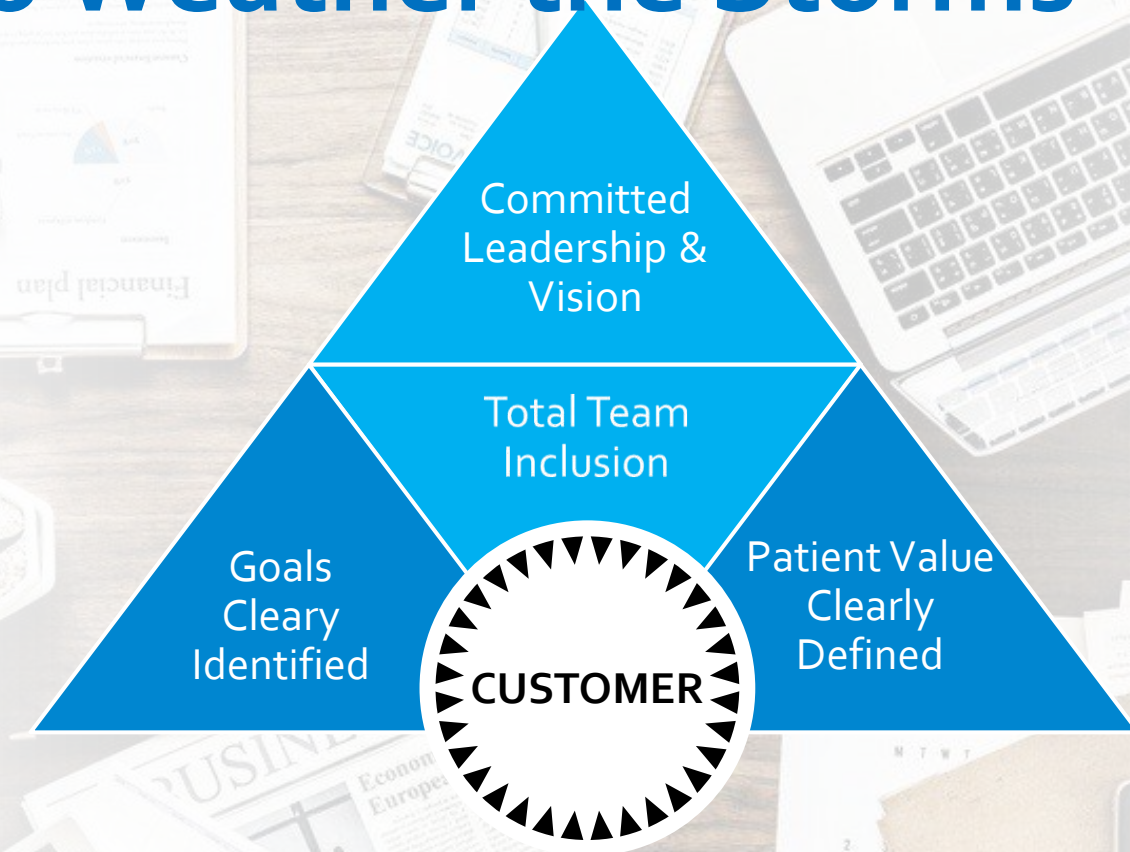
A Business Model to Weather the Storms

The Customer

Can your team articulate and or explain your goals and why they are important?

Setting your 1–3-year financial plan/goal (*hiring financial advisor*)

What is your team willing to do to assure “total patient satisfaction”



A Business Model to Weather the Storms

The Operations

Are all processes documented and or in a visual road map (step by step)

Can your team articulate and or explain your standards and expectations and why they are important?



A Business Model to Weather the Storms

Tracking Success

Is your team familiar with the KPI's you need in order to support their success and to help them tweak, refine and learn how to help each other



Understanding Revenue vs Non-Revenue

Does your team know this?

How much of your team is focused on this?



Insurance and Managed Vision Care Billing & Coding

How are they different ?

Vision Plan

Opticians = takes more time per patient

Medical

Inhouse versus 3rd party



**** How do you know if it is being done correctly?**

**** What about Credentialing, MIPS, HIPAA Compliance?**



REVENUE

How do you create revenue?
What are your profit centers?
How do we track them?

