

Using Key Performance Indicators To Drive Practice Growth

The Four Pillars of Marketing Strategy

Focusing on the four pillars of marketing strategy helps achieve and maintain a financially healthy practice. Measuring key performance indicators (KPIs) evaluates the success of your business' progress toward your goals and objectives and allows you to identify each pillar's impact on your practice.

Types of KPIs

Industry Performance (IP) KPIs: Referred to as "hard KPIs", these involve taking an objective look at ratios and metrics and comparing them to industry standards.

Practice Performance (PP) KPIs: Known as "soft KPIs" take into account different/authentic practice models and attributes.

Utilizing a dual assessment of both IP and PP KPIs helps eye care professional (ECP) owners track their practice's performance while taking into account that not all practices are the same.



Don't Get Too Comfortable to Change

Only 40% of all small businesses survive beyond six years¹. However, through leadership, training, and delegation, your practice can maintain consistent monitoring of KPIs to ensure optimal performance, allowing you to respond accordingly and confirm optimal cash flow.

Optimizing the Two Greatest Costs for Any Business Owner

Use the following ratios to assess your practice's performance on each of these important KPIs:

Cost of Goods Ratio

Indicator of allocation of cash flow for the largest expense of any optometric practice: frames, lenses, contact lenses, lab costs, etc.

Formula: $COGR = \text{Cost of Goods (Including lab personnel)} / \text{Net Collections}$

Industry Averages (i.e. your "Healthy Zone"): 25% - 40%³.

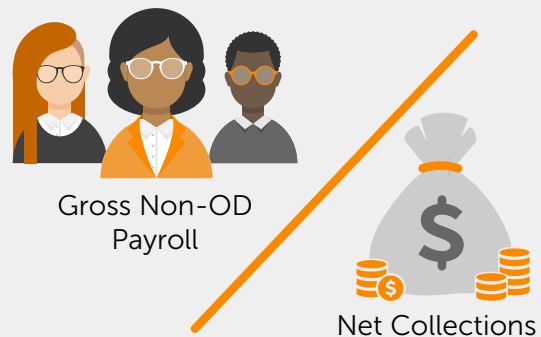


Staff Payroll Ratio

Assesses a practice's efficiency in the utilization of its non-professional personnel.

Formula: $SPR = \text{Gross Non-OD Payroll} / \text{Net Collections}$

Industry Averages (i.e. your "Healthy Zone"): 17% - 23%.



Incurring Additional Expenses from COVID-19 Mandates?

Federal and State mandates of Personal Protective Equipment (PPE) have caused reduced revenues and increases in the cost of doing business by over 1,000%². The American Optometric Association (AOA) is urging both CMS, health insurance plans, and vision care plans to honor the ICD10 codes 99211 and 99070 to help offset increased costs of mandated PPE.

Marketing & Patient Communication Tools

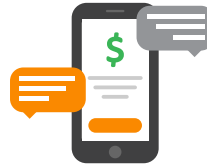
Because consumer and patient demands have shifted in response to the pandemic, marketing and patient communication tools are two of the most important offerings that ECP owners can incorporate or revise accordingly. In fact, social media patient communication and advertising has increased by 40%. We recommend the following tools that ECPs can easily incorporate into their practice.



Innexus Social Program

Earn more revenue, attract new patients and influence patient purchasing decisions more effectively with expert support to plan, execute, and measure a custom social media strategy with your dedicated Success Coach.

[Learn more](#)



Innexus Texting Booster

With two-way text & two-way text-to-pay, easily "text-enable" your landline phone number to safely communicate with patients about repairs, scheduling, etc or send secure payment requests for patients to conveniently pay their bill! [Learn more](#)



Innexus Digital Display

Add an upswing in overall retail sales volume by converting any TV with an HDMI port into a digital display! You can loop your own video or work with our creative team to develop engaging custom content for you! [Learn more](#)

81% OF ECPs ARE OFFERING TELEHEALTH AND TELEMEDICINE USING PHONE-BASED CONSULTATIONS

Source: National Eye Institute (2020)

Request a demo of these tools by calling **888.963.8894** or email sales@getinnexus.com.

Sources

¹ U.S. Bureau of Labor Statistics. (2020). *Survival of Private Sector Establishments by Opening Year*. Retrieved from: https://www.bls.gov/bdm/us_age_naics_00_table7.txt

² American Optometric Association. (2020). *AOA Pushes Hard to Address Increased Cost for Necessary Personal Protective Equipment*. Retrieved from: <https://www.aoa.org/news/advocacy/federal-advocacy/aoa-address-increased-cost-personal-protective-equipment?ss=y>

³ Management and Business Academy. (2020). Retrieved from: <https://ecpu.com/management-business-academy/>

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