



What's Next for ECP Alliances and Buying Groups?

MARK TOSH / SENIOR EDITOR

NEW YORK—Optical retail and vision care, like every other business today, are facing changes that are coming at a faster pace than ever, whether it's more complex health care delivery models, new technology for eye tests and online purchasing and even outside investors with deep pockets. Everyone and every business is adjusting and rethinking their business models as they seek ways to more effectively deliver the services clients are seeking.

This holds true in independent eyecare, as well, where some buying groups and alliances—from the old guard to the new kids on the block—are fine-tuning their menu of services to be more supportive of the independent OD. This might include adding more networking events, negotiating for

larger rebates or discounts, simplifying the payment process or providing dashboard software that details and benchmarks the financial operations of a practice. These alliances also want to retain their role as the key partner to independent ODs, many of whom are considering opportunities to partner or sell to outside investor groups.

"Given the ongoing industry consolidation, the role of optical alliances is more important than ever," Opti-Port president and chief executive officer Jim Edwards told *Vision Monday*.

David Golden, OD, a co-founder of PERC, said he sees his role as one in which he "champions the independent" and to be in position to provide this ECP/OD all of the tools necessary to practice profitably while maintaining autonomy.

Looking ahead, Vision Source president and chief executive Jim Greenwood said he believes in-

dependent optometry has a secure future, in part because of the important health services these ECPs deliver on a daily basis. "We still 100 percent believe that the person most qualified to make an optometry practice successful is an independent doctor, or independent doctors within that practice who have ownership of the practice and are 100 percent engaged in providing patient care and building value within that practice," he said.

Partnership is just one of the roles that alliances and buying groups see themselves playing in today's market as they, like every other business, evolve to support growth and profitability. Over the next few pages, *VM's* editorial team presents a top-line review of alliance and buying groups' programs and philosophies for dealing with the wave of changes today's independent ODs are facing. ■



Providing a Foundation for Success

ADO Practice Solutions
www.adopracticesolutions.com

ADO Practice Solutions, founded in 1982, is a wholly owned unit of Walman, a 100-year-old independent family of optical businesses that is employee-owned and operated. ADO also sees itself as somewhat of a unique entity in the world of alliances and buying groups that are available to independent eyecare practices.

The philosophy and mission at ADO is to develop and provide programs and solutions that help independent OD practice owners succeed. ADO notes that it has more than 250 frame, contact lens, lab and other vendor partners that are set up to offer “maximum discounts” to members.

“We’re kind of the in-between because we started out as a traditional buying group, but transitioned ourselves to look and feel a lot more like an alliance,” ADO vice president and general manager Jobe Sellers told *Vision Monday*. “We kind of check mark all of the boxes of both sides of the [alliance/buying group continuum],” he added.

Yet, ADO said that it offers the best attributes of a traditional buying group. ADO has about 2,300 members across the nation, covering the gamut of the optical retail sector, from independent opticians, independent OD practices, combined OD/

DO practices and both hospital and university systems, according to Sellers.

ADO, which also offers education, marketing services and rebates, among other services, is set up to consolidate all member purchases onto one monthly statement, which Sellers said greatly simplifies the accounts payable processes. “ADO provides the means to save businesses money and time so the practice can focus on the most important aspects of their business and enhance their services to their patients,” according to Sellers.

One of the primary goals of the organization is to increase the success and profitability of the independently owned practice through great service, competitive pricing, maximum vendor discounts and exclusive ADO benefits.

“We’re really focused on helping practices grow,” Sellers said. “We know that this is the most advantageous long-term benefit that we can help practices with. We do a really good job of helping practices save money and obtain the lowest cost of goods. But we also understand that growing the practice, growing the top line, and creating efficiencies are much more of a longer-term benefit for members.”

To provide a foundation for this success, ADO launched a comprehensive marketing program under the umbrella of the “DONE4YOU” banner. DONE4YOU is unique in the alliance marketplace, Sellers said, in that when a member takes advantage of the program “they gain access to our marketing team. We have hired and invested in a marketing team, including a marketing director with 19 years of experience in the marketing world to help franchise dental practices [and others]. We also have a graphic designer and we have marketing consultants,” he added.

