

Finding Strength in Numbers

What Do ECP Alliances and Buying Groups Offer to Build Optical Practices?



BY JOHN SAILER / SENIOR EDITOR

In the face of growing competition and a challenging economy, independent eyecare professionals need every competitive edge. As a result, there has been a rise in the number of doctor alliance groups created by ECPs in the U.S. market. At the same time, the more traditional buying groups are adding services and benefits to maintain their position with ECPs as well.

Vision Monday reached out to a select group of ECP alliances and buying groups to find out what's behind their rise, how they are evolving and what the distinctions are among them. *VM* also spoke with ECPs to discuss the benefits of membership within these various groups.

Known by names such as Vision Source and OD Excellence and by acronyms such as IDOC, PEN, PERC, and PECAA, ECP alliances are managed by leaders in the optical field who provide their organizations' members with a host of benefits.

These services range from meetings and networking opportunities, practice management advice and benchmarking studies, education for both doctors and their staff available in-person and online, and, ideally, a camaraderie that instills an overall sense of

benefits than their competitors. At the same time, buying groups, another type of coalition within the optical field, are augmenting their traditional vendor discounts and consolidated billing procedures with meetings and education. (Of course, that's not even

"The two major benefits of belonging are cutting expenses and being involved in an organization that promotes practice management. You can be a great doctor, but to be a great doctor and a good businessperson, that's unique."— Kimberly Frantz Boyer, OD, **Sisson-Boyer Eyecare, LLC, Newport, Pa., member of Vision Source.**

working together toward the common goal of improving the business of their practices.

The proliferation of these groups can pose challenges for an ECP when it comes to determining which group best meets their practice's needs. Adding to the confusion, is the fact that the lines that define the groups are blurring.

Some ECP alliances offer services and benefits that appear to be similar, while others offer far more business management tools, education, and other

mentioning practice consultancies, which offer business management techniques to ECPs on a one-to-one basis, and which are not included in the scope of this article.)

Block Buying Group exemplifies a buying group that is expanding its offerings. "After meeting with our frame suppliers over the last two Vision Expos, I came up with the idea for the Elite Vendor Program, which rewards doctors in a positive way for

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Gaining the Competitive Edge With Groups

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doing the right amount of volume," said Michael Block, president. ECPs participating in the Elite Vendor Program earn rebates by reaching certain purchasing levels with a select group of suppliers in a program launched for 2012.

Another buying group that has recently added services is The Alliance Optical Medical Supply and Buying Group, founded in 1996 and owned by a network of surgical centers. "As of Jan. 1, 2012, we

and collections issues for product suppliers.

"We banded together independent eyecare professionals in the early '80s to get them better pricing," said Block. "In a way, we were the original alliance."

Eventually, in the 1990s, other independent ECPs saw that competitive market trends created a need to unite, not only to encourage discounts from their vendors but for more extensive practice management assistance, continuing education, networking opportunities and more, ultimately leading

dent practitioners joining them? Some of those involved point to the need for a united front in the face of growing competition from corporate entities and business pressures in the optical field.

"The force that is driving this growth is the realization that the eyecare market is becoming increasingly competitive, with major retailers trying to commoditize eyecare, vertical integration, the consolidation of vendors, and more groups forming to strictly profit from their peers," said Chris Millet, executive director of Professional Eye Care Associates of America (PECAA), an ECP alliance incorporated in 2006 and based in Portland, Ore.

Glenn Ellisor, OD, president and CEO of Vision Source, one of the first and now largest ECP alliances, with more than 2,400 member practices, agreed, adding the impact of managed care as another reason for their growth. "The same need that Vision Source recognized in 1991, to enable the independent optometrist to not only survive but thrive in the face of competitive pressure from corporate chains and the complexity of managed care, is driving the development of ECP alliances."

