

Retail Eye Care Peer Group

Mastermind Alliance Meeting

Meeting Agenda

DATE: Wednesday, 2nd (Arrival Day)

There are no formal plans for this day as everyone will be arriving at different times. I will be in the hotel lounge bar at about 6:00 pm if anyone would like to join me for a cocktail and a chance to get to know each other better before the meeting. There is also a restaurant in the hotel, as well as numerous other restaurant options within a few miles of the hotel. The hotel shuttle will transport us to and from any restaurant within a five mile radius. So, if after a cocktail or two, anyone wants to head out for dinner we can do that too.

******DRESS FOR THE MEETINGS AND DINNER THURSDAY WILL BE "BUSINESS CASUAL."******

DATE: Thursday, 3rd

*****Breakfast on your own*****

Meeting Location: Vineyard Board Room

TIME: 8:00 – 8:15 am	Meeting Called to Order Review of Member's Goals for Our Mastermind Meetings
TIME: 8:15 – 8:45 am	Company Report – ABC Company
TIME: 8:45 – 9:00 am	Questions for ABC Company
TIME: 9:00 – 9:30 am	Company Report – DEG Company
TIME: 9:30 – 9:45 am	Questions for DEG Company
TIME 9:45 – 10:00 am	Break
Time: 10:00 – 10:30 am	Company Report – XYZ Company
TIME: 10:30 – 10:45 am	Questions for XYZ Company



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NOTE:

EACH OF YOUR POWERPOINT PRESENTATIONS WILL BE ON MY COMPUTER FOR PROJECTION TO THE GROUP. I ENCOURAGE YOU TO ALSO BRING YOUR POWERPOINT ON A THUMB DRIVE AS A BACKUP.

Each member may use their power point presentation as the basis for their talk, but you should also feel free to bring in additional information if appropriate. For this first meeting presentations should include, but are not limited to:

- A brief history of your company, its corporate structure (partnership, PA, sub S, etc.), and the management structure (for the next meeting we'll ask for an Org Chart).
- Market position – a) value, high end, etc.; retail only/primarily, medical model, integrated retailer, etc., b) market share if you can estimate, competitors, etc.
- Marketing – where you advertise (bring examples if available). What is working and how is it measured? Community activity/Online efforts/Social Network efforts?
- How have you weathered the great recession? Top line/bottom line?
- What are you passionate about? What can you be the best at? What drives the company's economic engine?
- What do you see/plan for the future of the business?
- What keeps you up at night?
- What are your goals for our master mind meetings?

TIME: 10:45 – 12:00 noon **Benchmarks** – We will analyze the comparative data and discuss what we want to track going forward.

TIME: 12:00 noon – 1:30 pm **LUNCH**
We will have lunch together at the restaurant in the hotel (Dutch treat)

TIME: 1:30 – 2:30 pm **Fixed Operating Expenses** - We will analyze the comparative data and discuss what we want to track going forward.

TIME: 2:30 – 2:45 pm **Break**



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TIME: 2:45 – 3:45 pm

Discussion Topic One – Practice Management and Electronic Health Record Systems

Please be prepared to discuss your current electronic practice management and EHR system, if any, and your experience with it to date. Are you planning to stay with it? If not, how will you evaluate a new system...what will your criteria be for selection? How have your doctors adjusted to your EHR system? Are they utilizing it to its fullest capacity, or doing “work arounds” to avoid changing their habits? How customizable is your system to accommodate your doctor’s idiosyncrasies? Are you utilizing electronic billing? Is it helping to reduce staff, turn receivables faster? Has it impacted the quality of patient care; the patient experience? Are you utilizing your system for frame/lens/CL inventory, and if so, has it improved your control and profitability in these areas? What does your system NOT do that you or your doctors/staff wish it did? Can you drive more efficiency with your system? If yes, what is preventing you from doing so? If no, what features or functionality do you need in a new system to drive more efficiency? Does your system have an integrated financial package or must you dump your data into another program to get financial reports? What are the best reports your system provides to you, and what reports do you wish it could provide? Is the system saving you time personally and is it helping you run your business better? Is the back end of the system being maintained and updated properly and timely?

