

**MBA Strategies to Managing Your Practice and Optical**

Phernell Walker, MBA, ABOM, NCLEC, LDO  
Renowned National Speaker  
Pure Optics LLC

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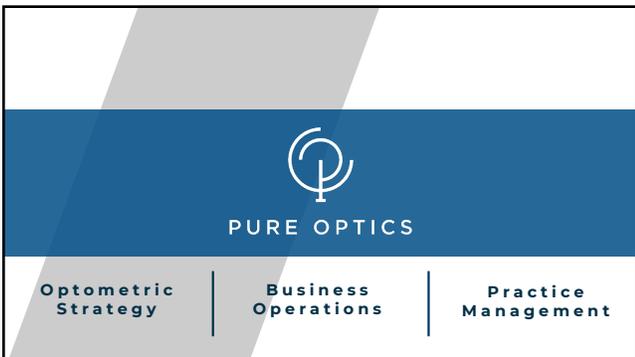
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**PURE OPTICS**

Optometric Strategy | Business Operations | Practice Management

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**Phernell Walker, MBA, ABOM<sup>1</sup>**

- ❖ Owner | Pure Optics LLC
- ❖ Author | Pure Optics
- ❖ American Board of Opticianry | Board of Directors
- ❖ Pacific University College of Optometry | Past Adjunct Professor
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- ❖ Master in Ophthalmic Optics (ABOM)
- ❖ Licensed Dispensing Optician (WA-LDO)
- ❖ National Contact Lens Examiners Certified (NCLEC)

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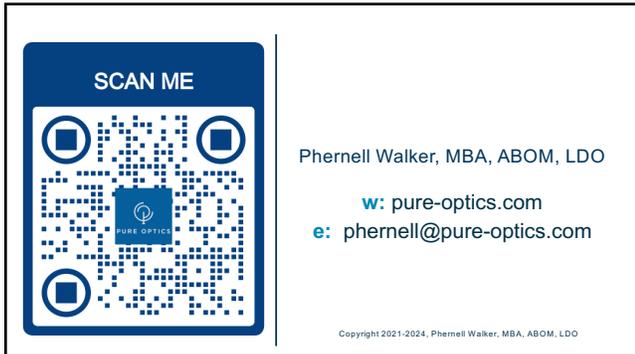
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SCAN ME

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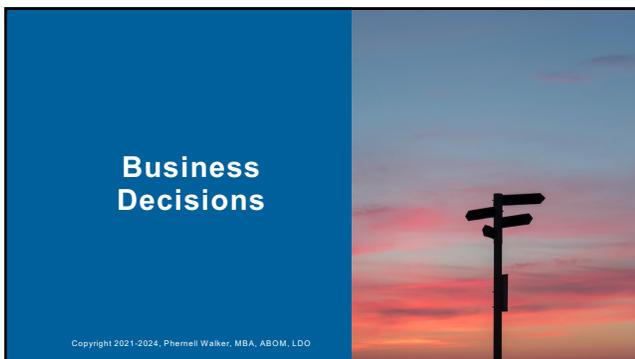
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Business Decisions

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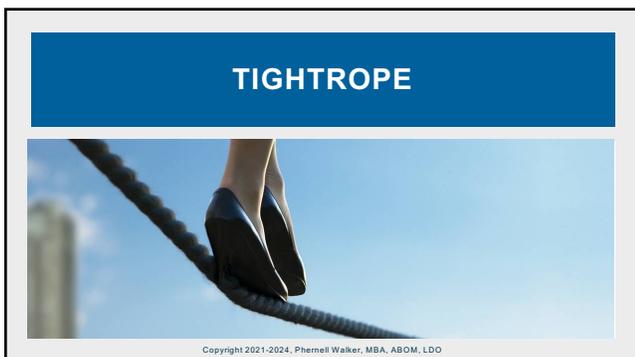
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TIGHTROPE

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### COMPASS



**Leader**  
sets the speed of the pack



**Focus**  
on the **WHAT** not the **HOW**



**Success**  
what does it look like

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### METRICS THAT MATTER MOST



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### BIOMETRICS

 GROSS REVENUE	 COGS	 INVENTORY	 WAGES	 PATIENT COUNT	 ESTABLISHED VS. NEW PATIENTS	 AVG. REVENUE
 CAPTURE RATE	 ITEMS PER TRANSACTION	 REVENUE PER WORK HR.	 REVENUE PER PATIENT	 EBITDA	 APPOINTMENT UTILIZATION	 PATIENT SATISFACTION