Others point to the difficult economy as a driving force. "The real development driver has been the realization that ODs need business education in order to survive in these tough economic times," said

"Being a solo practitioner with a fairly large practice, it's difficult for me because I don't have anybody to talk to with the same size practice, so the personal benefit I'm looking for is meeting with a group of my peers."— Mary Lou French, OD, MEd, FAAO, Children's Eyecare, PC, Orland Park, Ill., member of Prima Eye Group

added the new Alliance Advantage Program," said Frank Soppa, VP of optical services. "We offer all the advantages of a traditional buying group (a wide range of vendors, consolidated billing, vendor partnerships, etc.) while offering new programs."

California-based buying groups C & E Vision and Vision West, operating since the early '80s, have also transformed their scope. "As the market has evolved, C & E Vision and Vision West have continuously expanded and updated our service offerings to support our member practices in adapting to the changing market," said Brad Shapiro, principal. "In this regard, we offer a number of services that are designed to reduce the stress of managing a practice, enhance practice profitability, and educate and train ECPs and their staffs."

It could be argued that the roots of today's ECP alliances were formed when the first buying groups were established. These were started in the 1980s when a proliferating stream of new products were funneled through a single conduit, the buying group, which connected buyers with direct-sell suppliers, providing ECPs with vendor discounts, and eliminating the headaches of credit

to the formation of today's ECP alliances.

What is the cost for ECPs to join? It varies. While traditional buying groups charge ECPs no fees at all, the cost of membership in ECP alliances varies nearly as much as the number of organizations available. Some ECP alliances charge a percentage of a member practice's annual revenue, while others charge a flat rate. In addition, some have certain requirements for membership, such as permitting only practices generating a million dollars or more annually to par-

"The biggest advantage is not just the ability to save money through partnerships with vendors. The focus is to help us run our business and be better business owners."— Cory Manley, OD, Pasco Vision Clinic in Pasco, Wash., member of PECAA.

ticipate, while others are open to anyone, even welcoming practice employees in addition to owners.

WHY ECP ALLIANCES? WHY NOW?

So what are the reasons that ECP alliances have gained momentum, particularly in the last few years? Why are more and more of them being established, and why are thousands of indepen-

dent Doctors of Optometric Care (IDOC), an ECP alliance founded in 1999 with over 1,200 members.

In some cases, the rise of ECP alliances is due simply to the need for practitioners to work together. "Optometry has always been a standalone profession, not coordinating with other medical profes-

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Making the Choice: Vital Stats on ECP Alliances and Buying Groups

Among the primary goals of all of these organizations is enlisting new members, so their appeal to practitioners is sure to increase. Just as with which progressive addition lenses ECPs choose for their presbyopic patients or which software program they select to manage their electronic health records, which ECP alliance or buying group is the best fit is a personal decision. Of course, that is based on a wide range of criteria—the education offered, the meetings and networking opportunities available, what discounts can be realized, the costs of membership, access to consultations with staff, plus a whole host of other determinations about the organization. To sort through some of these options, the following profiles include background information about a select group of many of the organizations available today.

credit processing; no fees to join and no administrative fees; monthly newsletter; monthly video series on Eyefind and VisionMonday.com

Event: annual Block Business Academy

Members: 4,000

Focus for 2012: Elite Vendor Program; iChoice lens

ing for over 20,000 diabetics at the American Diabetes Association in Los Angeles (Sept.)

Members: 180

Focus for 2012: building OD CE program, building membership

Professional Eyecare Resources Co-op (PERC)

Founded: 2008

Owners: David B. Golden, OD, co-founder; Howard E. Stein, OD, co-founder

Executives: Lisa Mamo, admin.

Contact: www.perc.biz

Programs: vendor partnerships exclusively with Essilor Labs of America; education—Mostly Management starting OD CE; social media; website development; driving traffic to members' managers forum section of website where they can post questions and get answers; Medical Eye Home Model partnering with EyeHome Network to form IPAs in Arizona and California for 2012.

