

Use Smart Money to



Help You Improve Profitability Metrics

Successful Eye Care Practices Employ Sound Business Principles

Providing patients with needed eye care services and new eyewear is, for many optometrists, a true joy. It's a calling because sight is such a precious sense, and eye care providers have the expertise and products to help so many people. Yet eye care is also a business. Most optometrists cannot afford to provide eye care at a financial loss on a routine basis. There are salary and overhead costs, not to mention the investments in inventory and equipment.

The good news is savvy eye care providers can maximize their profitability while helping their patients access the care and products in a more manageable way by accepting CareCredit credit cards. Maximizing profitability doesn't simply mean marking products up further to eke out more profitability. The basis of increasing key profitability metrics can be to provide patients with a comprehensive approach to all the products and care that they need.

Three of the measurements to track that can help business owners and invested staff understand that they're moving in the right direction are capture rate, increasing sales of multiple pairs of eyewear and increasing contact lens sales. Fundamentally, the reason that these three metrics are so important is because patients need eyeglasses and contact lenses, and most could benefit from more than one pair or some combination of options.

So when practitioners accept the tenet that they are prescribing a comprehensive solution to all of the patient's needs, the next question is how to put that within financial access.

Metrics to Track

- ◆ Capture rate
- ◆ Second-pair sales
- ◆ Annual supplies of contact lenses

You're not the banker

Practice management consultant **Mark Wright, OD, FCOVD**, says that he often advises optometrists not to think of themselves as the patient's banker. It's not up to you to decide how much the patient spends on his or her eyewear or what factors the patient is weighing in that decision. Your role begins and ends with making the recommendation that is best suited for that patient.

Remember that there are certain givens.

- ◆ Patients want their eyewear to look good. They want flattering frames that they'll be proud to wear.
 - ◆ Patients want choices. Probably every single patient who comes into an optometric office has more than one pair of shoes. Those individuals choose what shoes they want to wear that day, based on the day's activities and destinations. Why shouldn't the same apply to eyewear? For a sporty day, contact lenses might be ideal. Dress eyeglasses might be perfect for a day at the office, but an evening out with friends calls for frames with some flair.
 - ◆ Patients want the products they purchase to perform well. Patients who shave a few dollars off the overall cost of an eyewear package by opting out of antiglare or polarized lenses might be very frustrated the first time they're driving at night or on a sunny day and can't see as well as they'd like.
- The decisions these patients made in the office, constrained perhaps by the amount of money they had in their checking account at the moment, could prove to be penny-wise and pound-foolish. Instead, encourage patients to consider patient financing to put the entire package within financial reach. They may not need to make the compromises they're contemplating. ○



Dr. Mark Wright
Practice management consultant

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Patient Financing Can Bridge a Gap Between Your Treatment Plan and Patient's Wallet



Patients come to you for your expertise. They want the care and service you provide in your exams to be superior to what they might get elsewhere or online. So that must mean that you've educated them well in some way. Perhaps you or the technicians have explained the various tests and what information they can provide. Maybe you've taken the time to educate patients about UV or harmful blue light. Perhaps you've fit a family member with a first pair of eyeglasses or contact lenses. The points that resonated should be strong enough to encourage the patient to return.

But professional eye care services are only one part of your business. If patients are leaving with their prescriptions in hand, it's because they haven't made the same connection about the quality of or need for the products you're recommending. Why is that?

Independent ODs conduct about two-thirds of the eye exams yet capture only about 50 percent of the eyewear sales, according to VisionWatch and Jobson Optical averages. Take a look at what could be creating that gap between patients who are receiving one or more new eyewear prescriptions from you but choosing to buy their eyewear somewhere else. You may be able to address most of these gaps with relative ease—and through the same kind of education you already provide.

Here are some of the factors that can affect a patient's reasons to purchase eyewear.

◆ **Appointment ran long:** If patients allot an hour for an annual exam and they wait for 20 minutes or longer in the reception area, that leaves them feeling rushed. Analyze your patient flow to determine where the delays are taking place and how they can

be eased. Also consider adapting your schedule. If there's a delay in seeing the doctor, can your opticians help patients start their eyewear selection even before they are called back?

◆ **Limited selection:** Does your optical dispensary look current? If it hasn't changed in years, it won't be inviting. Reinforce the message that you offer a wide variety of frames at a variety of price points. If patients believe your offerings are too dated or pricey, they may choose to do their shopping online.

◆ **Your service counts:** Do your patients understand the value of buying their eyewear products from you? Does someone explain that you offer adjustments or warranties? Do patients understand that a customized prescription involves more measurements that cannot be taken at home with a ruler? Just as your office staff takes the time to point out what differentiates your professional services, opticians should be able to clarify the superior service and support that comes with buying from your optical.

◆ **The total charge:** For some patients, one obstacle might be paying for what they want and need right now. This isn't just a factor for patients based on income. Even a patient who can pay for the products now might appreciate the extra leeway that patient financing offers them. When patients hear that they might be eligible for promotional financing over six or 12 months and can make monthly payments, the calculations about what they can walk out with that day change. They no longer need to decide whether it's contact lenses, a dress pair of eyeglasses, a pair of computer eyewear or sunwear. It can be all of them.

