

Relieving Burdens: Outsourcing Optical Dispensary Management Without Sacrificing Control



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Thanks to our “booming” generation the demand for medical eyecare is now at an all-time high and expected to continue to rise through 2030. At the same time, the number of new optometrists is not outpacing the number of optometrists who are retiring. This is good news/bad news for optometry. The good news, optometric practices continue to expand their scope of practice to serve the higher demand for medical eye care services, resulting in increased revenue. The bad news, your dispensary may no longer be getting the attention it needs.



For most optometric practices 10 years ago, the optical dispensary comprised at least 70% of the overall practice revenue while exams and services made up the remaining 30%. Today, with the increase in medical eye care, that split is fast approaching 50/50.

While most optometrists once dedicated much of their practice management time to running the dispensary, today you likely find yourself spending more time learning new equipment, interpreting test results and filling the schedule with more non-optical patients. Time once spent on managing frame inventory and lens purchasing now takes a back seat to building a dry eye practice or offering other specialty medical services.

To compound the problem, optical dispensing continues to become more complicated. The ever-increasing numbers of patients who have a vision plan with specific criteria, lab networks and products available to them means you also need to be a master in maximizing profitability and understanding plan contracts. Well trained opticians who can explain product benefits and present frames and lenses beyond what's "free" under a patient's vision plan are a must. You can't afford to let the dispensary run on auto-pilot while building a medical eye care practice.

Outsourcing optical dispensary management is not a new concept. The behind the scenes nature of their work means you may have never heard of Optical Dispensary Management services (ODMs for short) but rest assured the business model has been available for decades and is in the background of many of the most successful eyecare practices across the country.

Minimized Responsibilities, Maximized Revenues

The beauty of engaging an ODM, is in their single-minded focus on handling the day to day operations of only the dispensary which frees up your time to concentrate on expanding eye care services. You are the boss, but you now have a team of experts responsible for tedious dispensary tasks like inventory buying, vision plan metrics, internal marketing, staff training and insurance billing. Your ODM partner will evaluate dispensary operations, identify weak areas or missed opportunities and maximize revenues. Having a team of expert consultants for each area means you are relieved from the challenges of running the dispensary while reaping the rewards of the profits.

The benefits of outsourcing the management of their optical dispensaries are many. To consider just a few:

- **Ownership and control of the optical dispensary remain with the optometrist.** The most common misconception about optical dispensary management services is that eyecare practices lose full ownership or oversight of their dispensaries. This simply is not the case. Practices retain full ownership and, as a result, have the ultimate say in any key decision suggested by an ODM.
- **Dispensary-specific expertise.** Optical dispensary management services are specialists in one field and one field alone and have the benefit of experience working with hundreds of other dispensaries. The result is a level of education and efficiency that no eyecare practice alone could replicate.

ODMs provide dispensary opticians and staff with training sessions to best ensure clear understanding of products. Performance standards are established for each employee, and the ODM's regional manager will be consistently on-site to assure quality control. Regular meetings will be held to discuss new products and technologies as they pertain to lenses, coatings and other niches, as well as to launch incentives programs that entice staff to meet specific sales goals.

The result is a well-organized and well-educated staff that help fully realize the dispensary's client-servicing and profit-making potential.

- **Inventory management.** Optical dispensary management companies supply a wide array of brand-name inventory. ODMs purchase existing inventory while transitioning to new inventory targeted to your practice's specific patient demographics; this includes an analysis of the practice's market to fully understand competitive price structures and consumer preferences. Frame inventory is customized using a scientific method of inventory management and fully furnished by the ODM.
- **Third-party insurance billing.** The ODM understands the complications of third party billing. Step one, staff training on perfect execution for maximizing plan benefits under each unique plan. Step two, optical dispensary management services process all optical claims on an eyecare practice's behalf, relieving it from this time-consuming chore. Any claims that require additional follow-up will be reviewed by the ODM insurance coordination team who are experts with all types of third-party insurance.

- **Internal marketing materials and initiatives.** A worthwhile optical dispensary management service will have developed demographic-specific marketing programs designed to best speak to a practice's patients and, in turn, boost sales. Collateral may include patient information/education brochures, corporate and professional courtesy programs and new product launches.

These attributes combine to total what is, perhaps, the most surprising benefit:

Increased optical dispensary profitability.



The end result of a successful relationship with an optical dispensary management service is the same as with any outsourcing initiative: increased revenue. Eyecare practices are paying ODMs to find enough efficiencies and cost savings that, when

bundled together, not only cover the ODM's fee but often raise optical dispensary profits from pre-ODM levels. The right ODM will raise an eyecare practice's dispensary profits to a point far exceeding its fee, leaving the practice with a higher dispensary bottom line *even after the ODM fee is factored in.*

Over the last decade, the optical dispensary management and consulting industry has seen double-digit percentage growth, and continues to trend upward. What was once an ultra-niche industry has grown considerably – not just because the need is there, but because the results are as well.

Mary Walker, COE is Executive Director of Vision Associates, Inc., which offers turnkey, customizable optical dispensary management and consulting services that allow eyecare practices to maintain ownership and control of their dispensaries while relieving them of the time and effort involved in their everyday operation – all while increasing profitability. www.visionassociatesinc.com