

Contact Lens Profit Center

Mile Brujic, OD, FAAO



- Take comfort seriously
- Implement advanced designs
- Actively engage presbyopes
- Actively utilize mail in rebate
- Embrace specialty lens designs

Do Contacts Still Make Sense?

- Contact lens patients are more profitable
- Contact lens wearers need regular care and are seen more frequently
- Contact lens wearers are glasses wearers
- Contact lens wearers need sun protection
- Contact lens wearers need ocular surface wellness

Contact Lens Wearer

Exam

CL's
service

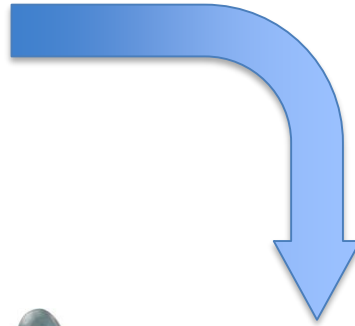
CL's
materials

Glasses

Sunglasses

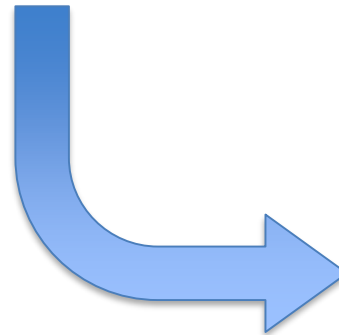


New contact lens wearers



This bucket holds all of your contact lens wearers

Non-contact lens wearers needing refractive correction

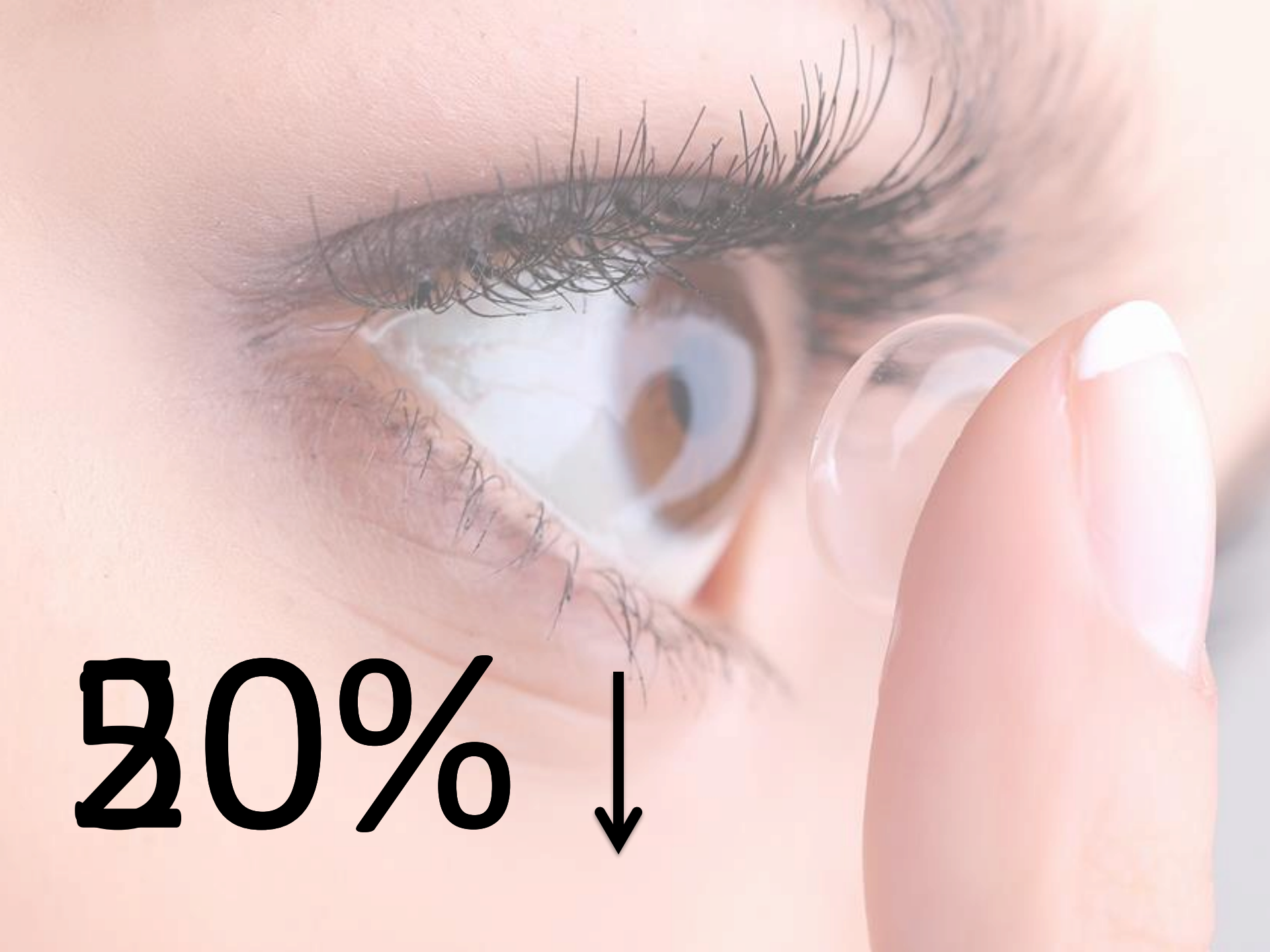


Contact lens dropouts



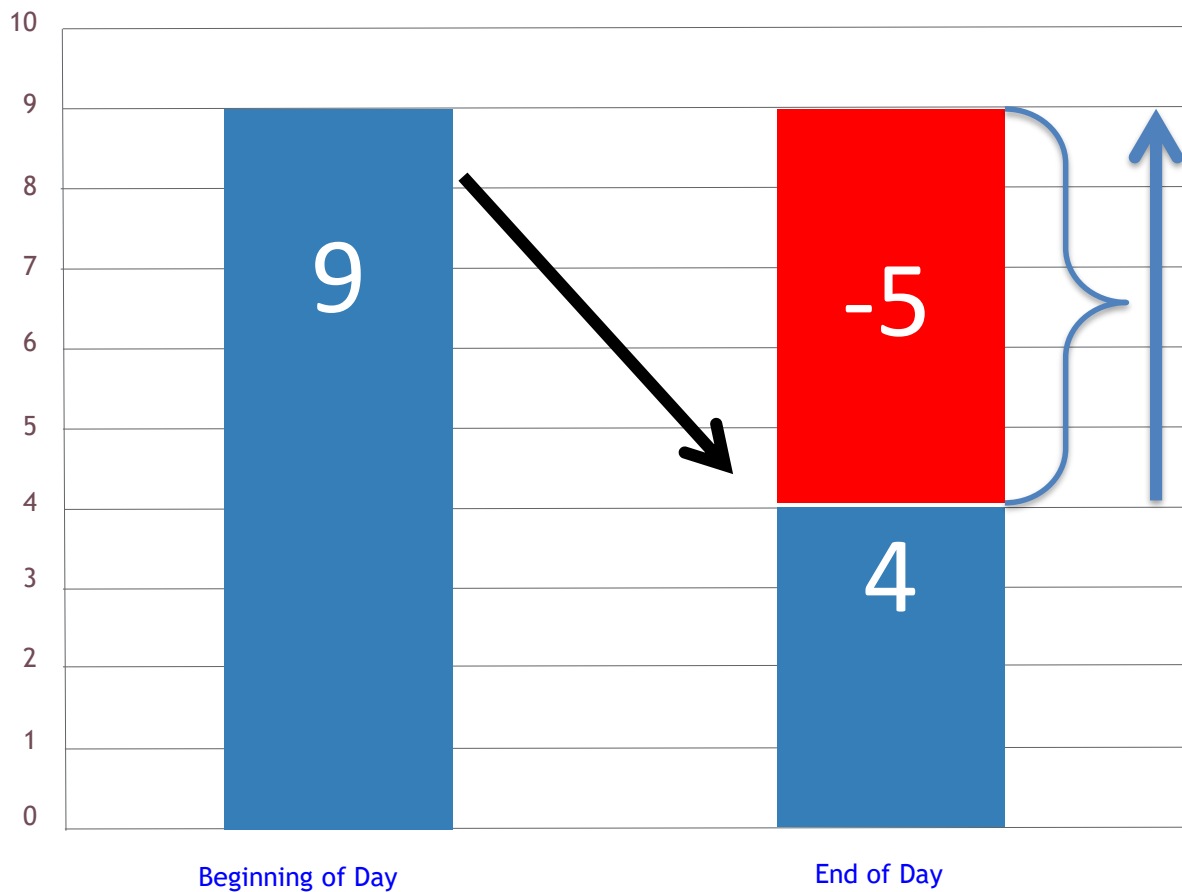
5 Strategies for Contact Lens Business Success

