



Starting Cold Versus Buying a Practice

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Association of Practice Management Educators

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RESOURCES

APME

PMC

[optometrymatch.com](#)

We created this website to be a resource
for all your Practice Management needs

optometrybusiness.com

RESOURCES

PMC-VI-VSP SECO Lectures

SECO Student Debt: The Numbers Actually Work in Your Favor

SECO How to Maximize Your Profit from Vision Plans

SECO How to Get the Maximum Value for Your Practice

SECO Starting Cold versus Buying a Practice

SECO Procuring Practice Buyers & Sellers

SECO Onboarding Staff

SECO How to Increase Your Practice Net

SECO How to Use Your Practice as a Personal Wealth Generator



OPTOMETRYMATCH.COM

BUYING OR SELLING AN OPTOMETRY PRACTICE STARTS HERE

BUYING OR SELLING A PRACTICE IS A MAJOR LIFE DECISION. TRANSITIONING INTO OR OUT OF PRACTICE OWNERSHIP CAN BE EXCITING YET CHALLENGING.

THE **PRACTICE MANAGEMENT CENTER (PMC)** HELPS MAKE THE OVERALL EXPERIENCE FOR DOCTORS A SMOOTH AND SEAMLESS ONE - FROM START TO WELL BEYOND THE TRANSITION.

CLICK ON **REGISTER** BELOW TO START THE PROCESS.

THEN, UPLOAD THE **PRACTICE INFORMATION** IN STEP 2 USING THE **PASSWORD** SENT TO YOU WHEN YOU REGISTERED. (IF YOU DO NOT HAVE A PRACTICE FOR US TO EVALUATE, THEN YOU CAN SKIP STEP 2.)



STEP 1

With no registration or upfront fees, getting started is easy - just click on the REGISTER button below to start the process.

STEP 2

At the top of the email we send you after registering is a password. Use the password with this step to upload the practice information. (If you don't have a practice for us to evaluate, then you can skip this step.)

Course Description

- Optometry students are often doubtful or even cynical about the possibility of going from new grad to private practice owner/partner within the first couple of years out of school. Student loan debt and lack of business acumen are some of the perceived “barriers” to cold starts, but we’re here to tell you that it’s possible to own your own practice right out of school. This course will show you how.
- **Student-focused course**

Register

- Or Login



How much is opening your optometry practice REALLY going to cost?

This article will detail not only the major, but minor costs that oftentimes go forgotten in opening cold.

The true cost of opening an optometry practice varies tremendously. Some things to consider are:

- ★ size of your venture
- ★ number of exam lanes
- ★ equipment needed
- ★ inventory

Lawyer: Costs
= \$1500

This is the first person you need to contact once you decide you are going into business.

Setting up a corporation

Dealing with a
landlord/lease cost

Rent/Building
Expenses:
Cost =
\$2,700/month
\$32,400/year

- Where do you want to be?
 - Chic optical that needs retail space on a main street with a lot of foot traffic?
 - Located within a medical building with other medical professionals?
 - Free standing building?
- How large do you need it to be?

Things to be aware of

- Construction
 - What needs to be done
 - Who is responsible for the cost?
 - What is the estimated timeline?
- Is anything you build considered property of the building owners (i.e.: cabinets, sinks, etc.)?
- What are the terms of the lease?
 - 1 year, 5 years, 10 years?
- Watch for percentage rent increase from year to year. You can negotiate this.

