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We have eliminated all paper session evaluation forms. Please be sure to complete your electronic session evaluations online when you login to request your CE Letter for each course you attended! Your feedback is important to us as our Conference Advisory Board considers content and speakers for future meetings to provide you with the best education possible.



Financial Disclosures

I am a paid consultant/advisor for:

- Coopervision
- Vyluma
- Percept

The Lean Machine: A Systematic Approach to an Efficient and Cost Effective Practice

Objective: To introduce Lean theory and provide methods of application for Lean theory to a private optometric practice in order to create profitability and efficiency while reducing redundancy and allowing a practitioner to serve more patients in a more effective manner.

- 1) What does it mean to be “lean?”
 - a) Collaborative team effort to improve performance by removing waste and variation
 - b) Derives name from Lean Six Sigma developed by Motorola engineer Bill Smith and popularized by companies such as GE and Toyota
 - i) Now utilized in leading hospitals and VA health care systems
 - ii) Designed for large corporations, principles can be used in private practice
 - c) Lean/Six Sigma is inherently lacking empathy - a smaller business entity like a private practice needs to take an altered approach to utilizing principles - balance people/patient-centric philosophy with lean methodology
- 2) What are the principles of being lean?
 - a) Overlying *Principles*
 - i) Define Value
 - ii) Map the Value Stream
 - iii) Create Flow
 - iv) Establish Pull
 - v) Pursue Perfection
 - b) Avoid *Waste*
 - i) Defects
 - ii) Overproduction
 - iii) Waiting
 - iv) Non-utilized talent
 - v) Transportation
 - vi) Inventory
 - vii) Motion
 - viii) Extra-Processing
- 3) The Five Step Process of “Leaning”
 - a) Define - find problems
 - b) Measure - find gap that problem encompasses
 - c) Analyze - find the reason for the gap existing
 - d) Improve - close the gap and get rid of the defects
 - e) Control - sustain improvements
- 4) Look at Your *Practice Trinity* - **Personnel, Materials and Systems**
 - a) Personnel - Qualitative
 - b) Materials - Quantitative
 - c) Systems - Both Quantitative and Qualitative
- 5) Find Problems in the *Practice Trinity*

Course Outline - The Lean Machine: A Systematic Approach to an Efficient and Cost Effective Practice

- a) Root Cause Analysis (RCA) - find the very basic underlying problem
 - i) Ex: High office expenses: find where office manager is ordering products, shop around for cheaper products and utilize that storefront
 - ii) Ex: Increasing retinal screening conversions: look at initial script presented to patient, the manner it is presented and who is presenting it
- b) Value Stream Mapping (VSM) - identify where waste is and work to eliminate it
 - i) Ex: Real Estate waste: Can break rooms or doctor offices be used for practice efficacy - such as a VT activity room or contact lens area?
 - ii) Ex: Materials waste: Can costs on a certain frame line be increased slightly without stunting sales?
- c) Cost Benefit Analysis (CBA) - identify costs and benefits of material or process, then minus the cost from benefits to determine if worthwhile - can do this monetarily but also with intangibles
 - i) Ex: OCT CBA: dollar amount cost vs. reimbursements/cash pay for glaucoma, retina and scleral lens fitting to determine necessity
- 6) Apply lean principles to the *Practice Trinity*
 - a) Personnel (Qualitative)
 - i) Preventing turnover and short term employment
 - (1) Instill values that are linear with practice philosophy and mission
 - (2) Constantly remind staff why they are doing what they do
 - ii) Staff Efficiency
 - (1) Analyze different staff processes and where bottlenecks exist
 - (2) Reduce intra-staff transfers for different processes (ex: phone calls)
 - (3) Cross train staff over multiple “departments”
 - iii) Maximize Strengths
 - (1) Find what drives staff and what they excel at
 - (a) Leverage strengths, align top priorities with strengths
 - (b) Utilize strengths for performance and teaching others
 - iv) Staff Incentives
 - (1) Supplement the practice “why” with monetary reward
 - (2) Make incentives production based, frequent, but *not* predictable
 - v) Creating Quality Staff over relying on quantity
 - (1) Allows for less variability (waste) and better grasp of personalities
 - (2) Long term savings of time through training/searching and money
 - b) Materials (Quantitative)
 - i) Frames
 - (1) Limit Inventory
 - (a) Make inventory effective for demographic and patient volume
 - (2) Study frame line efficiency
 - (a) Look at what sells - increase pricing on best selling items
 - (b) Drop/Add lines based on statistics, not emotion
 - ii) Lenses

- (1) Internal lab
 - (a) Streamline production
 - (b) Create systematic approach for reducing errors and limiting time per job
 - (c) Study errors/defects *as they occur* and provide immediate fix
- (2) External lab
 - (a) Experiment with different external labs
 - (b) Look at Three Items with external labs
 - (i) Cost
 - (ii) Time to complete job
 - (iii) Defects/Redos
 - (c) Keep in contact with preferred lab and remind them of your standards
- iii) Contact Lenses
 - (1) Limit inventory
 - (2) Increase annual supply sales and offer incentives
 - (3) Create multiple ways to capture sales
 - (4) Constantly stay competitive with retailers - work with vendors
- iv) Office Supplies
 - (1) Utilize online ordering to streamline efficiency
 - (2) Constantly search for lowest prices - may need multiple retailers
- v) Equipment
 - (1) Avoid leasing, exceptions do exist
 - (2) Utilize extensive CBA
 - (a) Buying - identify target patient base, calculate time for ROI
 - (b) Selling - calculate CBA every year on equipment - helps determine whether to upgrade, keep or possibly sell
- c) Systems
 - i) Create a universal handbook
 - (1) Covers all staff activity and operations
 - (2) A reference for any process that happens in your practice that can be referenced by any member of your staff at any time
 - ii) Keep processes/systems simple and concise
 - (1) Easily adaptable for new staff and easy to refer to for existing staff
- 7) Measuring the Lean System
 - a) General Key Performance Indicators (KPIs) to look at: Net revenue, Production per staff member, Revenue per complete exam, Revenue per square foot
 - b) Keep a spreadsheet to track progress
 - i) Isolate KPIs involved in a specific process and track them through implementation of changes
- 8) Make Sure your Lean System is Sustainable
 - a) Do not enact too many changes at once

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- i) Humans are adaptable, but too many changes will cause a regression
 - ii) Implement changes in step by step form
 - (1) Analyze if staff responds to changes in positive or negative way
 - (2) Engineer future changes based on response
 - b) Create Long Term Processes
 - i) Processes should be easy to understand
 - (1) All staff/doctors should have an universal reference to the process
 - (2) Processes are simple enough that they can be performed repeatedly without need for remedial learning after first attempt
 - ii) Processes should be simple
 - (1) Step by step - no more than a few steps
 - (2) May need multiple processes to complete a task - the key is simplicity, this improves effectiveness and reduces waste (mistakes and time consumption)
 - c) Make sure all staff are agreeable
 - i) Give them the “why”
 - (1) Illustrate how it can positively affect their workplace well-being as well as their compensation
 - (2) Let them see how changes benefit the business in real time
 - d) Constantly Measure Results of Changes and Look to Improve
- 9) Conclusion