Access to DONE4YOU is accomplished via a small, flat fee per month, Sellers said, and the members will have an opportunity to work with this marketing group to shape a program that matches the member’s marketing objectives, whether it’s improving capture rates, positioning itself as a contact lens specialist or promoting its dry eye treatment capabilities.

“Whatever their goal is, we help them develop

a marketing plan and a strategy for that,” he said. “We also create and agree to a budget with them. From that point forward, and here’s where we differ, our team actually implements that marketing strategy for the practice.”

By providing support across all components of a marketing campaign—whether it involves print, radio, newspaper or in-house signage—the DONE4YOU team fully implements the program. “This allows the practice to fully engage, and to take full advantage of all the elements created for the marketing program,” Sellers said.

DONE4YOU was launched in 2017 and “is coming into its own this year,” Sellers said. “It’s really starting to grow and to become a significant part of our offering,” he added.



The ‘New Kid’ on the Block

Healthy Eyes Advantage
www.healthyeyesadvantage.com

The new kid on the block in terms of OD alliances and buying groups is Healthy Eyes Advantage, which was formed from four separate entities in late 2017. The alliance is based in Boca Raton, Fla., and also operates from additional locations in San Diego, San Clemente, Calif. and Vicksburg, Miss.

Nautic Partners, a middle-market private equity firm, announced the formation of Healthy Eyes Advantage (HEA) last November. HEA acquired

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substantially all the assets of Block Buying Group (BBG), C&E Vision Services (C&E), HMI (including Red Tray and Club Zero) and Vision West.

Nautic said at the time that HEA would be “the largest alliance of eyecare professionals in the country,” serving more than 10,000 independent eyecare professionals. There are now six brands and four different locations under the HEA umbrella following the closing of the transaction.

“These buying groups have a long and rich history of, actually, competing in the market and supporting their membership,” chief executive officer Jeff Rinkus told *Vision Monday*. “Each of them had a slightly different way that they would support members. So it was important to each of the owners of the groups to make sure that this was retained as the groups came together.”

Founded in the early 1980s when independent practitioners faced growing corporate competition, BBG, C&E, HMI and Vision West set out to support the competitiveness of the independent by aggregating purchasing services and creating efficient supply chain interaction. Thirty years later, the four companies that started the buying group sector in eyecare have come together to bolster their support of independent optometry.

The newly formed Healthy Eyes alliance expects to expand upon this commitment to independent optometrists, ophthalmologists and opticians. As the largest alliance in the country, HEA said it will “set the standard of independent community and network services offered to the industry.”

After its consolidation, HEA today serves on a geographic basis the vast majority of the U.S. market, noted Rinkus, who previously was chief operating officer of ABB Optical. HEA continues to manage one of the largest continuing education forums on the West Coast, the C&E Ocular Symposium, which is held three times each year and draws more than 400 doctors on each occasion.

“This is an example of what we do to bring these companies together,” Rinkus said. “What’s important to us is that our members have a longstanding relationship with these groups,” he added, noting that the average tenure of the members is 15 years.

“Clearly, there has been a long relationship and a trusting relationship with these groups,” he said.

HEA also has relationships with 275 vendors in the optical space, Rinkus said. “We seek to align ourselves [with firms] in optical that support the independent practice. The one common theme that we see in all of these groups is how enthusiastically and without compromise they stood for the growth and profitability of the independent practice. If there was any common thread that we pulled on as we brought these groups together it was that.”

Looking ahead, Rinkus said HEA is working on a new tier of vendor relationships under the name Healthy Eyes Advantage 20/20 Program. No more than 20 vendors in the optical space will participate in this program, he said. HEA announced the first of these new 20/20 partnerships at Vision Expo East.

“Choice is important to our members, so we will make sure that we maintain and continue our good relations with our entire vendor base,” Rinkus said. “But we are getting deeper with no more than 20 vendors. Extending those vendor relationships to our members is what we are going to be about over the next two quarters.”

Another key element of HEA’s mission is to continue and expand partnerships with state associations of optometry. “We’re busy making sure that we continue to support those relationships,” Rinkus said. “One of the first things we did is to renew our [sponsorship] agreement with the California Optometric Association (COA) for 10 years,” he said.