1. Comfort Is King



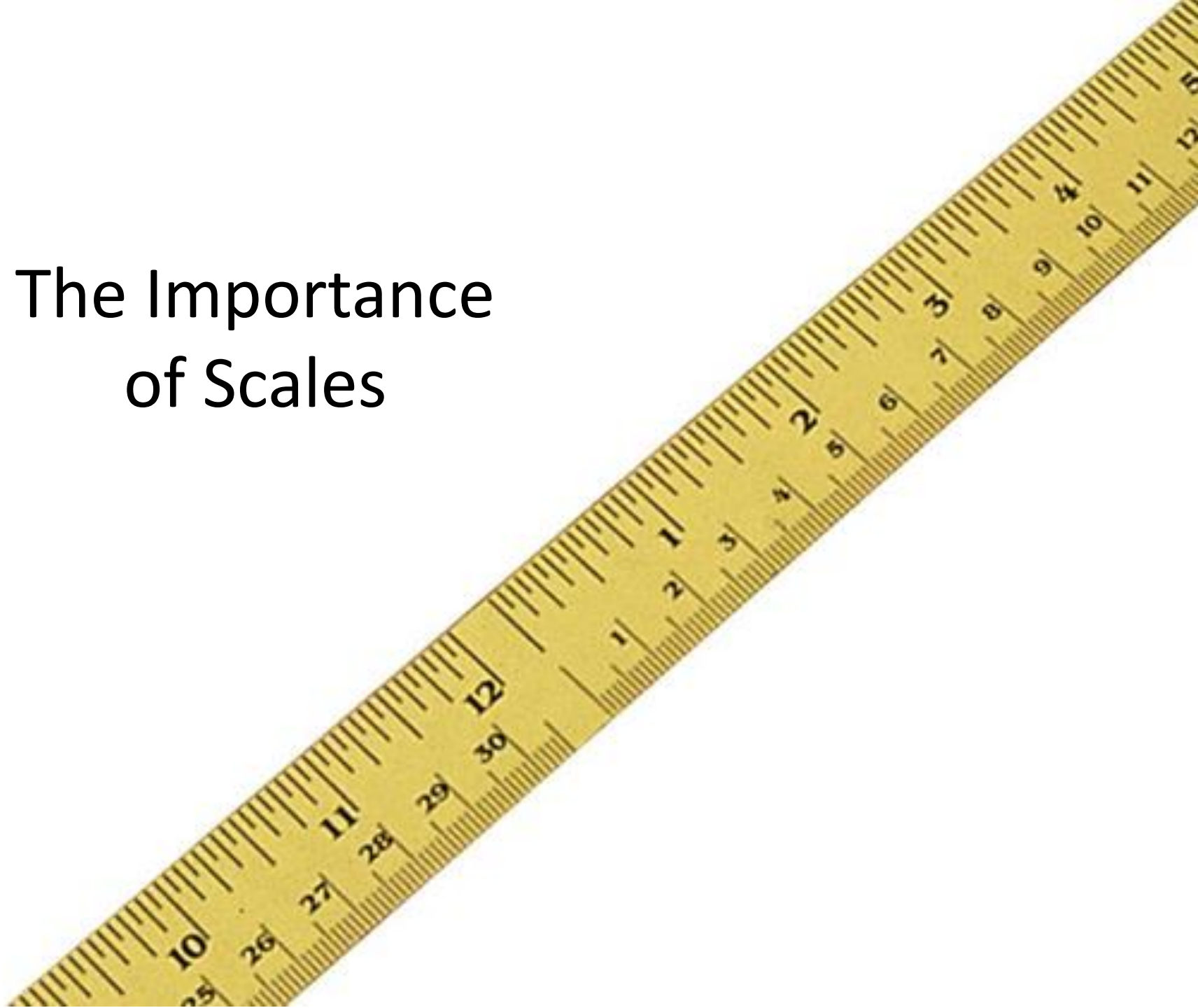
30% ↓

Comfort is King



opportunity

The Importance of Scales



Turn Subjective Into Objective

My contact
lenses are
fine...