Rent/Building Expenses

- *You will probably be paying rent before your doors open unless you can work out a deal with your landlord to allow you to do work and start paying rent only after you open the business.*

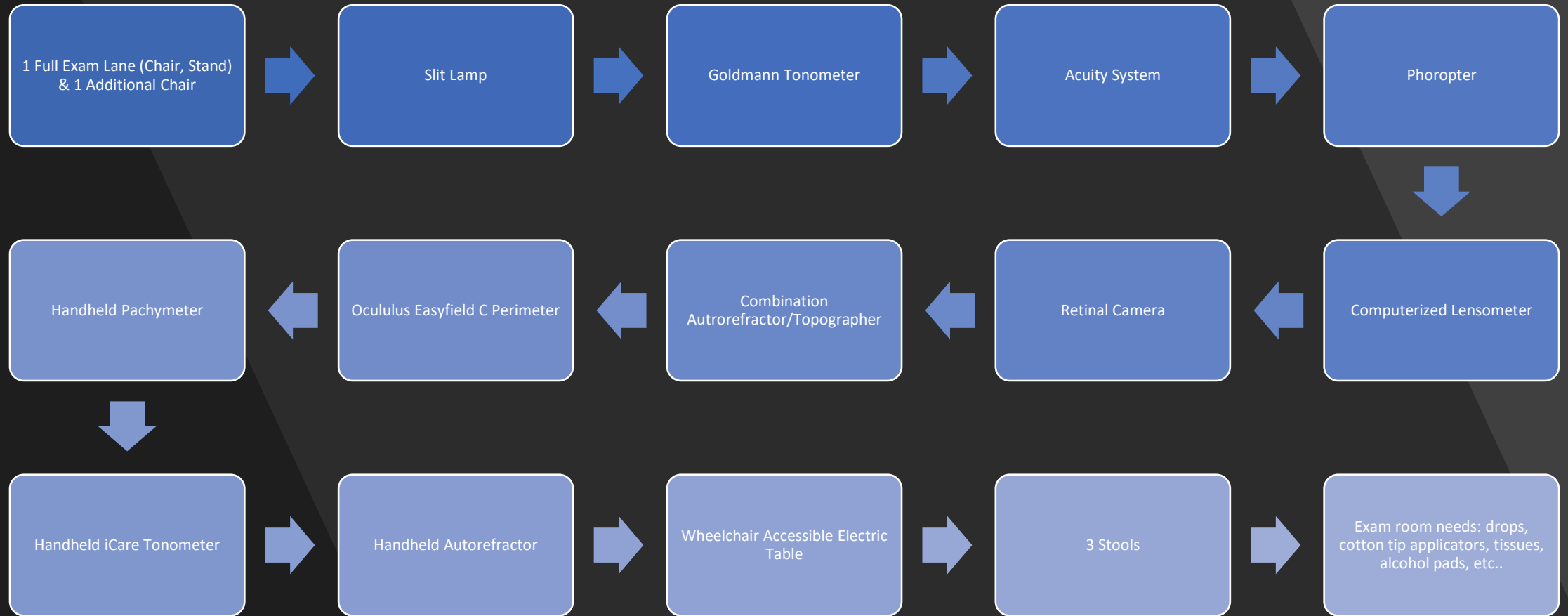
Equipment: Cost = \$105,000

**This is the
BIGGEST
expense.**

**Ways to save
money**

- Lease vs. Purchase
- Look for sales or purchase from an existing practice
- Look for reconditioned equipment