CLINIC	OPTICAL
Comprehensive Exams	Frames
Medical Exams	Spectacle Lenses
CL Exams	Plano Sun Wear
Special Testing	Accessories
Vision Therapy	Contact Lenses
	Low Vision Aides



EXPENSES

How did we spend the money?
How do we track what we spend?

- Labor - Professional versus Staff
- Rent / Mortgage
- Capital Improvements & Equipment
- Repairs and Maintenance
- Education and Training
- Office and Medical Supplies
- Marketing
- Loans / Debts
- Cost of Goods

Business Health Indicators



Business Health Indicators

1

The Result of Your Work
"Net" Revenue per Exam in
both Optical & Clinic

Total revenue

↑ \$93,457.61
(5.9%)

Date Range	Total
Jan - Dec, 2017	\$1,678,152.25
Jan - Dec, 2016	\$1,584,694.64

Clinic revenue

↑ \$81,339.07
(11.0%)

Date Range	Clinic
Jan - Dec, 2017	\$819,510.03
Jan - Dec, 2016	\$738,170.96

Optical revenue

↑ \$12,118.54
(1.4%)

Date Range	Optical
Jan - Dec, 2017	\$858,642.22
Jan - Dec, 2016	\$846,523.68

Average revenue per exam

↑ \$3.58
(1.0%)

Date Range	Total
Jan - Dec, 2017	\$365.21
Jan - Dec, 2016	\$361.64

Clinic revenue per exam

↑ \$9.89
(5.9%)

Date Range	Clinic
Jan - Dec, 2017	\$178.35
Jan - Dec, 2016	\$168.46

Optical revenue per exam

↓ -\$6.32
(-3.3%)

Date Range	Optical
Jan - Dec, 2017	\$186.86
Jan - Dec, 2016	\$193.18

Business Health Indicators

2

How to Measure Profitability Cost of Goods by Optical and Clinic (Profit & Loss)

Practice Overview				
	Revenue	Fixed	COG	Profit
Practice	\$940	\$760	\$182	-\$ 2,000
Dispensary Frames & Lenses	\$340	\$275	\$132	-\$ 67,000
Professional	\$600	\$485	\$50	+\$ 65,000
Exams	\$500			
CL's	\$100			



Business Health Indicators

3

Results Based Metrics

1



**GROSS REVENUE –
BILLED
(YOU CAN'T SPEND IT)**

2



**COLLECTIONS –
MONEY IN THE BANK**

3



**NUMBER OF
PATIENTS**

- a) types of patients – medical, comprehensive, CL
- b) patients with vision plans – VSP, EyeMed, Davis
- c) new versus existing

4



**CONVERSION RATE
FOR TESTING –
OCT'S, PICTURES
AND MORE!**

5



**CONVERSION RATE
FOR PRODUCTS**

- AR
- Transitions
- Complete Pairs
- Rx Sunglass
- Annual CL Supplies
- Plano Sunglasses