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Biometric	Benchmarks
Gross Revenue	> 10% over prior comp year
COGS	< 26%
Inventory	T.O.V. => 4 (What does this mean?)
GMROI	> 3
Wages	< 23%
Avg. Sale	\$256.41 (per patient) per \$1M Practice Revenue
Sales Per Wk. Hr.	Dr. = \$   Optician = \$ (Practice Specific)
Capture Rate	> 60%
NPS (scale 0 to 10)	+7 (detractors vs. promoters)
EBITDA	> 20%

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Biometric	Benchmarks
Wages	21%
New Patient Growth	25%
Appointment Capacity	75% (max)

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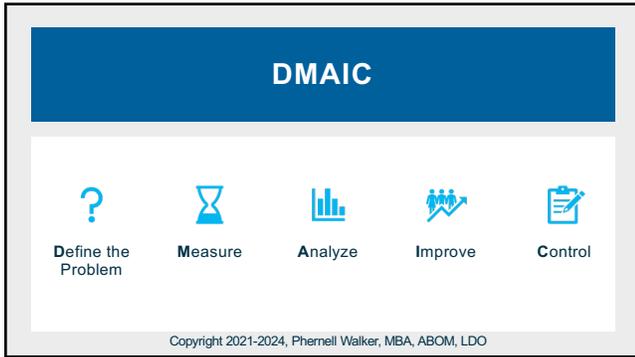
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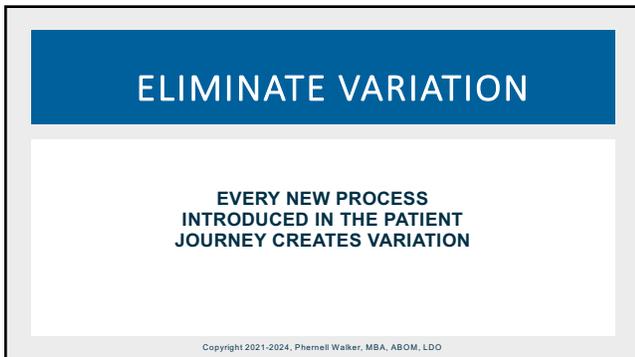
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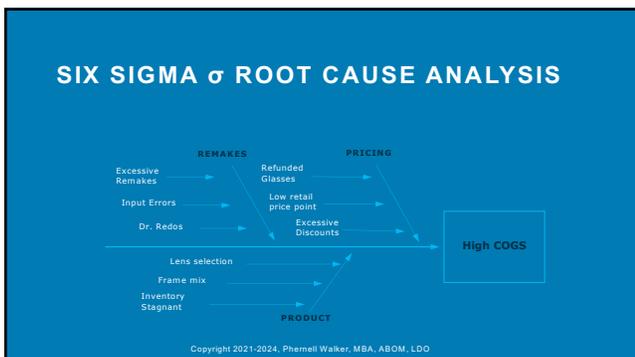
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**EXAMPLE CATEGORIES**

- Methods
- Equipment
- People
- Products
- Measurement
- Environment



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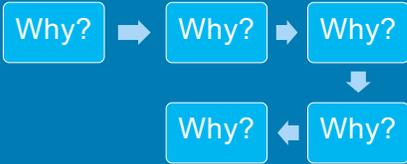
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**FIVE WHY'S**



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**Venn Diagrams**



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## ROADMAP

- The "What"
- Problem Statement
- Solution
- Target Date
- Milestones

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## HUMAN RESOURCES CONSIDERATIONS

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## MANAGEMENT PHILOSOPHY

- Autocrat Management
- Social Management
- Business Coach



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## AUTOCRAT MANAGEMENT

- Policy and rules focused vs. people focused
- Facts alone
- Black / White vs. Spectrum Thinking



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## SOCIAL MANAGEMENT

- Slow change
- Little progress
- Increased variation



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## BUSINESS COACH



- Leading the team to the correct process decisions
- Asks for input from all stakeholders
- Make each decision "the team's idea"

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**WHAT'S YOUR  
MANAGEMENT STYLE?**

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**Manager's Multiple Hats**



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**MOTIVATION STARTS WITH YOU!**

If you're not motivated, excited, and goal oriented, your staff will not be either!



