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<ul style="list-style-type: none">• Safilo Training and Education• Specialty: Optical• ABO Certified Optician - over 28 years• Ophthalmology/Optomety• Manager/Buyer• ABO certified speaker	
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	<ul style="list-style-type: none">• Product Flops• What is frame return rate?• How do you buy frames?• Adding New Brands• Inventory Reduction• Great Opportunities.
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Robin, are you qualified to talk about ordering frames and return rate?

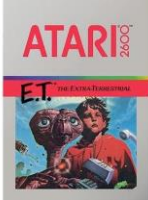
- 34% (66%)
- Lost all vendor discounts
- No rebates
- Overstocked wrong styles
- 18 frame vendors & 32 brands.

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Product Flops


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E.T. the Extra-Terrestrial

- According to usatoday.com, this video game was the BIGGEST failure in video game history
- Developed in conjunction with Steven Spielberg's movie E.T.
- Spent only 5 weeks in development when a typical video game takes months, if not years to develop
- The video game proved to be "too difficult and sold miserably"
- Atari spent \$21M to purchase the rights to the franchise and \$5M on promotions
- Company made 4 million copies but only sold 1.5 million
- Atari burned the leftovers in a land fill
- What happened to the games still in the stores?


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Cheetos Lip Balm

- 2005 Frito-Lay developed Cheetos lip balm based on their snack Cheetos, which had been very popular for more than six decades.
- Cheetos lip balm failed miserably
- What happened to the Cheetos Lip Balm that remained in retail stores?

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NEW! Coke

- 1995, due to losing market share to Pepsi Cola, Coca-Cola changed its formula that had been in place for 99 years
- Noted by many as the greatest flop of all times
- New Coke was met by public outrage and was discontinued after only a few months
- What happened to the New Coke still in grocery stores?

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TOP 2022 RETAILERS:



Save money. Live better.




YOU BUY IT, YOU SELL IT







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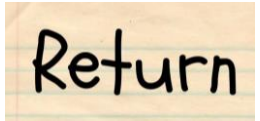


DID YOU KNOW?

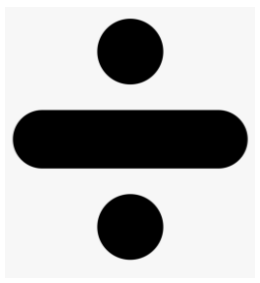
- Opticals are the only retail stores that can return merchandise to the manufacturers for an even exchange of new merchandise.
- Is this good or bad?
- What if this wasn't an option? Would your buying behavior be different?.

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What is...?



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Return Rate:

Number of frames returned (company)

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Number of frames ordered (company)

Example: returned 20 frames and purchased 100. Return rate is 20%.

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Too High:

- lose vendor discounts
 - 3rd party cushion NEEDED
- lose vendor and group rebates
 - quarterly/yearly
- no inventory control
 - "buying freeze"
 - your time is spent with too many frame vendors
- lose money!
 - order, return, order, return
 - optician checking in boxes instead of selling on the floor.


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How to keep a low return rate:

1. one person does the buying
2. buy by the numbers
3. best sellers stay on display
 - supplier drop-ship to lab
4. only return:
 - warranties
 - retired styles.

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Return Rate Example:


- 32% return rate
 - \$40,000 sales with one vendor
 - no discounts
 - no rebates
 - overstocked on wrong styles
- 7% return rate
 - \$89,000 sales with one vendor
 - max discounts
 - \$10,000 rebate
 - \$10K x 3 = \$30K revenue!
 - not overstocked
 - inventory cost relevant to sales.

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TWO WAYS TO ORDER FRAMES:
1.Sales Rep
2.Supplier Drop Ship to the Lab




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1. Sales Rep

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FRAME FLIPPING:
1. Buy by the numbers
OR..
2. Buy by personal taste

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	<p>BUY BY THE NUMBERS:</p> <ul style="list-style-type: none"> • fill with best sellers first • if space allows, then add new <p>Why it works:</p> <ul style="list-style-type: none"> • keeps best sellers selling • numbers don't lie • opticians still get new <p>Opportunity:</p> <ul style="list-style-type: none"> • requires the most consistent buyer.
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	<p>Buy by the Numbers Returns:</p> <ul style="list-style-type: none"> • warranties • retired .. that's it!
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	<p>Buy by Personal Taste:</p> <ul style="list-style-type: none"> • buy what you love • shopping for the staff <p>Why it works:</p> <ul style="list-style-type: none"> • it doesn't if you want to maintain a low return rate <p>Opportunity:</p> <ul style="list-style-type: none"> • magic ball?
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Robin's Car Dealership