Business Health Indicators

Anti-Reflective Lenses

GREATEST OPPORTUNITY

Opportunity for Future Growth

\$55,445.00

Current	EDGE Goal	Improvement Needed
63%	73%	10%

Patient Owned Frames

Opportunity for Future Growth

\$38,469.71

Current	EDGE Goal	Improvement Needed
14%	9%	5%

\$154,847

\$o Frames

Opportunity for Future Growth

\$33,178.03

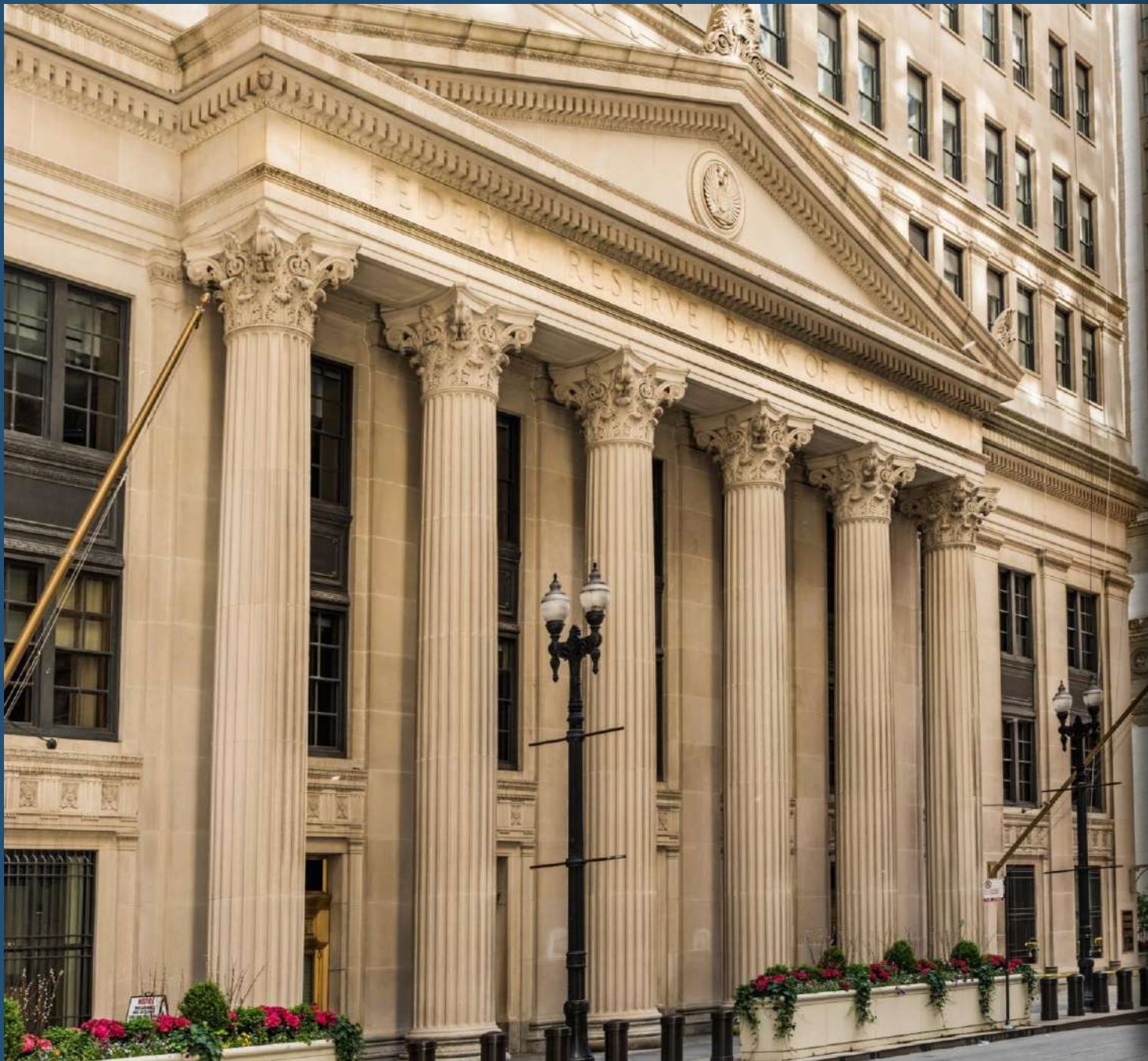
Current	EDGE Goal	Improvement Needed
32%	27%	5%

Photochromic Lenses

Opportunity for Future Growth

\$27,755.00

Current	EDGE Goal	Improvement Needed
15%	20%	5%



SUN **MON** TUE

MONDAY
MORNING
NUMBER

Business Health Indicators

	Averages
Collections per Exam	\$370.00
Clinic Revenue per Exam	\$229.25
Eyewear Revenue per Exam	\$140.68
Capture Rate	49%

*Information provided by GPN Technologies

Top 5 Favs!

1



**"NET" REVENUE
PER EXAM IN BOTH
THE OPTICAL & THE
CLINIC**

2



**COST OF GOODS BY
OPTICAL AND
CLINIC**

3



**CONVERSION RATE
COMPLETE PAIRS –
ANNUAL SUPPLIES –
SPECIAL TESTING**

4



**PATIENT OWN
FRAMES**

5



**LENS FEATURES
TRANSITIONS –
NONGLARE – BLUTECH**

Alliance & Buying Groups

You need to leverage the relationships they have

How will they help you?