Indeed, a total treatment plan provided at the end of a comprehensive eye exam should be a comprehensive recommendation for all the eyewear and prescriptions that a patient might need in the coming year. That may include a primary pair of eyeglasses with the appropriate lenses and lens treatments, as well as additional eyewear for specific needs: sports, computer use, driving, sunwear or fun wear. The comprehensive treatment plan should include a prescription for contact lenses if the patient is interested, and it may even include nutritional supplements or other products.

Such a list might cause the patient to worry that the cost is out of reach; it's the prime opportunity to say that your practice accepts CareCredit credit cards. While \$1,000 or more might not fit the patient's budget that day, splitting it up into six- or 12-month payments with promotional financing terms through CareCredit* can make the patient feel much better about following through with the treatment plan. Or maybe it makes it easier for the patient to plan: purchase new eyewear and contact lenses now, pay it off in six months and then come back for the Rx sunwear and computer glasses. ○

*Subject to credit approval. Minimum monthly payments required. See carecredit.com for details.



Make sure that patients know that your office accepts CareCredit and that staff can explain the option.

CareCredit Offers Financing Options Including No Interest If Paid in Full Within 6 or 12 Months*

This is for purchases of \$200 or more made with the CareCredit credit card. Interest will be charged to the account from the purchase date if the promotional purchase is not paid in full within the promotional period, and minimum monthly payments are required. Required monthly payments may or may not pay off purchase before the end of the promotional period. ○

*No interest will be charged on the promotional purchase if you pay the promotional purchase amount in full within the 6- or 12-month promotional period. If you do not, interest will be charged on the promotional purchase from the purchase date. Regular account terms apply to nonpromotional purchases and, after promotion ends, to promotional balance. For new accounts: Purchase APR is 26.99%; Minimum Interest Charge is \$2. Existing cardholders should see their credit card agreements for their applicable terms. Subject to credit approval.

METRICS THAT MATTER

Don't Know Your Capture Rate?

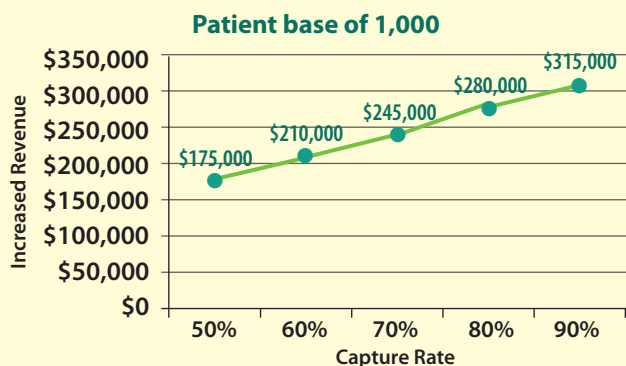
If you don't know the capture rate in your practice, you should. It's an important metric to track. Even the simple act of measuring a baseline and noting the progress serves to jumpstart the improvement. Staff and doctors become more aware that this is an important productivity measure, so everyone pays more attention to it. And when that happens, improvement follows.

How to measure your capture rate:

$$\text{Capture rate} = \frac{\text{\# of complete eyeglasses sold}}{\text{\# of exams that generated an Rx for eyewear}}$$

Why it matters: Here's a chart that shows how improving your capture rate can increase your bottom line profitability—with very little additional expense. After all, these are the patients who are already in your practice.

Increased Revenue as Capture Rate Rises



Multiple-pair Sales Can Boost the Capture Rate

When seven of 10 patients in a day who received an eyewear prescription from you walk into the optical dispensary and purchase eyewear, you've achieved a 70 percent capture rate. But let's say that two of those patients also purchase a second pair of eyewear—something for fun or computer glasses or prescription sunglasses. Your capture rate for the day just went up to 90 percent—because your office sold nine pairs of complete eyewear and wrote 10 prescriptions that day.

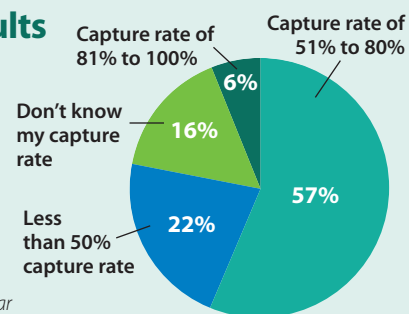
That's a big shift—and it cost you almost nothing more. There were no additional marketing costs to get those patients into the office. The doctor already completed the work in writing the prescriptions. And the optician did most of the work already and had the patients right there to wrap up the sales.

Maybe those three patients who walked out with their prescriptions really will come back to buy their eyewear, but promoting multiple-pair sales can increase your capture rate every single day. ○

Capture Rate Poll Results

What is your eyewear capture rate (the percentage of patients given a prescription who purchase complete eyeglasses)?

Adds to more than 100% due to rounding.
Source: Eye care professionals responding to a live poll during a 2017 CareCredit webinar



It's Not Just the Contact Lens Sales

Some doctors find the online marketplace so competitive that they don't want to be bothered with it. They figure that charging fairly for professional services could be enough, and the patients who want the lowest price aren't going to be swayed. However, just as the quality of your products and support can be enough to encourage patients to buy eyeglasses with you, that same presentation can be made with contact lens patients.