HEA is the endorsed practice solutions network for COA and 17 other state associations. “We know there is a lot of good work being done at the state and the national level, and we are going to support that,” Rinkus said.

Diane John, vice president of marketing, noted that HEA strives to bring a unique viewpoint to the alliance marketplace. “A lot of practices are looking to be outside a traditional alliance relationship. We’re not trying to fit our members into a program per se. We’re looking to support them in their quest to be unique in the particular market they serve and to help them to grow [specific] categories where their opportunities are,” she said.



Giving Independents a Competitive Advantage

Independent Doctors of Optometric Care (IDOC)

www.idoc.net

IDOC, a Norwalk, Conn.-based alliance committed to the growth and prosperity of independent ECPs, was founded in 1999 and currently has a member base of more than 3,000 independent optometrists. As a primary goal, the alliance is dedicated to giving independent eyecare professionals a competitive advantage.

Today, IDOC is the largest “independently owned” alliance in the U.S. market, and is owned by a “family fund,” according to IDOC president and chief executive officer Dave Brown. In November 2016, Investors Management Corporation (IMC), a Raleigh, N.C.-based investment firm, acquired IDOC from The Riverside Co. The terms of that transaction were not disclosed.

“They are a long-term, buy-and-hold family fund, so we are not owned by private equity and we are not owned by any strategic manufacturer,” Brown told *VM* in a recent interview. “We are owned by a group that is very interested in growing independent optometry and loves what independent optometry does across the U.S. in all of the various communities that [these offices] are a part. And this allows me as the CEO to think long term and to do what is in the best

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interest of the independent OD. I think this is a meaningful differentiator for IDOC over the long haul," he added.

Also setting IDOC apart is that it offers ODs three different membership levels to choose from. They are: Essential, Advisor and Select (the flagship membership program), and they are set apart by the level of tools and services provided related to staffing goals, retail development and marketing plans. "A big part of our push with both IDOC Advisor and IDOC Select has been to provide consulting," Brown said. "I like to use the Farmers Insurance line, 'We know a thing or two because we've seen a thing or two.' Our consultants have been involved in many, many aspects of optometry."

The IDOC Select membership level now offers access, at no cost, to practice performance tracking with the EDGEPro by GPN. The EDGEPro dashboard provides real-time data, insights and clear, concise comparisons to identify trends and make improvements.

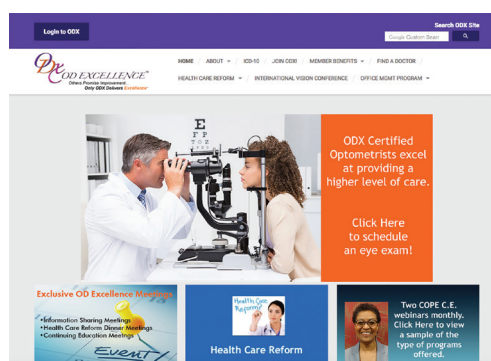
IDOC also hosts networking events for members on almost a weekly basis, and held more than 300 of these networking get-togethers in 2017 and was able to facilitate more than 2,300 peer-to-peer interactions, Brown said. "When you add it all up, we think we are an extremely great value."

Earlier this month, IDOC announced it was launching a "Satisfaction Guarantee" program that allows independent ODs to take full advantage of an IDOC membership program risk-free. If a member is not completely satisfied with their IDOC membership, their dues will be refunded in full if all conditions of the offer are met, according to the announcement.

"We're so confident that ODs will see their membership positively impacting their business bottom line and facilitating growth in their business goals, we're willing to commit to the satisfaction guarantee program," Brown said. The IDOC 100 percent Satisfaction Guarantee is full assurance that an IDOC membership meets the OD's needs and provides a "unique value add."

Separately, IDOC announced that it has introduced a new IDOC Select Contact Lens Plan that will offer ODs "enhanced choice and flexibility," according to an announcement. "At IDOC, we understand that every optometry practice is unique and choice matters, which is why we've added the choice of the Select Contact Lens Plan to complement our current IDOC Select Contact Lens and Lab offering."