Reduce / control your cost of goods

Training

Medical

Patient Care

Staff

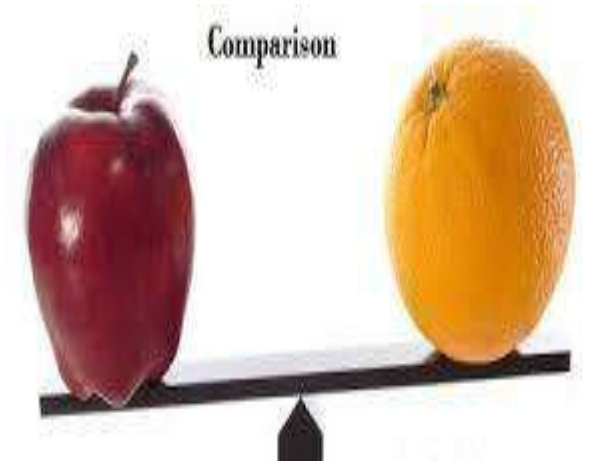
Doctor peer resources

Coaching & Guidance

Compare all the offerings and how they align to your own goals and needs

Who has the deals on the products you are looking for?

What is the real difference in \$'s for you?



Focus on
your Team



A large yellow front loader is shown in a quarry, with its bucket full of large, light-colored rocks. The loader is positioned on a dirt path, and the background consists of a steep, rocky hillside. The scene is illuminated by bright sunlight, creating a lens flare effect in the upper right corner.

**YOU Work
for Your Team!**

**Your job is to clear away the obstacles
that prevent them from succeeding**

SCHEDULING

Doctors
Techs
Opticians
Staff



How to Build a Defined Culture

TRENTA

VENTI

GRANDE

TALL



How Do We Manage Our Team?

Communication

More communication than ever before is needed

Daily strategy meetings

(concerns from patients) **10-15 min..**

Two-way dialogue of sharing (every member of staff regardless of whether in attendance or not)

Dialogue on **goals and results.**

Action plan/process **improvement** implementation



How Do We Manage Our Team?

Training

Staff Training – Clinic vs. Optical

What needs to be done?
(setting up a **training plan**)

Who will do it?

Equipment **cross-training**

Testing equipment

Scribing

Measuring and fitting eyewear



How Do We Manage Our Team?

Do you know how to interview?

What questions do you ask?

Do you use personality tests and background testing?

How will they support your culture? / Will they fit in?

How will you make them validate the information on the resumes you receive?

How will you know if the person that interviews great is any good?

Job Descriptions ? / Policy and Employee Manuals?

What technologies / methods will you use to find and recruit your team?

How Do We Manage Our Team?

Acknowledgement (celebrating the failures)

Languages of Appreciation Gift Certificate * Time Off * High Five! Handshake

You **NEED** to ask them!





Lynn Taylor, a national workplace expert and author says,
“favoritism in the workplace is as common as the office water cooler, but a lot more toxic.”

“It’s like the old familiar *teacher’s pet syndrome.*”

Favoritism can be fairly benign in some situations, but it can also be much more serious and ***develop into a hostile environment for others.***

Is Favoritism Creating a Toxic River in Your Office?



How to Think Like a Buyer



Vendors

Mindset: How to think like a buyer
(be a buyer vs "orderer")