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2. Actively Engage Presbyopes

Multifocal Recommendations

Contact Lens

9%



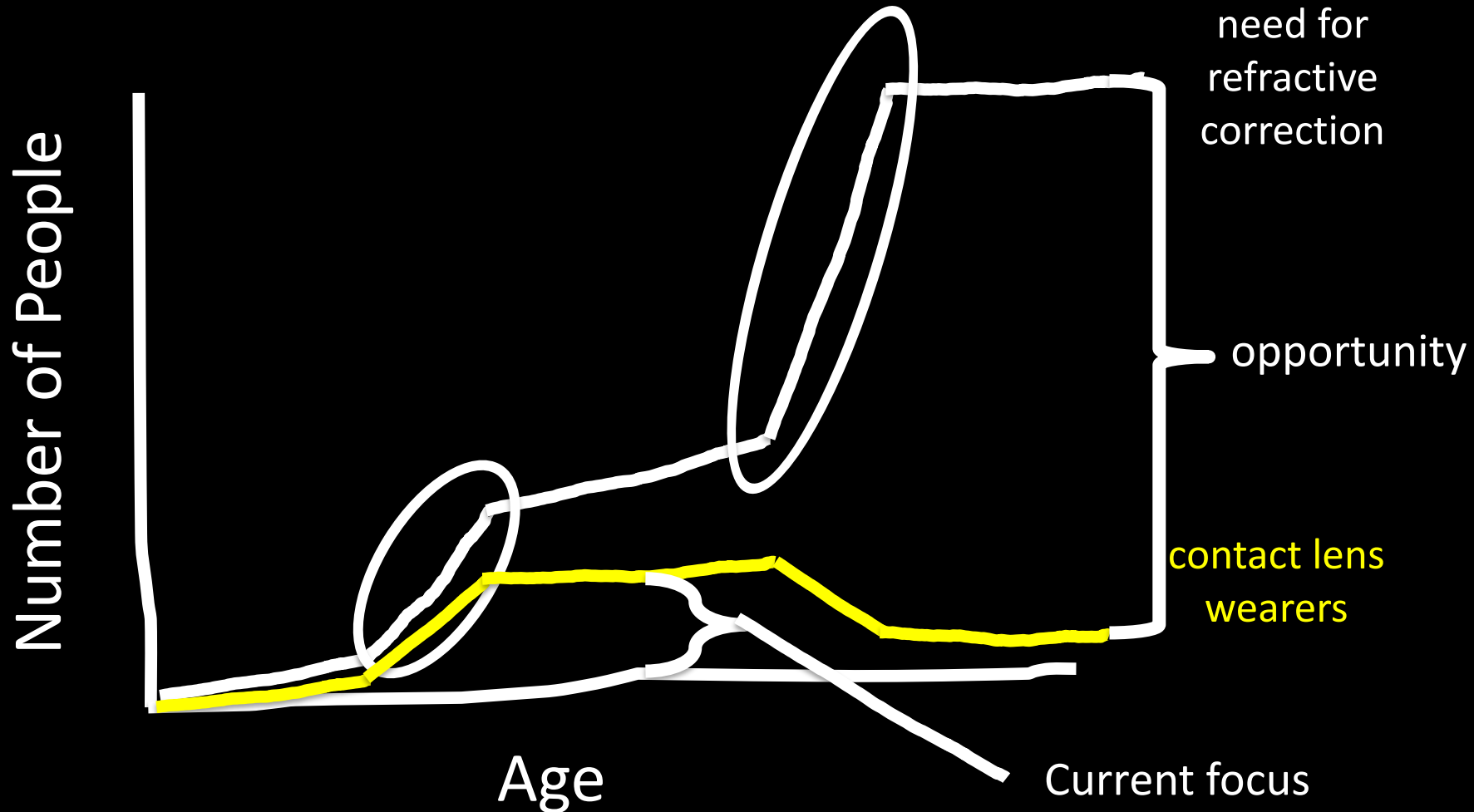
Only 9% of adults aged 40+ requiring multifocal vision correction received a multifocal, bifocal or monovision contact lens recommendation



Eyeglasses

64%

Are We Looking in the Right Place?