This choice makes it easier and simpler for ODs to access the benefits of their IDOC Select Membership on their contact lens business, while maintaining flexibility with an existing preferred lab provider. As with the existing plan, Alcon and CooperVision continue as exclusive manufacturers to IDOC Select with unique offerings found only at IDOC.



Driving Patients to Practices

OD Excellence

www.odexcellence.com

In 2018, OD Excellence is placing a lot of emphasis on driving patients to practices through its Health Care Reform platform, and the group is "looking forward to new programs on financial, billing and coding, and compliance," according to OD Excellence co-founder Dr. Jerry Sude.

This year, OD Excellence also is working to help practices identify and become the vision component within ACOs, Medical Homes and Coordinated Care Teams within their communities, Sude noted. Driving patients to practices

through components of health care reform programs has been "very successful for many of our members," he said.

The group's goal is to provide guidance, and an approach many of its members have found to help them be successful, by giving them an overview of how they can utilize the resources through the OD Excellence program. "And which they can utilize in the way they feel is best depending on their goals, resources and the community or communities in which they practice," Sude noted.

Sude also believes the role of an alliance is critical to independent ODs in today's eyecare marketplace. "With the complexity of seeing patients, running operations, competing with online retailers and strategic planning, it is very difficult to be successful without an alliance," he said.

OD Excellence, which currently is comprised of 835 members, offers outstanding staff training portals and an Office Manager Certification Course (OMCC) program, the first of its kind to feature education, testing, certification and continued enhancement and support as elements of an overall course. The OMCC program delivers critical information and training to ensure that a member's practice excels through the efforts of the entire staff, Sude said.

"In 2017, we also launched the advanced course, which takes three key management skills to further enhance the participants' effectiveness, and we introduced new concepts and tools to constantly improve customer care, sales and profits," he added. "In 2018, we will launch a recertification programs for those that were previously certified and need continuing and updated education."

OD Excellence also offer OMCC as both an interactive and remote course so those who do not have time to attend regularly scheduled sessions, can study at their own pace. Membership also includes one-on-one confidential consulting as a way to review and get advice on operational issues.

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An Alliance of Multi-Office Independent Practices

Opti-Port
www.optiport.com

Founded in 2001, Opti-Port is an alliance of leading multi-office eyecare providers that strives to leverage the combined strength of its member companies to provide revenue-enhancing, cost-saving and market-expanding opportunities, according to the organization. Today, Opti-Port consists of more than 40 multi-office Advantage Members with over 600 locations nationwide, according to Jim Edwards (pictured above, left, with author Scott McKain), president and chief executive officer of the alliance.

Opti-Port's 2018 plans include continuing to drive purchasing power for its members and expanding its marketing services by adding more access to digital marketing agency solutions for its ECPs, Edwards said. Opti-Port also plans to hold five unique practice management conferences, including the annual Managing Managed Care Workshop and Opti-Port's Marketing Mastermind meeting, and support alliance members as they focus on driving revenue and improving patient care.

In addition, CLX, a proprietary comprehensive contact lens management and marketing system, has launched an innovative subscription service that complements the systems existing marketing features—automated patient reorder reminders via email and text, custom web stores and competitive price compare tools, Edwards said.

"Opti-Port has extended our internal eyecare-focused marketing agency and added an innovative digital marketing partner that specializes in the vision care space," Edwards explained. "We've revamped Opti-Port's Eye Care University, a leadership development program in partnership with the world-renowned Bell Leadership Institute that focuses on building strong leaders within Opti-Port member practices."

Opti-Port received a financial boost in April 2016 when Essilor of America made an investment in the alliance. Details of that transaction were not disclosed. The move followed Essilor's acquisition of independent eyecare groups Vision Source in July 2015, Professional Eyecare Resource Cooperative (PERC) and Infinity Vision Alliance (IVA) in late 2015.

At Opti-Port, an effort also has been underway to renegotiate many of the preferred vendor programs that leverage the strength of the combined Opti-Port membership. These exclusive programs give members access to competitive product pricing in the areas of lenses, labs, frames, contact lenses and business solutions. The end result is the renegotiated terms help members reduce their cost of goods, Edwards said.

