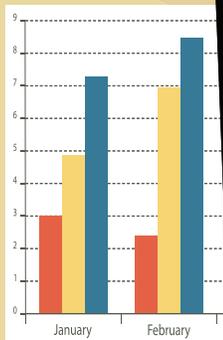
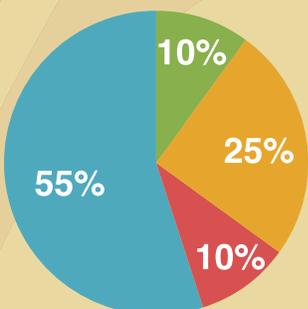


# CLEARVISION'S<sup>®</sup> Beyond the Brand

OPTICAL INSIGHTS & INSPIRATION

**Metrics: Are they important to your practice?**

Tips from  
industry pros



dilli dalli  
eyewear

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- Unique flexible temple design offers up and down action; acts like a spring hinge
- No hinge screws
- 4 flattering shapes in 4 colors each



Plush Bird



Book  
11" x 8.5"



Brand ID



Frame Board Highlighter



Display

Counter Card

Counter Card

# Measuring SUCCESS

One of the greatest resources we have is the partnerships we've made over the years. It's through these partnerships that we've learned some of our greatest business lessons, and how to continually improve. So it makes sense to share information with our customers – information that will help you grow and improve your practice. And as you build your business, you'll likely want to measure that success. How do you track these improvements? It's all about Metrics.

For this issue, we've collaborated with some of our partners to provide you with an overview on metrics and why they are important to your practice, plus some tips on what you should be tracking and measuring.

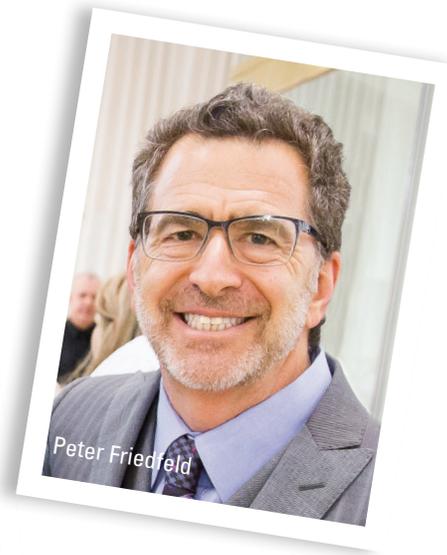
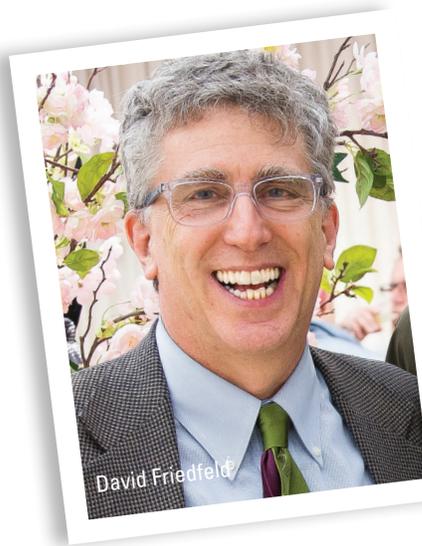
## Enjoy *Beyond the Brand.*



**David Friedfeld**  
President



**Peter Friedfeld**  
Executive Vice President



## Excerpts from the experts.



Eye care is a complex business, in so much as we have to juggle multiple relationships, while providing both services (clinic) and products (optical).

As our industry evolves, the necessity to isolate each one of our profit centers grows stronger. It is important to understand the different

relationships that impact the final results. For example, what is the revenue difference when a patient who has a vision plan works with the same optician, but a different doctor? Or, why does one optician sell more AR, while another has more second pair sales?

As an industry obsessed with benchmarks, my answer is to get obsessed with YOUR numbers. Determine your base numbers as they are today within each profit center and uncover the relationships that built those numbers. Next, work on having small, slow and steady growth in specific areas. A pitfall of setting and achieving goals relates to the ability to stick to the plan that gave you the success. It is a common occurrence to rally and achieve big numbers for a month or two and then drop back down to where you were before. I call this "spiking." A well-thought-out plan that focuses on small and steady growth encourages behavior changes and does not lead to spiking.