			
Audi	Mercedes	Range Rover	BMW

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SALES REP

	<p>Buy by Personal Taste Returns:</p> <ul style="list-style-type: none"> • not selling so send back • we're tired of it • duplicates • warranties • retired.
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	<p>Safety Net of Returning:</p> <ul style="list-style-type: none"> • buy like you can't return it • would you buy differently if this was your money? <ul style="list-style-type: none"> • order, return, order, return.
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	<p>Do you know these online retailers?</p> <ul style="list-style-type: none">• Warby Parker• Zenni Optical• Zeelool• Eye Buy Direct <p>Do they remove a best-selling frame from their site when they sell it?</p>
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	<p>SALES REP</p>
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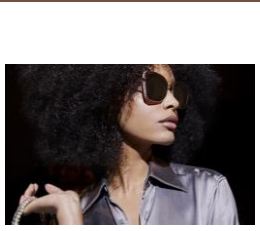
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**(SUPPLIER DROP-SHIP)
BOARD MANAGEMENT:**

- leave top sellers on display
- refresh every quarter


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Point of Purchase:

- patient buys the frame
- explain to patient a new frame is ordered for them
- sample is cleaned and put back on display
- sells over and over again
 - not waiting 8 to 12 weeks for the sales rep
 - T.L.A. (think like Amazon).

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Optician:

- your computer order
 - choices for frame:
 - doctor supply
 - patient supply (P.O.F.)
 - **lab supply**
- lab will use your account number and order
 - same discounts, BGSA.

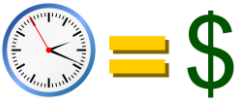
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Save Time and Money:

- best way to keep inventory costs relevant to sales
- opticians are patient and sales focused not checking in boxes
- Sales Reps:
 - brand training
 - merchandising
 - NOT leaving you
- free shipping due to increased sales (check with your vendors)

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BENEFIT: REDUCE Time...Save Money!

For example: Estimated cost of staff time with 20 frame vendors: \$7500


- \$25/hour x 10 hours month purchasing frames = \$250/month or \$3000 year
- \$25/hour x 10 hours month checking in, putting into inventory, pricing = \$250/month or \$3000 year
- \$25/hour x 5 hours month credits, warranties = \$125/month or \$1500 year

Imagine this...


- Sell ONE EXTRA pair of glasses day @ \$325/pair, avg. 25 days/month = \$97,500 in additional revenue each year!

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How do you choose new frame lines?




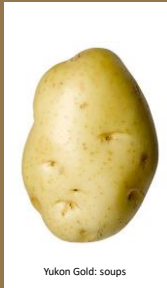

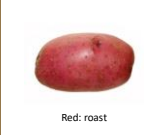

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Potatoes to Potatoes:

- 4,000 varieties
- they look similar – are they all the same?
- how do you choose the potato you need?.

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 Russet/Idaho: bake	 Yukon Gold: soups	 White: scalloped
 Red: roast		 Blue/Purple: boil

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How do you decide which new brands to add?

- they're all the same
- personal taste
- if I like the sales rep
- price
- niché
- **by inventory need**

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Know Your NUMBERS

Buy by Inventory Need

- know your numbers
- by retail price point, what is needed?(retail price point category analysis)
 - \$300+ men's
 - \$500+ women's
 - \$99 package.

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NEED

Buy by Inventory Need

- every frame line fills a specific need
 - larger men's sizes
 - petite ladies
 - universal/global/far east fitting
 - sport
 - teens
- What have you been asked for lately that you couldn't provide?.

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Inventory Reduction

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Reduce not Return

- apartment building
- right side of your optical
- mark down- artform
- spiff
- package pricing
- past vintage, donate them.

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Doctors and Practice Managers:

- How is your optical buyer purchasing frames?
- What is your return rate?
- How many frame vendors and brands do you have?
- Are you earning rebates?.

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Motivate Your Manager:

- Quarterly Bonus:
 - return rate %
 - Frame Inventory Number
 - C.O.G. (cost of goods)
 - Sales.

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Remember...

Return rate is:
of frame returned
divided by
of frames ordered

Successful opticals
buy-by-the-numbers
or keep their best-
sellers in inventory

Having a high return
rate costs money!
Loss of discounts,
rebates and payroll

When you order
frames for your
office, order like
there is no safety net

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Scan Me



Thank you!

Robin Brush
Training and Education Manager



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