"Opti-Port provides a community and robust set of resources specifically catered to multi-office and growth-centric practices," he noted. "With our unique focus on larger, growth-minded businesses, Opti-Port sets itself apart from other alliances in the industry."

Membership consists of many of the largest regional eyecare practices in the U.S., with a majority ranking among *Vision Monday's* annual Top 50 U.S. Optical Retailers list each year. Many of these large practices have grown their businesses in terms of revenue and number of locations substantially as Opti-Port members, Edwards said. "Exposure to businesses with this experience and mindset is what makes the Opti-Port community unique and attractive to growth-minded individuals, whether they currently have three or four locations or up to 20 to 30 locations."

Opti-Port members share a focus on both business growth and providing outstanding patient

care, and our conferences and educational content cater to each of these areas, Edwards said. Beyond gaining access to "a powerful community of industry leaders," Opti-Port members also enjoy strong group purchasing programs, premier access to CLX—a comprehensive contact lens management and marketing software—and Opti-Port's in-house marketing agency, which is specifically focused on sophisticated tactics that drive new patient acquisition, brand awareness and patient retention in the eyecare space, Edwards said.

Over the years, Opti-Port members have continued to grow at an accelerated rate and, based on a recent survey, members grew revenue at more than five times the industry average in the last year, according to Edwards. As the industry continues to evolve, he noted that Opti-Port's solutions for its membership will evolve and grow as well, "as they have for the last 17 years."



Always Evolving to Best Help Members

Professional Eye Care Associates of America (PECAA)
www.pecaa.com

From its founding in 2006 by three independent ODs in Portland, Ore., PECAA has grown from a small regional base in the northwest U.S. to comprise 1,370 members today. A "member"

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under PECAA's terminology might represent a single business entity with one office and one OD, or it could represent a multiple-office business with many ODs. As a result, the group's aggregate totals are 1,880 locations that employ more than 2,512 doctors.

PECAA noted that it offers the "most competitive and comprehensive portfolio of services and profit-building tools" that are available to ECPs to position their business for future success. These include loyalty rebates, customized digital marketing programs, HR support, networking events such as peer-to-peer dinners and financial consulting, among other programs.

PECAA does not require a contract, and members have flexibility in all of their decision making. In addition, the group said it is "fully committed to providing business solutions that are equal to or greater than the cost of a monthly membership," or the subsequent month is offered free.

"We're always evolving," general manager Jamie Hughes said in a recent interview with *Vision Monday*. He noted that PECAA views its services and tools for membership as coming under one of three key areas: economic, expertise and community.

Similar to other alliance or buying groups, PECAA understands the concept of creating better economics through aggregated purchasing. But Hughes said PECAA has evolved to offer an enhancement on the bulk-purchasing feature. "New partnerships that we are looking at today are usually focused on ways in which the practice can become more efficient or more profitable or deliver better patient care," he said.

He also noted that "part of the reason that we're not trying to get 400 partner logos on our website" is that an element of an alliance group's offering back to the vendor community should be "some level of exclusivity."

Yet, as an alliance group, he said PECAA comparatively offers members a high level of choice, with more than 70 vendor partnerships

overall. "We offer the most major vendor players in the market, in our experience, in terms of having dedicated programming, including two premier level contact lens companies (Johnson & Johnson Vision and Alcon), three premier wholesale lab partners (Carl Zeiss Vision, Hoya and VSP Optics) and three distributors (ABB Optical Group, OOGP and WVA).

"Right there are eight key vendor players in the market, and they are in many ways the economic engine of a practice," Hughes said. Additional premier vendor partners include RevolutionEHR, Luxottica and Marchon. "Our members have a tremendous amount of choice, through our various vendor programs, on who they are going to partner with in their practice," he said.

Among the practice management tools that PECAA offers are a Member Business Advisor (MBA) program and the Glimpse dashboard to monitor a practice's financial operations.

The MBA program is designed to give outside financial perspective to an ECP on the state of their business. The service is included in monthly membership fees and is available to PECAA members nationwide. The program starts with a comprehensive business assessment followed by an MBA advisor working with the practice to determine potential areas for financial improvement. The goal is to develop a structured plan to help the practice achieve the desired results.