– Jay Binkowitz

President

GPN™ Gateway Professional Network

# Focus on: The Optical Practice



## Why Track Metrics in Your Practice?



We recently spoke to Dr. Brian Linde of Heights Eye Care; Dr. David Nota of San Clemente Optometry; Dr. Anne

Gallagher, owner of Professional Vision; Nathan Hayes of Prima Eye Group; and Tom Bowen of Williams Group, who offered their perspectives on tracking metrics.

Dr. Linde opened his practice cold in 1989 in Billings, MT, practicing his first month with no staff. In his first year, he operated with a single employee. When he moved his small practice to its current location in 1996, he started to look deeper into the marketing of his dispensary and how to grow the business, beginning with some training in terms of practice management. Today, his practice has expanded to a staff of 30.

*"For me, when it comes to tracking metrics, you need to find your sweet spot," says Dr. Linde. "It really depends on what you want to focus on. Revenue per patient is probably the most basic measurement to track. And to some degree, you may want to look at the products you are using.*

*Also, you may want to look at pre-appointment patients that keep their appointments; this helps you see the percentage of exam spots you are filling."*

He also suggests looking at specific metrics for a period of time; for example, measure your contact lens wearers – those who order a year's supply compared to those who place orders on a month to month basis.

*"I believe you need some type of measure to be accountable in terms of the recommendations you are making as a doctor," says Dr. Linde.*

Dr. David Nota, San Clemente Optometry, CA, has been using The EDGE® from GPN™ Gateway Professional Network, for the past six years to understand the intricacies of his business.

*"Tracking optical revenue per exam shows me how the team is performing and keeps me from becoming so focused on the medical end of the business that I forget about the optical," says Dr. Nota. "Having the ability to filter information allows me to see small losses that can add up over a period of time. For example, if I know that an*

*employee is not selling Transitions with VSP, I have the opportunity to provide additional training quickly instead of going months without understanding that there is a problem. We work towards specific goals and post results from The EDGE each week on a whiteboard so that everyone in our office understands where we are in relationship to the goals."*



Dr. Anne Gallagher, owner of Professional Vision in Ellicott City, MD adds *"With The EDGE, we are*

*able to track the performance of employees in many categories. This information is used to offer incentives to the team or to educate when performance is below expectations. We have noticed nearly immediate results when giving the team this sort of feedback. Recently, I had a meeting with the doctors in the practice to discuss their contact lens prescribing habits. The EDGE will be used to monitor and streamline our prescribing habits for better efficiency."*

Tracking metrics is a key aspect of any business. Consider two that any practice owner will be familiar with: revenues (how much your practice generates in fees and product sales) and profit (how much of the revenue can be applied to paying the owner and paying down debt). There are three primary reasons to track metrics on your business:



1. How will you know how you are progressing as a business without measuring your key result areas?

2. You can use your practices benchmarks to identify areas of strength and weakness relative to your peers. Somethings you'll be doing well, some things you could improve, and in some areas you'll have to live with being different (for instance – high occupancy costs in New York City).

3. Metrics can inform your decisions. Benchmarks are invaluable when deciding things like when to add additional staff or a new OD, when to expand, or how much you can afford to spend on new equipment or salaries.

**Nathan Hayes**  
VP of Financial Consulting  
Prima Eye Group

Think of it as “practice care.” Like patient care, when managing practice metrics, two things are necessary:

**1. The Desired Objective** – like patient care, we have to define “normal” for the vital signs of the practice. Take eye pressure – perhaps we define normal as somewhere from teens to mid-twenties. When we test the patient’s pressure, we measure that read against the objective, or your defined normal.

**2. The Actual Outcome** – like patient care, we then have know the actual outcome of that metric. If the outcome is that pressures are high (relative to the objective), we form and implement a treatment plan.



So here’s the question: What good is knowing normal if you don’t test the pressure; and what good is testing the pressure

if you don’t know normal. It’s EXACTLY the same for the practice. We need to engage the team in defining the objective, or normal (people support what they help create, not what is bestowed upon them, so INVOLVE staff in setting the objective!). Then we need to engage the team in reporting the outcomes the metrics relative to those objectives. Now we have everything we need to make a practice diagnosis and form a team treatment plan accordingly.”