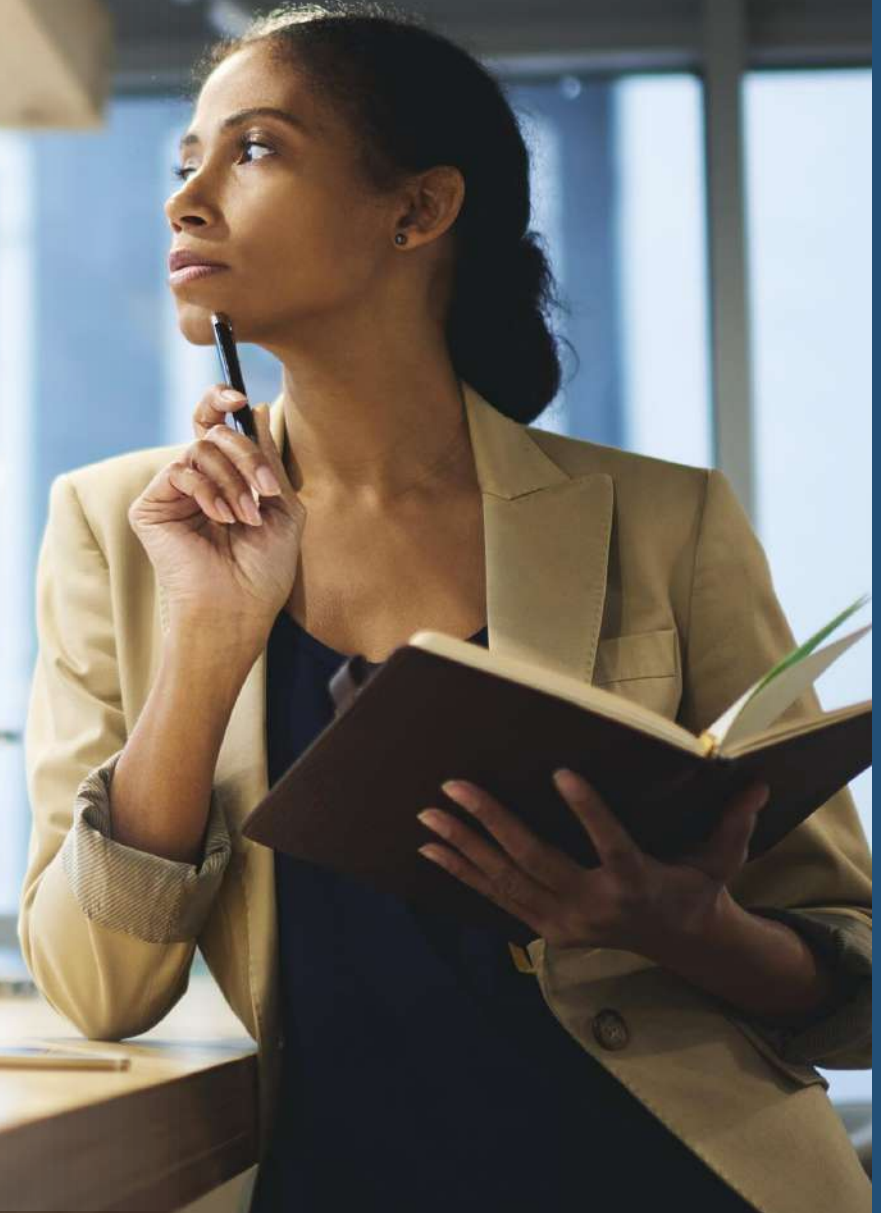
Are you using your historical information to make a decision?

Are you selecting what you like or **what you think your patients like...**?

Are you leveraging the information that your rep can provide you about the history (performance) of the products you are looking at.

How to Think Like a Buyer

What are the right questions to ask our vendors and of ourselves?




Questions to Ask Your Vendor



Q: How can you help me navigate and understand the marketplace?

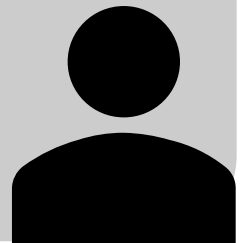
Q: I don't have time ...
What can you do for me?

- 
- Total Board Management
 - Inquire and learn about auto replenishment programs (Goal 60% to 80% TBM)
 - Request two-minute weekly phone call or text to check in proactively (*weekly consultation*)

Questions to Ask Your Vendor

Q: What metrics should you have prepared to have a business review with your vendor?