TIME: 3:45 – 5:00 pm

Discussion Topic Two – Internet Sales of Frames and Lenses

This is potentially the most disruptive development for retail optical providers in generations! As the technology continues to develop and improve, and as consumers continue to become ever more comfortable with on-line shopping, internet companies have the potential to disrupt your business models and margins. You need only look at what Amazon has done to book sellers over the last 10 years. How many of you now monitor 1-800-CONTACTS and other similar sites when setting your contact lens prices? True, the on-line retailers will not take all your optical sales. If they follow other product categories they will develop as another distribution channel with a 10% to 15% share of the market? Have you considered what your business will look like with 10% - 15% lower optical sales and reduced margins on the remaining 85% - 90%? For many, shopping on-line was about convenience and perceived price savings, but with the “Great Recession” and the potential for a 5 – 10 year period of sluggish economic growth and comparatively high unemployment, consumers are more price conscious than ever.

How will your company meet this challenge? Will you start your own on-line store? If so, what are the management and production challenges? Will you participate in the Essilor program? The VSP program?

TIME: 5:00 – 6:15 pm

Rest and Relax

TIME: 6:15 pm

**Meet in Lobby for Transportation to Dinner at:
“Bob’s Steaks and Chops.” (Dutch treat)**

Check out the menu at: bobs-steakandchop.com



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DATE: Friday, 4th

*****Breakfast on your own*****

Meeting Location: Vineyard Board Room

TIME: 8:00 – 8:30 am	Review Pearls to Share
TIME: 8:30 – 9:00 am	Brainstorming/Problem Solving Questions for Members
TIME: 9:00 – 9:45 am	Review Member's Top Three Goals For 2011
TIME: 9:45 – 10:00 am	Break
TIME: 10:00 – 11:30 am	<u>Discussion Topic Three</u> - The Future of Labs and the "Integrated Retailer"

As you all know, there has been a huge consolidation (or elimination) of independent labs nationally as Essilor has been buying large and small players alike. To a lesser extent VSP and Zeiss have also been buying. Fortunately, these transactions have not eliminated capacity for the most...at least not yet. At the same time, the lens manufacturers have been ramping up the design and technology of the lenses and coatings, especially in the progressive lens category. These "high end" progressive lenses have been one of the best margin products for ECPs over the last 10 years. However, the technology now employed to process these lenses has advanced significantly, while the cost of the equipment has exploded. Once upon a time, being an integrated retailer with a lab on site for faster turn around and quality control was an affordable competitive edge. Today, the lab business has become very capital intensive, where a digital lens line will typically cost \$900,000 to \$1,000,000; a top of the line edger that can handle all of today's shapes, bevels, drills, and wraps is \$200,000 to \$300,000; and an A/R room can cost \$900,000 to \$1,100,000. Yes, if you are doing enough volume you can get vendor support for some of the costs, but you're also going to need better management and personnel than the old "lab rats" of yesterday. Is it still possible to have an old time on-site lab? Even then, as digital lenses become more dominant you may end up sending out too much of your work to make the on-site lab worth the aggravation.

So, with that as a back drop, please be prepared to discuss your views on the future of labs and integrated retailers. Is running a lab what you are best at. How much management distraction does it generate? Given the growing number of A/R jobs that have to be sent out anyway, is it worth it? Is this the best use of your capital? How great a risk does it pose when Zeiss pulls distribution of its lenses from all NON-ZEISS labs? What if other manufacturer/lab owners make similar moves in the future? Are privately owned regional wholesale labs an endangered species? How do you protect your business? Would you consider a long-term lens deal with any of the major manufacturers in exchange for significant lab discounts and other support?

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Many of the lens blanks are being made in China, should we just go direct and live with a 4 day turn around?

TIME: 11:30 – 1:00 am

Discussion Topic Four – Growth in this Decade...What Will It Look Like? **WORKING LUNCH******

Most economists, pundits, and soothsayers, are predicting that we will experience muted economic activity over the next 5 – 10 years with sustained unemployment levels higher than compared to sustained levels any of us have experienced in our careers. Credit available to small businesses and individuals is tighter than at any time in the last 30+ years, and the “Depression Effect” or psychological effect of the “Great Recession” of 2008 – 2009 is likely to have a long and lasting impact on consumer buying habits. There are also those who believe the U.S. optical market is over built, and yet, several new optometric schools are planned to be opened around the country that will further add to the supply of optometrists.

With this as a back drop, please be prepared to discuss your plans for growth and whether it will involve new locations opened cold, consolidation of underperforming locations, acquisitions, or focused on growing the top and bottom line with the same foot print? How will you fund growth; debt, internal cash, outside equity investment, vendor support? What is the risk profile of the owner(s)? How do you make these decisions; who is involved; analysis tools; gut feelings?

Time: 1:00 – 1:15 PM

Parking Lot Issues

TIME: 1:15 – 2:00 pm

Executive Session

TIME: 2:00 pm

Meeting Adjourned