Building "community" for ODs also is a critical part of the PECAA mission, Hughes noted. "Community for us is really the heart of what PECAA does and its origin and DNA," he said. "When we were founded here in the Northwest, it was a small group of doctors who got together and recognized that they weren't competitors. They started sharing information, best practices and even financial information."

Their goals were to figure out how to get more patients in the office and enhance the practice's performance. "Those early days of community still resonate and are a key part of what we do at PECAA," he said.



Adding New Members at a Rapid Pace

Professional Eyecare Resource Cooperative (PERC)

www.perc.biz

Infinity Vision Alliance (IVA)

www.infinityvisionalliance.com

The buying/alliance groups PERC, or Professional Eyecare Resource Co-Operative, and IVA, or Infinity Vision Alliance, are jointly managed nationwide by group purchasing organizations that include many large independent practices and some of the most successful independents. Overall, the PERC+IVA alliance includes just over 4,600 members, according to executives.

PERC+IVA, which have been strategically aligned since January 2014, are somewhat independent and provide different sets of resources to their members.

"We have kept the two brands somewhat separate because they cater to two different segments of the market," PERC co-founder and president David Golden, OD, told *Vision Monday*. "PERC has always been the group that has practices doing over \$1 million [annually] in gross revenue, so that their buying patterns are a little different." He also noted

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that while IVA has some million-dollar practices among its membership, most of the IVA offering is designed for practices “that don’t have to buy in bulk and don’t usually inventory product.”

Another element that has evolved more recently in the PERC+IVA operation is that typically today PERC’s \$1 million practices tend to always have a talented business administrator or manager who really helps drive the business decisions in the practice, Golden said. “It’s the doctor-administrator partnership that is so vital to making these successful practices.” As a result, the education and training sessions that PERC+IVA organizes for members have parallel tracks for the OD and administrator.

Within the IVA membership, which has practices of all sizes, the doctor tends to be the decision-maker and works toward “operationalizing things” within the practice.

Golden also noted that PERC+IVA will continue to build upon its effort to help members better understand and capitalize on the workings of a consolidation supply chain. “I think the one piece of our business that has differentiated us from day one is that we were the first to really think about why a supply chain solution for independent doctors is so vitally important,” he said.

As a result, he noted, five years ago PERC began thinking about “a single-box solution for our members” as a way to match bigger corporate optical operations that rely on a central warehouse system for distributing and purchasing products.

“We thought if we created a business-to-business solution, which we call Advantage, and started to put everything in one warehouse, then we could ship one box with everything inside it every day to the member,” he explained. “Today, we have about 600

doctors on the platform.”

The organization is currently adding about 50 to 75 new offices each month, according to Golden. He attributes the success to the group’s ability to offer a strong value proposition to prospective members and the organizations’ focus on innovation. PERC+IVA is free to join, and members are not subject to monthly or annual fees. He noted the alliance was founded by ODs and is still run by the original doctor founders. While Essilor has acquired a majority stake in the alliance, Golden noted that the original founding ODs “have a significant financial interest in the business. We’re really a partnership,” he said.

“I don’t know of any other group that is actually run by the original founders,” he added. “And I think that makes a difference.”

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Increasing Scale With Recent Additions

Primary EyeCare Network (PEN)
www.primaryeye.net

Primary Eyecare Network (PEN), a division of ABB Optical Group, was founded in 1984 by a group of private optometrists. The group focuses on enhancing the independent professional optometrist's ability to compete in a rapidly changing marketplace, and this effort got a boost in mid-2017 when ABB rolled up two other business units under the PEN umbrella.

At that time in June 2017, ABB merged its Diversified Buying Group and the ECP Network, both of which were added in the acquisition of Diversified Ophthalmics eight months earlier, with PEN as a means of boosting scale and services for independent ODs. "Combining these three powerhouses into one organization gives ABB the scale and capabilities to help independent optometrists compete more effectively and profitably in today's rapidly changing eyecare marketplace," ABB Optical Group vice president of eyewear Nan Meehan said at the time of the announcement. Meehan oversees Primary Eyecare Network.

"As a trusted business partner to eyecare professionals, we continue to deliver the best services and programs to help them better serve their patients. We look forward to this merger leading to even greater success for our customers," she added.