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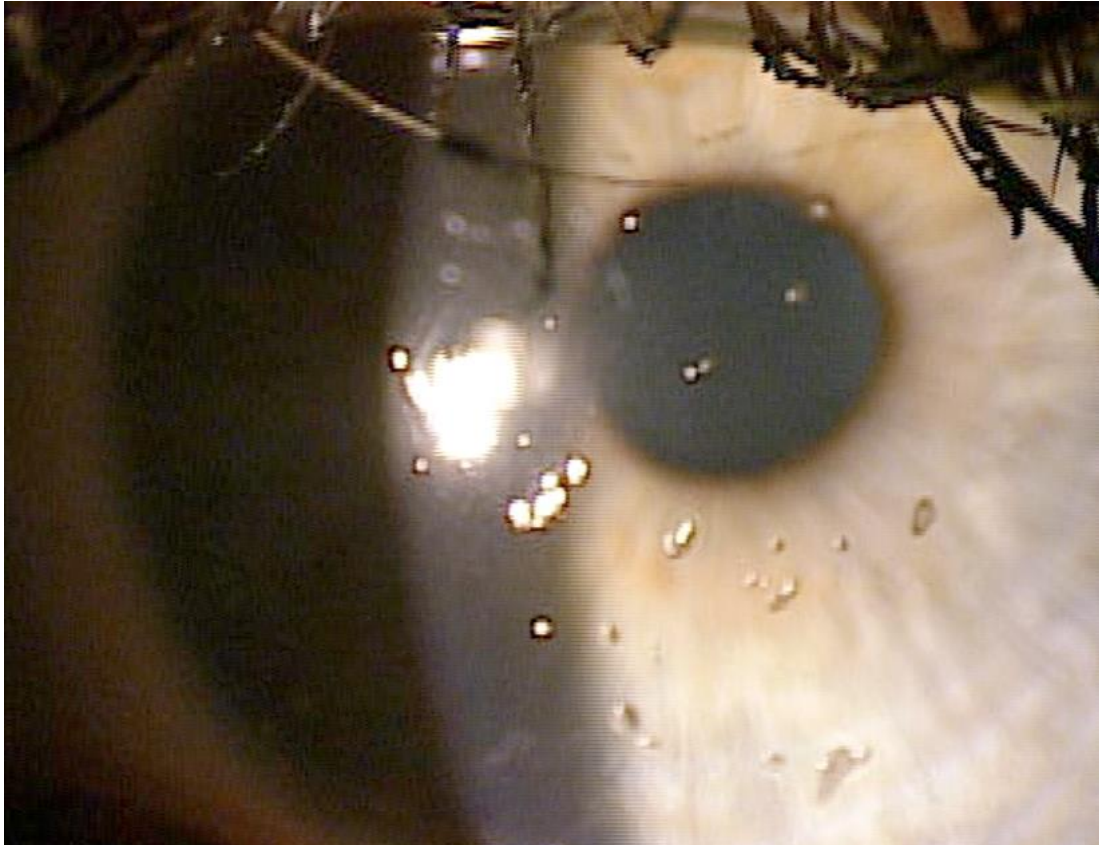


3. Create the Value Proposition

Patients Have Choice



What is in the patients best interest?



1 Year Supply of Lenses

Why is a year supply best?

For Your Patient:

- You have all of your contact lenses for the rest of the year – increased compliance
- Most affordable and convenient way to purchase your contact lenses