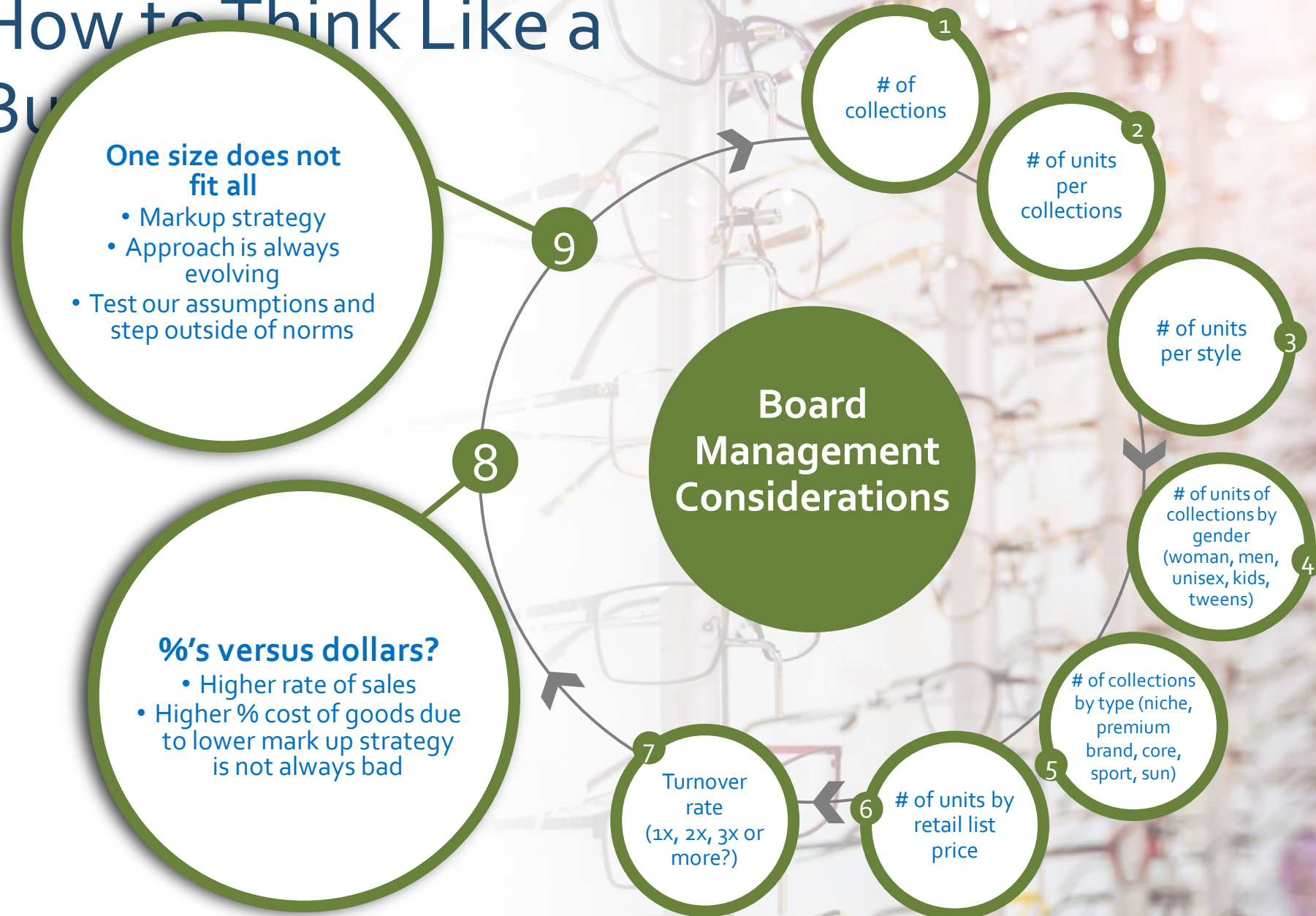
- What did you sell by vendor (MTD, YTD) (identify by \$'s, age group)
- Avg. spend by patient/consumer (consider MVC)
- How many collections do you have by gender & age group.
- Assess the age of your patient base
- What % of product is and or should be MVC,
- What % of your product is Lifestyle, Fashion, other.



How to Think Like a Buyer



How to Think Like a Buyer



NO

Have you ever said
“that is our policy”?

Policy = ?

No Cancellation

REFUNDS

RETURNS

EXCHANGES

Marketing!

Technology?

Websites

Social Media

3rd Party Marketing Programs

Content

Look, feel and function

****Who will learn, update, edit and take responsibility?***

In Office Signage, Messaging, Branding, Display





 ADVANCED
EYECARE
CENTER

EYE | DESIGNS
CUSTOM INTERIORS • FURNITURE

What Will the Culture of Your Business Be?

How will you build **patient loyalty**?

What will make you a **destination location**?

Start with the customer and work backwards

Community Programs



Old-fashioned
country doc
house calls?

Are you the buyer or the builder?

Buyer

Cost to buy?

- 1) How was it determined?
- 2) **Where is your money coming from?**
- 3) How much debt will you have before you start?
- 4) **What will your cash flow shortage be and for how long?**
- 5) How will you support your self and your family?
- 6) **What is your back up plan / resources?**
- 7) What type of lease are you getting?



