OPTOMETRY BY THE NUMBERS

How to set, measure, and exceed your goals!

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Financial disclosure

- During this course we will discuss numerous products or services.
- There are usually numerous options within a category and I recommend you do your own research to best fit your needs.
- I have been a paid consultant for the following organizations.

Board of Directors

Goal Setting

- What is the process?
- Who sets the goals?
  - Team effort vs Leadership?
- What goals should you set?

- Values → Purpose → Goals

Goal Setting

SMART

- Specific
- Measurable
- Attainable
- Relevant
- Time-Bound
Goal Setting - Specific

Identify specifically what you want to accomplish for your practice?

- We’d like to make more money this year
- We want to increase our revenue by 15% this year.
- We wish more of our patients wore daily contacts
- We want to increase percentage of our patients who wear daily disposable contact lenses to 60%.

Goal Setting - Measurable

- Goal or a Vision?
- We strive to be the BEST!
- We want an awesome office culture where our team can thrive
- We want to make a positive impact on our patients lives
- We want our office to be a fun place to come to work

Goal: I want to sell $360,000 worth of retail frames this year!
- you should have a way of running a report and tracking this number.

Goal Setting – Relevant

- Make sure your goal is taking you towards your vision
- If your vision is to offer highly personalized eye care, without any vision or health plans, using luxury brands in a boutique environment.
- A Goal of having your techs work up your patients in under 10 minutes may not be relevant
- Don’t get distracted by things that don’t generate a huge return on your resources.
- Limit the number of goals.

Goal Setting – Attainable

- Don’t set goals that are not within reach.
- This discourages rather than encourages
- Base goals on previous metrics
- Previous year or month
- Goals should stretch you to improve
- Don’t set the bar too low.

Goal Setting – Accountable (the other A)

- Let other people know about your goals.
- Publish your goals for your team to monitor

- Accountability Partner
- Cheerleader
- Keep you focus
Goal Setting – Time Bound

- Put time constraints on your goals.
  - Ex: I want to loose weight someday... 

- Big time periods should be broken down into smaller pieces
  - Annual goals are good but too big
    - These should be monitored quarterly or even monthly
    - Track your goals and see if you’re on target.

Goal Setting

- Revenue should be one of your major goals

Goals set

- Revenue should be one of your major goals

A Goal Without a Plan is Just a Wish

TIPS

- Write It Down
- Visualize it
- Congruent self talk

What is the lifeblood of every practice?
Goals to set

- Essilor ECP University MBA program metrics
  - 1900 private practices surveyed
  - The Average Gross revenue for this group is $500,000
  - However there is great number variation within this group
  - The Average Vision Source Practice is over $800,000

- How do you set your goal for this year
  - Newer practices may have significant growth over previous years
  - 100% + growth is possible!!!
  - Mature practices may grow at a slower rate
  - 5-30%
  - The average Vision Source Practice grew at 5.7%

Goals to Set: Revenue

- What is the best measure of office production?

  - Revenue Per Complete Exam (office production)
    - What can affect this number
      - Service fees (reimbursement)
        - Visual and customary fee
        - Screening services
        - Contact lens fitting fees
        - Number of Contact Lens patients
        - Annual supply percentage
        - Percentage of Daily disposable contact lens patients
      - Optical
        - Capture rate
        - Multiple pair
        - Lens options
          - Premium lenses options
          - Premium Progressive
          - Premium Anti-Glare
          - Materials
      - Advertising
      - Marketing
      - Sales

  - Trends for net production

Goals to Set: Revenue

- Lens Options

  - Progressive Lenses (4% of presbyopic market)
  - Non-Clear (progressive lens) / Clear (4% of lens market)
  - Non-Clear (progressive lens) / Clear (4% of lens market)
Goals to set: Revenue

Frame Pricing
- Value, Fashion, Premium, Luxury

Goals to set: Revenue

Keep your team accountable

Goals to set: Revenue

- Sell more products and services
  - What are some innovated services or products that you could offer?
    - Plano Sunglasses
    - Scleral lenses
    - Dry Eye Treatments
    - Lipiflow
    - Intense Pulsed Light (IPL)
    - Aesthetic Services/Products
    - Premium Cataract Co-Management
    - Nutraceuticals
    - OTC Pharmaceuticals
    - Contact lens solutions
    - Corneal Cross Linking

Efficiency

- See more patients
  - OD's: How many patients are you seeing?
Goals to set: Reduce Costs

- Chair Costs

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Goals to set: Reduce Costs

- What is the largest costs to Private Practice?

Goals to set: Reduce Costs

- How to reduce costs of goods?
  - Create bigger margins
  - Look for opportunities to increase mark ups
  - Frame pricing
    - You make money on the buy
  - Look for price creep
  - Buying groups
    - Working together allows you to increase your buying power
  - Work with one primary vendor per industry
  - Maximize rebate programs
    - Ophthalmic Labs
    - Contact Lens Vendors**
  - Controlling shipping costs

Goals to set: Reduce Costs

- Control Staffing Costs

Goals to set: Reduce Costs

- Staffing Turnover
  - The cost to replace a valued team member has been estimated to be twice their annual salary!!
    - Cost of hiring
    - Cost of onboarding and training
    - Cost of learning and development
    - Cost of time with unfilled role

Goals to set: Reduce Costs

- How do you get the right person?
  - Hire for personality not position
  - Value service skills over technical skills
  - Hire slowly
    - This is a foundation of your company and is a big expenditure.
    - Don’t hire in a crisis.
    - Multiple interviews
    - Working interviews
    - Lunch/dinner meeting with spouse
    - Invest in your staff
      - ADA Certification program
      - Provide benefits
        - Health Insurance
        - Dental
        - Retirement Plan
  - Fire fast!
  - Exit interviews?
Goals to set: Reduce Costs

- Fixed expenses
  - If they're fixed how do I reduce them?
  - Economies of scale
    - As you grow your revenue this percentage of costs should reduce
  - Reduce Occupancy costs
  - Negotiate longer leases at reduced rate
  - Get a lower interest rate on mortgages
  - Find lower costs phone services
  - Look for better rates
  - Utilities
  - Insurance

Goals to set: Reduce Costs

- General overhead
  - Make your team accountable for looking for costs control
  - Office supply costs
  - Lab supplies
  - Software subscriptions
  - Cost creep
  - Credit Card Processing

Goals to set: Money isn’t everything?

- What about patient experience?

Goals to set: Net Promoter score

Final Step Goal Setting: Celebrate your Success!

Questions?

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