For Your Practice

- A single transaction = a more profitable transaction

Calculate the Cost / Box

Contact Lens Cost per box = \$xx.xx

Cost for a year supply = 8 x \$xx.xx = \$xxx.xx

Rebate = \$yyy.yy

Cost per year supply = \$xxx.xx – yyy.yy = \$zzz.zz

Cost per box = \$zzz.zz / 8

Calculate the Cost / Box

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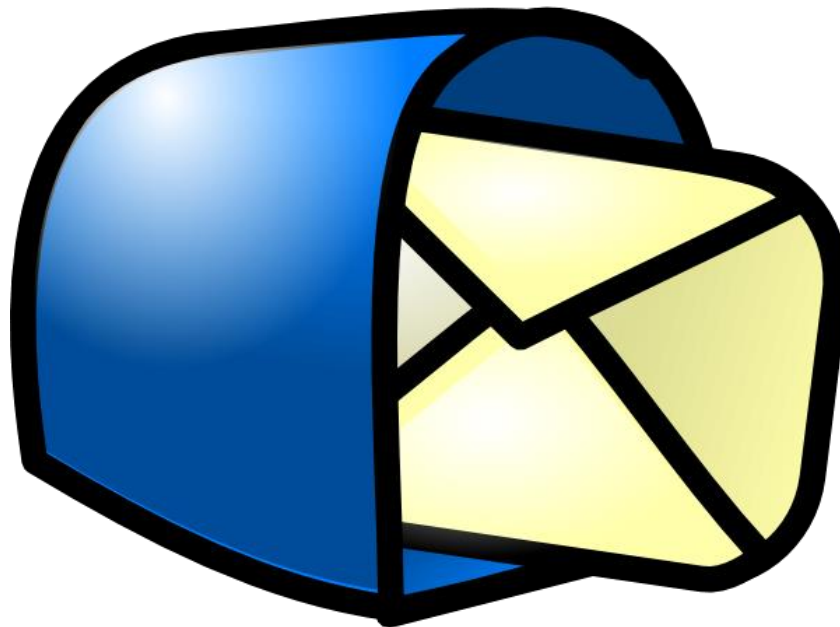
Factor is vision benefits

\$zzz.zz - CL's allowance = net cost to patient

Cost per box = net cost to patient / 8

We Support You

- 1) If your prescription changes, we will exchange unopened boxes
- 2) We have your contact lenses in stock and you can leave with them today or...
- 3) We will send your contacts directly to your house



The 3 month Supplier

- Patient is initially fit with contact lenses
- Patient is charged for contact lenses 5 min
- Contact lenses are ordered 3 min
- Contact lenses are checked into office 5 min
- Patient is contacted that their contact lenses are in 3 min
- Patient comes in to pick up contact lenses 0 min
- Contact lenses are dispensed 5 min
- Total time for single contact lens 21 min



We'll talk about this one in a bit...

The 3 month Supplier

- Process is repeated three more times during the year
- $21 \text{ min} \times 4 = 84 \text{ minutes}$
- Employee wage / hour
- Incremental additional cost for the “3 month supplier”

The 3 month Supplier

- Ask yourself – what is the profit on the lenses you are retailing?
- Subtract the incremental additional cost
- Other hidden costs (shipping, patient inconvenience/time, patient exposed to other retail outlets)

The Year Supplier

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- Total time for single contact lens 8 min

Comparison

- Assume 8 contact lens wearers are purchasing lenses
- 3 month supplier
 - $8 \times 84 \text{ minutes} = 672 \text{ minutes} = 11 \text{ hours}, 12 \text{ minutes}$
- Year supplier
 - $8 \times 8 \text{ minutes} = 64 \text{ minutes} = 1 \text{ hour}, 4 \text{ minutes}$