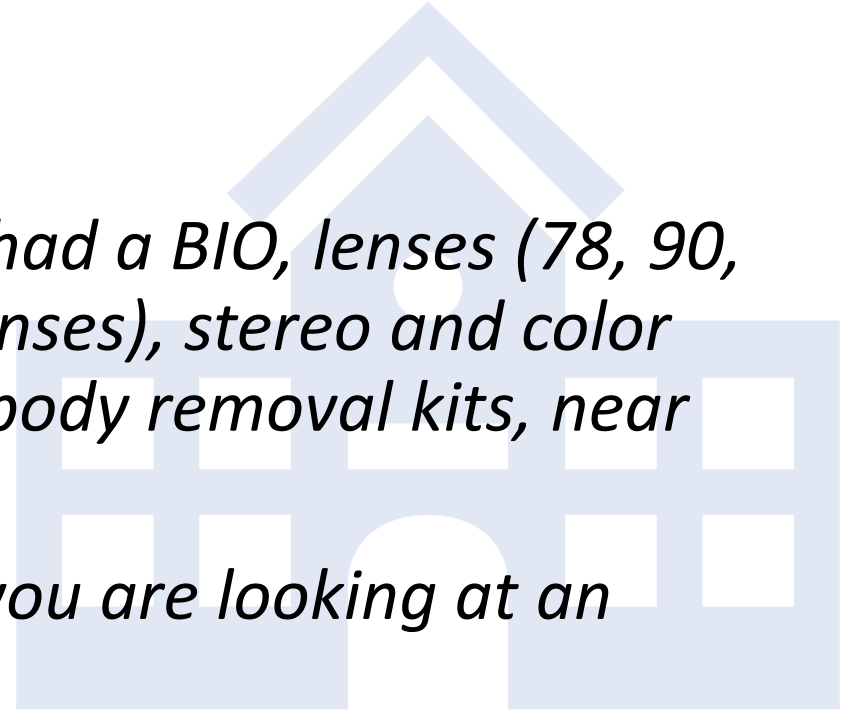
Exam Room Equipment *(make a list of all the stuff you need)*



Equipment from school



- *“Between my partner and I, we had a BIO, lenses (78, 90, 20D, 3 & 4 mirror gonioscopy lenses), stereo and color vision books, occluders, foreign body removal kits, near cards and fixation sticks.”*
- *If you do not own these things, you are looking at an extra \$10-15,000.*



More equipment





What do you need?

*Decide exactly what you
NEED to get your office
started, and not just
everything you **WANT***



Technology:
Cost =
\$30,000

- Service contract for tech person
- Server System
- Computers (7)
- 42" TV (2) – reception area/office for conferences
- Printers (2)
- Phones (3)
- Security Camera System (4)
- Electronic Medical Record (EMR) System

Marketing:
Cost = \$15,000

- Digital Strategy
- Logo Design
- Website Designer/Developer
- Business Cards
- Informational Pamphlets
- Door decal
- Road Sign
- Envelopes
- Letterhead
- Advertising

Furnishings & Miscellaneous: Cost = \$50,000

- Cabinets
- Office Chairs (12)
- Desk (office)
- Desk Chairs (2)
- Filing Cabinet
- Pictures
- Organizers (Front Desk)
- Paper, pens/pencils, post-its, stamps, paper-clips, etc...
- Kitchen equipment: refrigerator, microwave, coffee machine, paper goods
- Uniforms for employees
- Phone/Internet Services
- Garbage removal
- Heating/Lights

And the grand total ...

Attorney	\$1,500
Rent	\$32,400
Clinical equipment	\$105,000
Technology	\$30,000
Marketing	\$15,000
Furnishings	\$50,000
	<hr/>
	\$233,900

More
realistically
the cost is
\$300,000-
\$350,000

“Starting a new practice cold is more costly than you may think. From my experience as a career coach for AOAExcel, an AOA-sponsored business education resource, the average cold-start practice (no building, renting only) costs \$300,000-\$350,000.”

reviewob.com/starting-cold-calculate-manage-expenses-to-reach-profitability/

Important issues in a startup

- **Location, location, location**
- **Doctor understands how to prescribe complete treatment plan**
- **Right traffic flow with visibility**
- **Correct side of the street**
- **Right product to sell**
- **Working capital**

Reasons to
buy a practice

Established patient base

Cashflow day one

Knowledgeable staff

Established network

If you'd like to
dive deeper

- <https://newgradoptometry.com/heres-what-it-cost-me-to-open-my-optometry-practice-cold/>
- reviewob.com/eight-steps-to-successfully-start-a-practice-cold/
- <https://www.reviewofoptometry.com/article/starting-up-cold-it-can-be-done>
- www.optometryceo.com/2014/06/04/four-reasons-to-buy-a-practice-and-not-start-cold/
- <http://optometrytimes.modernmedicine.com/optometrytimes/news/4-steps-opening-practice-cold>





Thank You!



Vision One



APME



optometry
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