Annual supply sales can make a difference—not only in keeping patients out of the market until their next eye exam but also in minimizing the administrative steps for your practice staff.

According to Jobson Optical Research's 2014 *Contact Lens Wearers Insight Survey*, fewer than half of the contact lens wearers surveyed reported buying at least a six-month supply of contact lenses at a time. Patients who are not purchasing a full year's supply could be overwearing their contact lenses or they're refilling their prescriptions somewhere else. When that happens, there's a danger that the other supplier will also become the other provider for all eye care services. ○

Per-patient Revenue

Per-patient revenue is another important indicator of practice profitability. When patients purchase a second pair of eyewear, an annual supply of contact lenses, nutritional supplements or vitamins, dry eye solutions and more at your practice, each one of those purchases is added to the professional services to calculate your average per-patient revenue. ○

Don't Forget the Sunwear

New contact lens patients walk out of the doctor's office, get into their cars and almost immediately start to squint against the sunlight. What's their first stop? The drugstore, grocery or department store to buy a pair of sunglasses.

There's a missed opportunity for practitioners. Why not offer a discount on great sunwear when patients buy contact lenses? They're going to need them. ○

What's Your Financing Message?

What staff and doctors say to patients can have an impact on their purchasing decisions. In a CareCredit webinar in 2017, participants categorized the financing message that they share with most patients. Note that more than one-third of participants say they didn't speak about patient financing options at all. These practices are missing the opportunity to preset the patient to purchase.

- ◆ We say nothing about financing: 35%
 - ◆ "We'd like to help you fulfill the prescribed treatment plan": 44%
 - ◆ "Do you have a price range in mind?": 17%
 - ◆ "We can offer financing today with an instant credit decision": 15%
- Recognize that patients may not know what their price range is

Staff: "We can tell you about the CareCredit credit card, which could help you spread out the payments."

because they're confused about the options in frames and lenses. Their response may, as a result, be unrealistically low. As a result, your optical staff may lead them to lower-priced frames that might not appeal to them as much, or the patient might be in for sticker shock if the range he or she stated is significantly different than what the opticians show.

Consider this phrasing instead: "We have frames in a variety of prices, and we can tell you about the CareCredit credit card, which could help you spread out the payments so that you can get the eyeglasses you really want and the features the doctor talked about. If you're approved, you can make monthly payments. Would you like

more information about that?"

If presenting a financing message is new to your practice staff, try role-playing it. Emphasize that it's practice—not performance. Sometimes staff and doctors feel uncomfortable with role-play exercises, but practicing these presentations in the friendly atmosphere of a staff meeting will make the real event seem less intimidating.

Brainstorm the best ways to respond to these patient obstacles:

- ◆ "I can't afford that."
- ◆ "I don't think I need all of that."
- ◆ "I think I can get these for less money online."

Finally, be proactive with introducing patient financing as an option. When patient financing is presented early in the conversation, the patient may enjoy the experience in the office without having to fret over the final total. See if every staff member can think of a logical way to complement his or her conversations with patients with a financing message. For example, the technician during the workup could say, "We now accept CareCredit credit cards because the doctor wants to make it easier for you to get the full treatment plan he'll discuss with you." ○

\$531

The average purchase in an optometry practice upon a cardholder opening a CareCredit account is \$531.*

*Average 2015 first-ticket sales in optometry practices that accept CareCredit.

Turn Your Pretesters Into Presetters *Use every chance to set expectations about purchases*

One of the key roles of the pretesters is to preset patients to buy, says practice management consultant **Mark Wright, OD, FCOVD**. That's not a term—or a role—many ODs consider.

Yes, pretesters gather clinical information in advance of the doctor's time with the patient. But there's a tremendous opportunity in those minutes to preset the patient to be inclined to close the purchase. Here's how.

While neutralizing the patient's current prescription, say, "I notice that you brought in your dress glasses. Did you bring in your polarized prescription sunwear for driving? Oh, you don't have any? I'll make a note to have the doctor talk with you about that."

Consider the difference that will make for the patient who now has time to consider that recommendation. "Mmm, not



With CareCredit Direct, patients can quickly and easily apply privately right in the practice—freeing up your staff's time and increasing productivity.

having to drive with that glare..." Many people don't appreciate having to make a financial decision quickly or upon first hearing an option. So even a doctor's fervent recommendation for prescription sunwear at the end of an exam may feel too sudden. However, those few extra minutes in which the patient can process the idea of having polarized sunwear for driving can help the patient bond with the idea. ○

For 30 years, CareCredit has helped millions of patients receive the care and products they both need and desire. Its



demand continues to grow as the card is now accepted at more than 200,000 locations nationwide and has 10+ million cardholders. In a recent survey, 96 percent of these cardholders rate CareCredit as a good to excellent value, and 97 percent would recommend it to a friend. (CareCredit cardholder engagement study, Q4 2016). For more information on CareCredit, call 800-300-3046 or visit www.carecredit.com.