Are you the buyer or the builder?

Buyer

Cost to keep and grow?



- 1) New equipment?
- 2) Refresh the environment?
- 3) Furniture and Fixtures?
- 4) How much does your revenue have to grow?
- 5) How will this impact both your personal and professional time?
- 6) Marketing?

Are you the buyer or the builder?

Builder

All the previous slides +

- 1) Project Management for construction and design
- 2) Clear understanding of patient and staff physical footprints / flow
- 3) Environment / theme / display concepts
- 4) Do you know how to read blueprints?
ADA rules for counters, bathrooms, doors
LED lighting
Carpeting, tiles, ceiling , indoor and outdoor signage, wall colors
Decisions , decisions , decisions and more decisions !
- 5) Cash flow !!!!! Ouch !! 12 to 18 Month Projections
Cost over runs ? Time over runs ?



Are you the buyer or the builder?

Builder

All the previous slides +



6) Credible builders / GC's that commit to agreements with penalties

7) New Opening marketing {3rd party systems}

8) Training a new team before you open!

9) Supply Chain - Lab / Contacts / Frames

10) PMS / EHR >> YIKES !!! Drive the car first
Set Up , Leverage its true potential ?

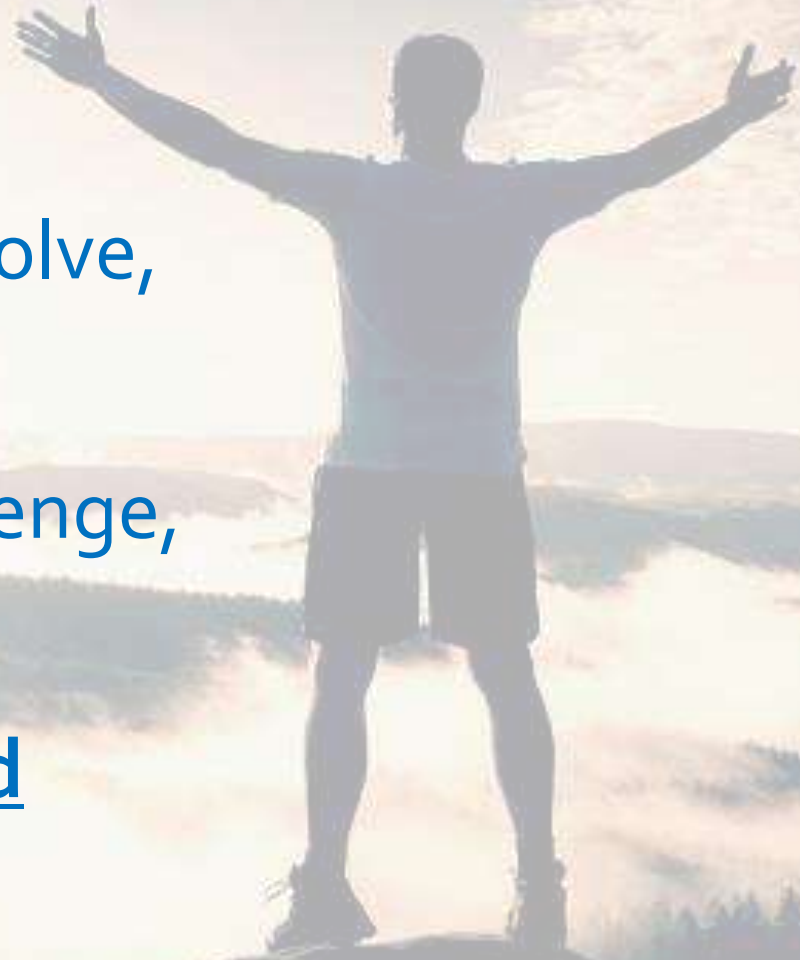
Doctors Vision Center

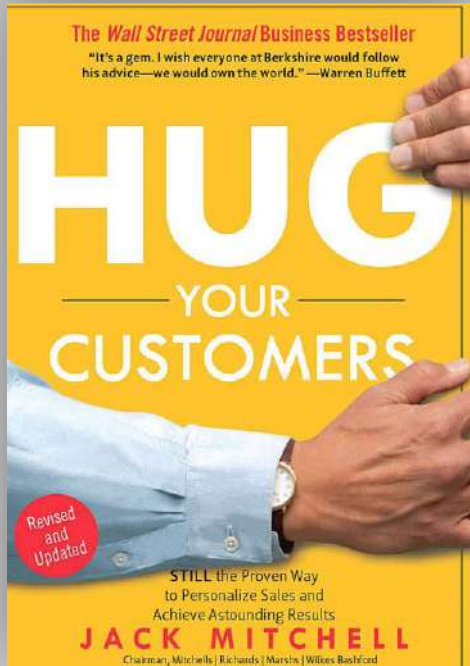
We

Listen, question, learn, tweak, evolve,

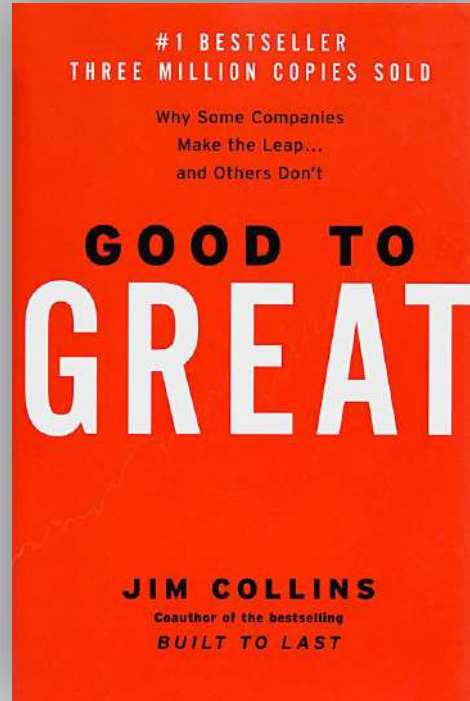
transform, explore, change, challenge,

collaborate, test, fail, succeed

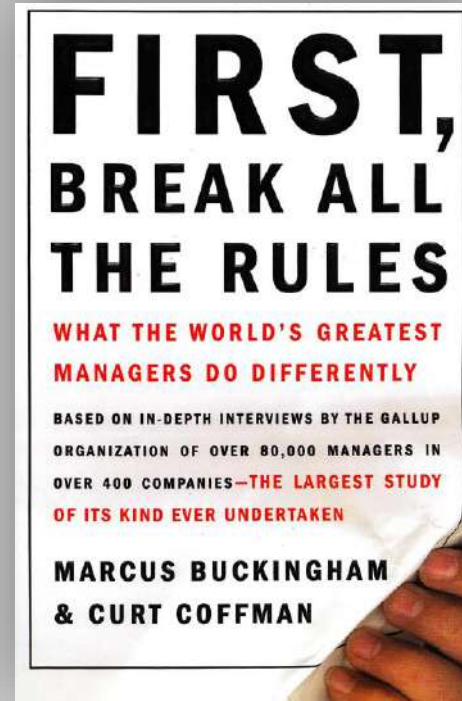




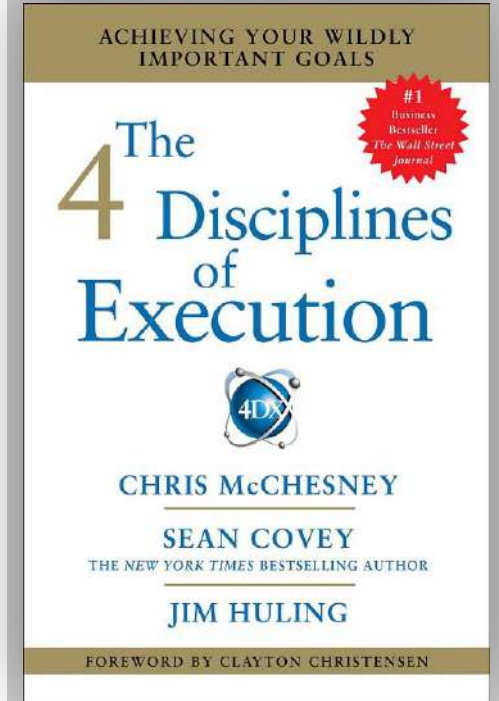
Cultural & customer service



Building a great business



Management styles



Execution