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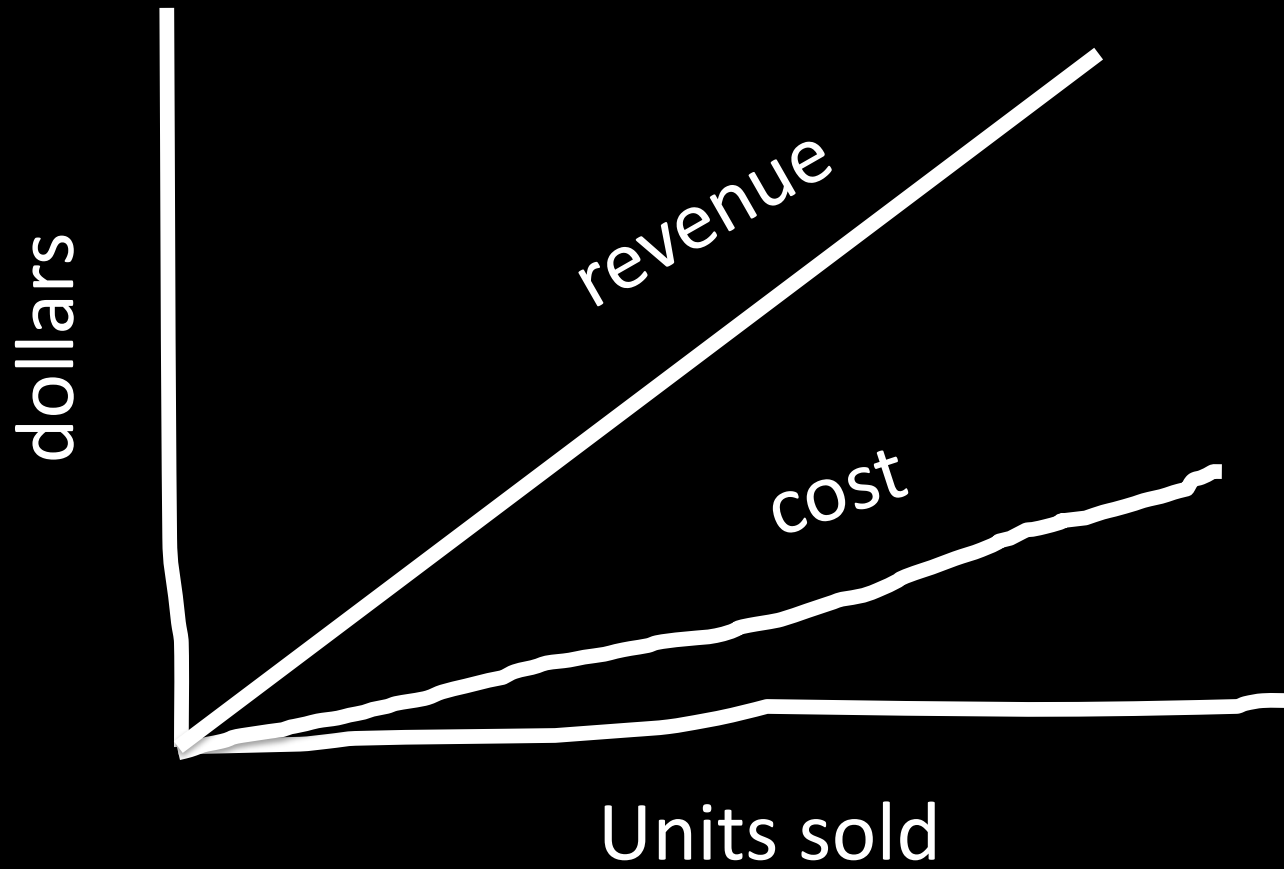


Sunglasses



4. Purchase wisely

Simplified Revenue - Expense Model



Inventory vs. bank vs. traditional sale

Advantages

vs.

Disadvantages

Inventory

- Stock lenses in office
- Advantages
 - » Lower cost for lenses
 - » Have lenses on hand for immediate dispensing
- Disadvantages
 - » Requires office real estate to stock lenses
 - » Requires managing supply
 - » Requires initial investment into supply of lenses

Inventory Advantage

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- Total time for single contact lens 5 min

Inventory – Is it worth it?

- What is the savings per box?
- How many boxes are required to achieve inventory savings?
- How many boxes will you have on hand?
- How much time will it take to manage the inventory? (initial order, stocking initial supply)
- Realestate in the office that is required?