**Tom Bowen**  
Executive Vice President  
and Co-Founder  
Williams Group





# METRICS:

## Are they important to

Feeling the impact of large eyecare corporations and retail chains in your neighborhood? If you run an independent practice, you may be thinking of ways to take your business to the next level. Many optical practices begin by looking at the big picture. And this often starts with collecting and analyzing data, or metrics, relevant to their business.

It seems that everyone has the same thought when it comes to metrics: whatever is measured, improves. While it's not the act of measurement that improves a situation, measurement forces you to take a deeper look into your office practices, helps you set realistic goals, and have better control on what happens in your office.

Many ECPs today face challenges investing the time to measure practice metrics and instead, make decisions based on personal insight and perception of their business practices. Unfortunately, this offers nothing by which to compare their performance and does little to provide an understanding of their actual situation.

Measuring key performance variables (and these differ from practice to practice, depending on the products and services you offer) will likely give you a better picture of the state of your practice, so you can begin to take corrective actions, if necessary.

### What should I measure?

What you choose to measure depends on the complexity of your practice. Choose those that are most useful to your practice, and those you can consistently track. One metric that is important for many ECPs is capture rate. A valuable indicator of practice performance, this looks at the number of patients that received a prescription during their exam, compared to how many actually filled their prescription in your practice.

To measure your capture rate, divide the number of patients who filled their prescription by the number of patients who received a prescription, and multiply by 100.

According to most optical industry professionals, the industry benchmark for capture rate is 60%. If your practice falls below 60%, you have some work to do! Here are some things to consider to improve your capture rate:





# o your practice?

- Doctor hand off: explain prescriptions to your patients, and discuss the possible ramifications of ordering prescription eyewear online
- Provide exceptional front office service
- Offer a selection of frames that is best suited for the demographics of your practice
- Offer a variety of price points based on the demographics of your practice
- Offer discounts and promotions on both optical and sunglasses
- Keep on trend, fresh, unique inventory on your board

Of course, what's important to one practice may not be as important to another. According to Gary Gerber, OD, there are three performance statistics that should be measured by every practice:

- 1) Gross receipts;** also referred to as production, collections, deposits or receipts
- 2) Personal net;** this represents the remaining cash balance that goes to the practice owner before applying personal income taxes
- 3) Hours worked;** simply put, this is the amount of time that a practice owner spends working on activities related to the practice, including time spent on related tasks that occur outside the practice

Dr. Gerber suggests that each of these be measured and recorded weekly, monthly, quarterly, and yearly. Having these rules in place will help you to measure elements that affect them and in turn, learn how each interacts with each other.

Regularly measuring the best variables for your particular goals can help you realize opportunities for growth in terms of profitability and increased practice efficiency. Measuring simply for the sake of measuring can have a negative effect, especially if your practice doesn't stack up against industry "norms." With this in mind, choose items that are most important to you and your practice.

Most importantly, according to Dr. Gerber, when it comes to measurement techniques, keep it simple, repeatable, and reliable – or don't bother.

### Is it necessary to hire an organization to assist with metrics analysis?

This is a matter of opinion, and depends on the time and resources you have available, as well as what data you are interested in tracking. You can make it as easy or difficult as you wish. Benchmarks aren't hard to calculate; it's often just a simple ratio to track your costs.

For many ECPs, the concept of metrics can be daunting. But many are just very simple calculations!

Choose what's most important to your practice.

**Sources:** *Practice CoPilot; Forbes.com; Key Metrics: Assessing Optometric Practice Performance, Management & Business Academy for Eye Care Professionals; VisionWeb.com; Essential Elements of Tracking Practice Performance, by Gary Gerber, OD, ReviewofOptometry.com.*

## What to track...

**According to Dr. Gerber, examples of practice specific metrics you may wish to consider tracking include:**

- Percentage of new patients vs. established patients
- Patients per day
- Patients per doctor
- Percentage of multiple pairs sold
- Percentage of contact lens patients in your practice
- Inventory size
- Effects of merchandise price increases
- Patient wait times



**IZOD**