Events: four meetings per year throughout the country and a Managers Meeting in Los Angeles (March 7); annual Huntington Harbor Holiday Boat Parade for members, vendors and families; annual Vision Expo West luncheon; coordinating screen-

Block Buying Group

Founded: 1983

Owner: Michael Block, president

Executives: Carolyn Walsh, general manager; Judy Biglin, controller; Scott Abel, director of business development

Contact: www.blockbg.com; (800) 524-1480

Programs: vendor discounts; Elite Vendor Program allows members to earn additional rebates based on achieving modest goals; proprietary iChoice progressive lens; no-charge

Independent Doctors of Optometric Care (IDOC)

Founded: 1999

Owner: Mark S. Feder, OD, president and CEO, one of the founders

Contact: www.idoc.net; (203) 853-3333

Programs: includes contact lenses, laboratories, equipment, frames, credit card processing, virtually every product and service used by independent ODs

Events: Annual Business Conference (April 2012); two regional conferences in the fall in New York and Phoenix; over 150 member director dinner meetings throughout the year

Members: 1,200+

Focus for 2012: continue to expand IDOC University to provide business management education for independent ODs; supplement vendor programs as needed and continue to grow membership; support members and help them be more successful both medically and as business owners

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- Q&A sessions with presenters
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OD Excellence

Founded: 2006

Owners: Jerry Lieblein, OD, CEO; Jerry Sude, OD, chairman

Executives: John A. McGreal, Jr., OD, director of professional education; Rebecca Johnson, CPOT, COT, COE, director of staff education; Anne-Marie

Lahr, OD,

Contact: www.odexcellence.com; (707) 433-5542

Programs: COPE-approved webcasts two times per month; live monthly (and archived) clinical, practice management and operational webcasts; monthly newsletters with clinical and operational pearls and vendors' specials; staff training for practice management and certification; interactive message board; customized purchasing group; white papers; forms; benchmarking; alliance vendor discounts; Dry Eye Center of Excellence creation for practices; ODX Road to Success tools for practice efficiency and profitability

Events: information-sharing meetings; annual conference

Members: 700

Focus for 2012: grow the membership and help optometrists maximize the efficiency and profitability of their practices and evolve toward the "medical model," which includes diagnosis and treating ocular diseases they see every day in their practices

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Educations: March 22-25, 2012 **Exhibition:** March 23-25, 2012
Javits Center, New York, NY

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Villavecchia Buying Group

Founded: 1980

Owners: Al Villavecchia, Jr.; Diane Villavecchia Meehan

Contact: www.villavecchia.com; (201) 573-0830; (203) 968-1745

Programs: discounts, CE, credit card processing, rebate program

Events: OANJ and NYSSO CE (April 11), OANJ and Vision-Ease CE (June 20), two additional CE Events to be scheduled

Members: 1,300

Focus for 2012: rebate programs

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Vision Source

Founded: 1991

Owners: officers/management of the company along with Brazos Equity Partners of Dallas

Executives: Glenn D. Ellisor, OD, president and CEO; Tracy Moody, COO; Bobby Christensen, OD, senior VP, strategic planning; John McCall, Jr., OD, senior VP, vendor relations; Rob Houdek, OD, senior VP, growth and development; Derrick Artis, OD, VP, vendor relations and member services; Hans Kell, OD, VP, professional development; Walt West, OD, VP practice development; Kelly Kersick, OD, senior director of professional services

Contact: www.visionsource.com; (888) 558-2020

Programs: vendor partner savings on equipment, labs, contact lenses, frames, office supplies, insurance and more; proprietary brand spectacle lenses (Truclear, CompuClear), contact lenses (2 Clear, AquaClear) and frames (Riserva); initial program implementation for new offices plus regularly scheduled check-ups; practice development through Vision Source Experience (32 regional practice development workshops in 2012), Vision Source Radio (daily practice management tips delivered via internet), VSlearning.com (online staff training curriculum), North American Meeting (annual, three-day meeting with product and equipment training, practice management education and member-to-member focus group sessions), Vision Source Representatives (career development for office managers and key staff members); marketing/advertising program planning and execution to individual offices and market co-ops; free office website; customizable

marketing materials available online; colleague support through approximately 1,000 monthly or quarterly meetings in 125 markets that allow members to network and share best practices.