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**FORMS OF MOTIVATION**

- Monetary
- Non-monetary



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**Discourage**



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**WHAT EXCITES YOUR TEAM?**



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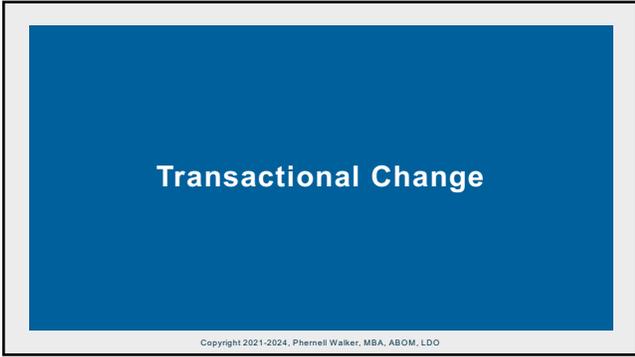
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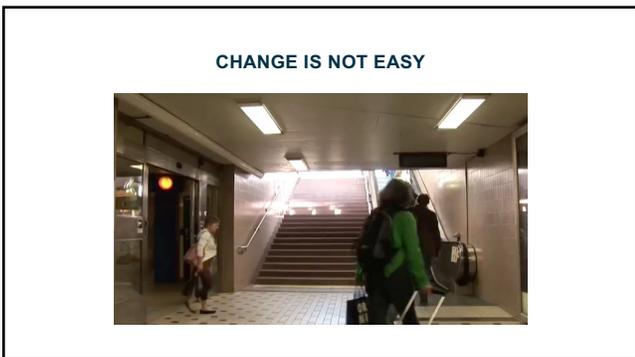
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## FEED BACK LOOP

**Figure 2. Model of Organizational Performance and Change**  
Source: Burns and Lounsbury (2002, p. 119)

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## TRANSFORMATIONAL

- Wage increase vs. Commission
- Wage increase vs. Contest
- Lunch out with the boss
- Additional vacation time
- Recognition
- Employee input panels
- Have Fun! (Jokes of the day, goal awareness)
- Flex time off
- Relaxed dress Code
- Group Lunch
- Sale of the Week
- Daily conversation with your team

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## MOTIVATION OUTCOMES

- Achieve positive results
- Happy work environment
- Happy patients
- Goals are different from a mission statement

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Are You Inspiring Success or Managing Failure?



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## LEADERSHIP

- Managers focus on the "how"
- Leaders focus on the "what"



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## GOAL LEADERSHIP

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## KEEPING SCORE WITH KPI

Imagine going to a game without a score board.



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## INTERNAL VS EXTERNAL PROBLEMS

Benchmarks and KPI's allow us to distinguish between internal versus external problems.



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## LOW AVERAGE SALE

<p><b>Internal factors:</b></p> <ul style="list-style-type: none"><li>· Lack of product knowledge</li><li>· Failure to demonstrate more expensive options</li><li>· Low items per sale</li><li>· Discounting too much or too often</li><li>· Lack of quality time spent with the patient</li><li>· Inefficient scheduling</li></ul>	<p><b>External factors:</b></p> <ul style="list-style-type: none"><li>· Lack of inventory in price points</li><li>· Advertising- increase in promotions has decreased average sale, but increased patient volume</li><li>· Demographics do not support the price point</li></ul>
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## LOW ITEMS PER SALE

<p><b>Internal factors:</b></p> <ul style="list-style-type: none"><li>· Lack of confidence to offer additional options</li><li>· Disbelief in the product</li><li>· Lack of technical knowledge in matching the Rx to options</li><li>· Lack of sales technique</li><li>· Lack of quality time spent with the patient</li><li>· Lack of display materials</li><li>· Lack of inventory and diversity</li></ul>	<p><b>External factors:</b></p> <ul style="list-style-type: none"><li>· Lack of inventory in price points</li><li>· Advertising- increase in promotions has decreased items per sale, but increased patient volume</li><li>· Demographics do not support the price point</li><li>· Lack of vendors or funding for adequate inventory levels</li></ul>
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## Invest in Training

<p>What if I train my team and they leave?</p>	<p>What if you don't train your team and they stay?</p>
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### Change Management

- Change can be stressful
- Mitigate possible risks
- Communicate **WHY**
- Gain stakeholder buy-in
- Plan for the change

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**TRAINING**



TRAINING PEOPLE REQUIRES THEM TO SAY 'YES' TO CHANGE.



GETTING PEOPLE TO CHANGE IS VERY DIFFICULT, SOMETIMES IMPOSSIBLE!

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**SWOT ANALYSIS**



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**SWOT**



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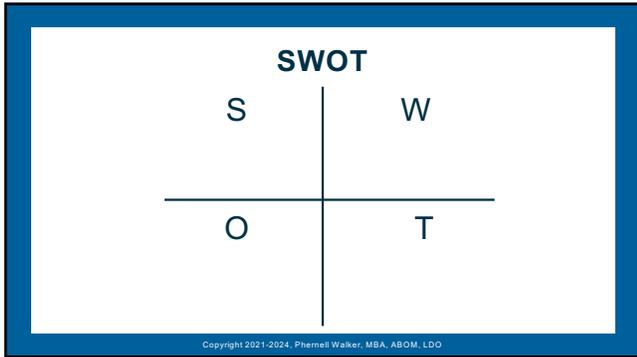
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