Bank

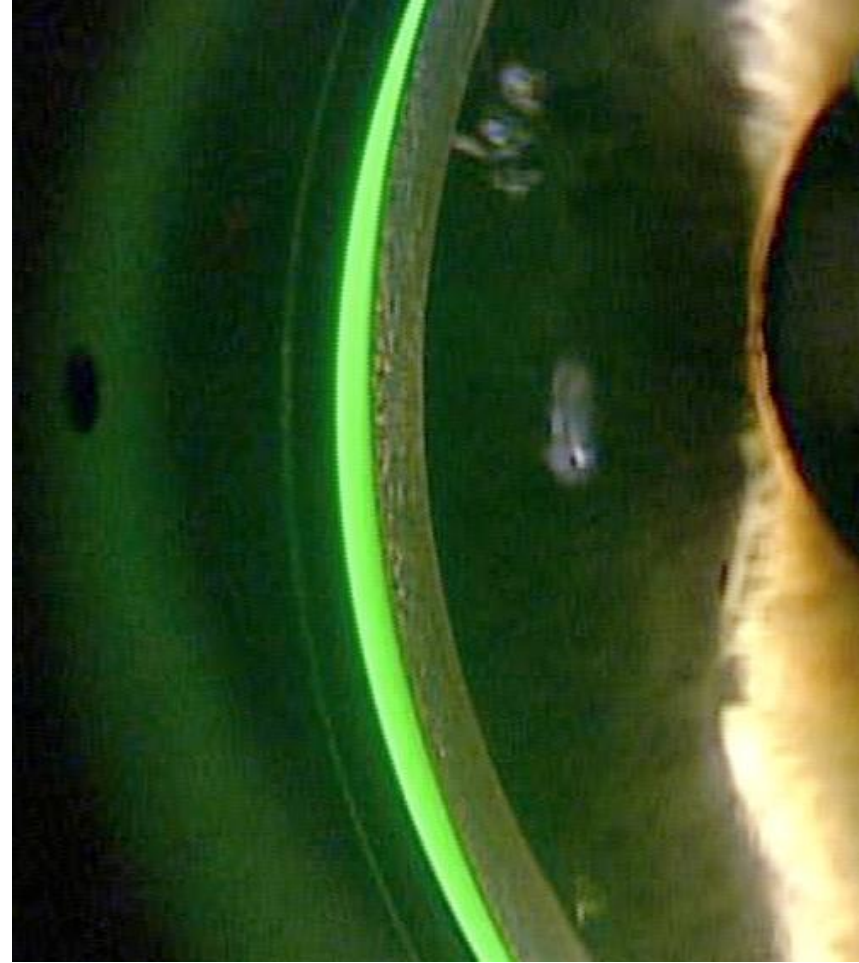
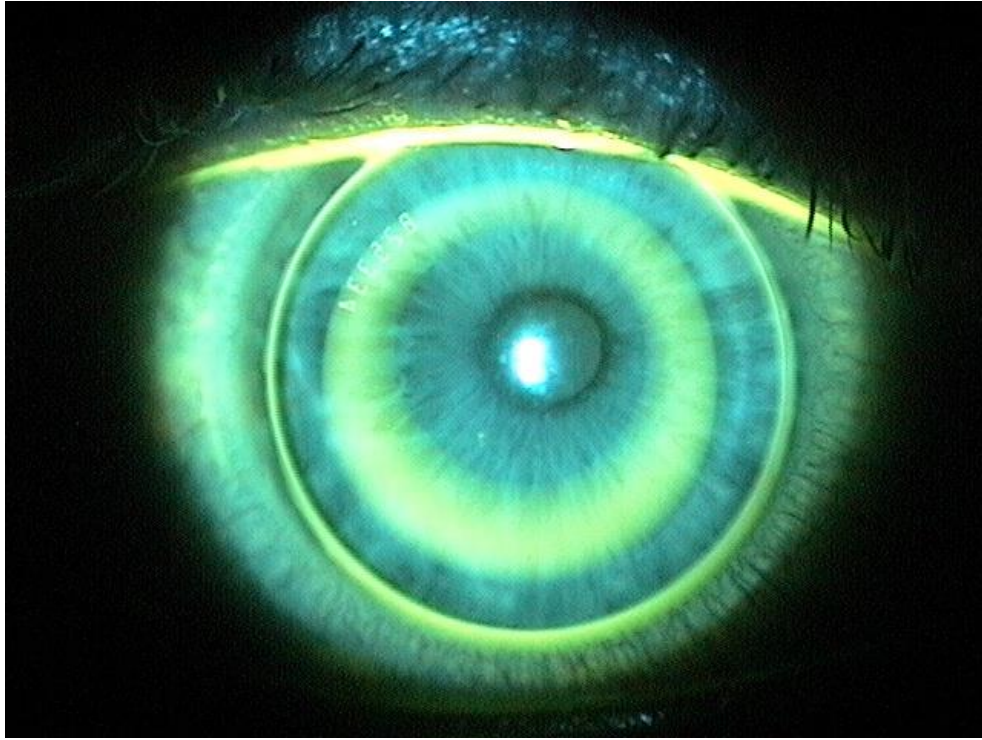
–Advantages

- »Lower cost for lenses

–Disadvantages

- »Requires to go through stock in a reasonable time period

5. Embrace Specialty Lens Designs



Thank You

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