Events: Annual North American Meeting (April 25-28); Vision Source Experience (32 in 2012); member receptions at SECO, Vision Expo East, Heart of America, Optometry's Meeting, East-West, Vision Expo West, Academy; monthly/quarterly regional member meetings

Members: 5,000+ doctors in 2,400+ offices

Focus for 2012: continuing to support members through practice and professional development tools; marketing expertise and services for internal and external marketing

Members: 3,350

Focus for 2012: support the continued growth of members' practices



Primary Eyecare Network (PEN)

Founded: 1984

Owner: ABB Concise

Executives: Angel Alvarez, CEO; Brad Weinbrum, president; Lynda Baker, executive VP; Debbie Oseguera, director of operations

Contact: www.primaryeye.net; (800) 444-9230

Programs: educational events focused on doctors and staff; publications that include all compliant office forms, guidebooks, manuals and reference forms; medical billing support including claim submission with complete audit processing, eligibility checks, status updates, consulting on difficult claims and credentialing service; billing services with vendor discounts; two account executives who consult with practices to increase sales, reduce costs or create customized education schedules.

Events: staff education focused on dealing with patients, frame selling, office leadership; Medicare billing and coding; the twice-a-year PIO (Preserving Independent Optometry), once in Northern California and once in Florida

Members: 1,700 doctors in 1,300 practices

Focus for 2012: expansion of education, both face-to-face meetings and webinars; educating members about the impact social media and technology have on their practice; credentialing ■



The Alliance Optical Medical Supply and Buying Group

Founded: 1996

Owners: Surgery Partners

Executives: Frank Soppa, vice president of optical services; Kim Bratcher, operations manager; Jadyn Ballard, premium programs manager

Contact: www.thealliancebg.com; (888) 466-8263

Programs: vendor relationships, contracts and programs structured to improve operating costs and profit margins; business development and resources to educate the practice and staff; regional meetings providing continuing education, industry and product updates

Events: regional meetings and planned events at major trade shows





ECPs Find Strength in Doctor Alliance Groups

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sions, all standing out there in their own practices, and we don't have a lot of camaraderie," said David Golden, OD, co-founder of Professional Eyecare Resource Co-op (PERC), an ECP alliance that requires its members to generate revenue of at least \$1 million annually. "This brings some sense of community and value to doctors' offices."

According to Neil Gailmard, OD, MBA, FAAO, co-founder, president and COO of Atlanta-based ECP alliance Prima Eye Group, "Independent optometric practice owners realize they have to compete with large corporate optical chains, franchise programs, online retailers and other providers with strong marketing skills, and they are at a disadvantage if they go it alone. The economy, lower fees from vision plans and many other factors have made it harder to increase profitability without professional

management help."

Some groups even offer students a leg up when starting out. "We'll help them get loans, get equipment, and get started by giving them the business tools they need to become more successful," said Jerry Lieblein, OD, co-founder and CEO of OD Excellence, an ECP alliance that has assembled 700

"We're always buying capital equipment. If you buy one piece of equipment a year, the membership is paid for by the discount."—Steve Silberberg, OD, An Eye to the Future of Matawan, N.J., member of IDOC.

members since its founding in 2006.

Ultimately, these alliances help ECPs who start their practices as medical professionals but soon realize they also need to be astute businesspeople. "It is no longer 'enough' to be a great doctor. You need to be a smart business owner," said Feder.

One of the more unique benefits of an ECP alliance comes from Vision Source, which offers its members unified branding that allows them to remain independent while capitalizing on recognized collective marketing imagery. "We launched a new brand and new logo last year, and it's been very well received, exceeding our expectations,"

said Ellisor. "We expect 1,200 members to use the new branding externally in their signage. That's going to allow us to develop what could be the most powerful brand in the industry, one that represents independent optometry." ■

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