Following the combination of the business units,

there are about 2,400 practices combined under the Alameda, Calif.-based PEN alliance. Services PEN offers to independent ODs include purchasing arrangements, business management and marketing support, educational programs for practitioners and staff, medical billing services and other support services.

At press time, PEN was set to host its second annual solutions summit for members April 14 to 15 at the Marriott Union Square in San Francisco. The summit's agenda focuses on analyzing the business side of eyecare practices, and more specifically how to increase choice and drive success. Scheduled speakers are Jay Binkowitz, executive vice president of business strategy and field operations for Total Eye Care Partners, and Mark Wright, OD, a fellow of the College of Optometrists in Vision Development (FCOVD).

PEN looks forward to building upon its continued core value of education for its membership across the U.S. as well as providing the many vendor benefits that will provide continued success, Meehan told VM.



Family Owned and Operated for Almost 40 Years

Villavecchia Buying Group
www.villavecchia.com

Villavecchia Buying Group, created in 1980, is one of the nation's oldest buying groups for eyecare professionals and optical retailers. It continues to operate as a family-owned business, and is led today by Brian Villavecchia, a grandson of Alfred Villavecchia Sr., the founder. Al Villavecchia Jr., Brian's father, re-

tired in December 2015. (Brian and his father are shown in photo.) The family has been involved in the optical business for over four generations.

"My great grandfather was an optician and he had a retail optical and jewelry store in Union City, N.J. in the early 1900s," Brian Villavecchia, now president of the group, told *Vision Monday* in an interview. "My grandfather, also an optician, took the business over from him in around 1945. Then my father, another optician, took over the retail business in 1975."

A combination of brainstorming and too much free time led to Brian's grandfather and father coming up with the idea of creating a buying organization in New Jersey that began with 32 opticians getting together to negotiate volume discounts on frame purchases from a few large suppliers.

Much has changed in optical retailing over the past 35 years, and Villavecchia has seen many other organizations come and go. Today, Villavecchia continues to pride itself on many of the same qualities that it was founded upon, including a reputation for accurate, prompt and detailed monthly statements for its members. The group also provides a yearly summation of purchases.

"We started rather small because my grandfather was doing [all the bookkeeping] by hand on ledger paper," Villavecchia said. The group has now grown to more than 1,400 accounts across 22 states, with the majority of members in the Northeast. Villavecchia said he also has noticed that membership is growing more rapidly among ODs rather than opticians. "Years ago, the independent optician was doing a large amount of the dispensing. Now, ODs are taking on both sides of the business and putting dispensaries right into their practices."

Among the group's goals for 2018 is to work on strengthening vendor relationships, and perhaps developing rewards or rebate programs for loyal customers, and also creating more small-group meetings for members. "We're always working to improve existing processes and to streamline the day-to-day operations," he added, noting that the firm has cut almost in half the number of days required to run the end-of-month statements for members.

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The small-group meetings are designed to provide a focus-group like environment for meetings with one or two vendors “to give them a better setting to discuss concerns,” he said. These meetings have been held in the Northeast, including at venues in Massachusetts, New York and New Jersey.



Member Practices Outpacing Industry Growth

Vision Source

www.visionsource.com

Several important initiatives are moving ahead at Vision Source, which is building upon a very strong revenue year in 2017. The success of its member practices in 2016 already had moved Vision Source to the No. 1 ranking in *Vision Monday's* Top 50 U.S. Optical Retailers report (for the 2016 calendar year). Vision Source is included in the ranking because it operates as a franchise organization and reports its members' collective revenues. In 2017, the group's 3,323-member network of practices followed up with another outstanding sales year,

according to executives.

On tap for 2018 at Vision Source, North America's largest network of independent optometrists, are continued enhancements to The Optical Dream program and efforts to further emphasize the development of relationships with health care delivery systems.

“Our members continue to show that independent, 100 percent doctor-owned practices can thrive even when the overall industry growth trend is relatively flat,” said Vision Source president and chief executive officer Jim Greenwood. Yet perhaps the most significant development at Vision Source over the past year is that the network of private practice optometrists under the company's umbrella reported a weighted-average revenue growth rate of 5.7 percent during calendar 2017, according to a recent announcement.

This organic growth was about 10 times the 2017 industry estimates of 0.5 percent revenue growth for the vision care market overall, according to VisionWatch. As of late March, Vision Source membership included 4,702 optometrists practicing in offices across all 50 states. These practices recorded more than 16 million patient visits last year, according to Vision Source.

Greenwood attributed the network's growth, in part, to member engagement in a number of initiatives, including The Optical Dream, enhanced outreach to health care delivery systems and comprehensive multi-channel marketing efforts. “We provide an array of support to help [member practices] build and then monitor relationships with primary care groups and other provider organizations,”

Greenwood told *Vision Monday* in an interview.

In this way, Vision Source practices are able to encourage health care professionals to direct patients who need to be seen by an eyecare professional into member practices. As a result, the clinicians in the Vision Source network enjoy access to newly evolving patient channels, including an expanding list of leading medical groups and integrated health systems with whom Vision Source optometrists collaborate.

Another factor in Vision Source's success is the effort the company makes to help its doctors increase patient flow into their practices, Greenwood said. Once a patient visits a practice, The Optical Dream program is a core Vision Source program that helps doctors and their staff increase optical sales through the effective presentation and communication of options for second pairs, Rx sunglasses, annual supplies of contact lenses and other options. More than 1,600 Vision Source practices are participating in The Optical Dream program, according to the executives.

Launched as a pilot program in late 2014, The Optical Dream program is “a fantastic combination of staff learning and competition across practices,” Greenwood said. All participating practices are assigned into one of six divisions based on size, and the staff in those practices compete on metrics and compliance measures that align with specific training programs offered by Vision Source.

Every year, The Optical Dream training is updated to be more relevant to the behaviors that are most important to a practice's success and based upon

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“where we are as an organization and the market conditions,” according to Jeff Duncan, executive vice president and chief operating officer. “You have to tweak it to keep people engaged and motivated and even though the program has been out for multiple years, we refresh it each year,” he added.

On the marketing side, Vision Source members benefit from an industry-exclusive geospatial analysis platform that identifies geographic areas of marketing opportunity for their practices along with consumer demographic profiles and their preferred marketing channels. Using this information, the Vision Source marketing team builds personalized marketing programs using both traditional and digital marketing assets from an online toolkit. In addition, more than 1,000 potential patients access the doctor locator on VisionSource.com every day.

Vision Source, which was acquired by Essilor in mid-2015, also will build upon its effort to develop deeper relationships with health care delivery systems. A key element of the effort is the 175 local

leaders, or administrators, who are trained to help member practices develop these relationships. The local leaders regularly conduct doctor-to-doctor meetings where ODs share best practices.

“We provide an array of support to help [members practices] build and then to monitor those relationships with primary care groups and other provider organizations,” Greenwood said. One of the goals of developing these stronger relationships is to ensure that optometry is viewed as an integral component of the delivery of health services in the U.S.

Vision Source plans to announce a new aspect of this health care focus that will include an exclusive national network, in collaboration with the pharmaceutical industry, to detect and monitor ocular side effects of medications used to treat chronic diseases. “There will be more to come about this, but it is just another example of the way we are leading the industry in terms of optometry and connecting optometrists to health care delivery systems and constituents of all kind,” Greenwood said.

Another advantage of the Vision Source model is that it allows doctors to have complete flexibility in terms of the decisions they make with respect to programs and products that are offered. “If we offer a fabulous brand and the marketing services to support that brand, the doctor doesn’t have to fly the flag,” Greenwood said. “They have autonomy in terms of the vendors they decide to work with, the meetings they decide to attend and how they engage in our strategic health care relationships.”

Vision Source also is active in philanthropy. Its members have donated more than \$1 million to their international charity of choice, Optometry Giving Sight, and these funds were used to help underwrite the building of Haiti’s first optometry school, l’Université d’Etat d’Haiti, which is scheduled to open this month. In 2017, Vision Source Foundation received member donations of more than \$440,000 in the wake of Hurricane Harvey and Hurricane Irma to aid optometrists—not just Vision Source members—impacted by the storms, the company noted. ■