

Bill Nolan: The Williams Group

Thursday, April 20th, 2017

Meeting Minutes:

1. Challenges in the field of optometry and benefits
 - a. One of the best times to be in optometry since WW2
 - b. Everyone is going to need eye care
 - i. When grandma breaks her hip = slow decline to the end (which is actually really a vision issue)
 - c. In smaller communities there are great opportunities
 - i. Ophthalmologists don't end up in tiny towns
 - ii. Only 1 practice in McCook, Nebraska with 3 ODs
 1. 1954 there was no exam fee at this clinic before they decided to raise it to \$5.00
 2. Now there are \$250 exam fees
 - d. When Bill first started at the Williams group, no one started cold
 - i. Recently all sorts of people are starting cold
 - ii. Shared expensive is becoming more of an option (like friends with benefits)
 - e. Recommends not buying a practice right out of school
 - i. Look at a practice that you could buy into
 - ii. Get as much experience as you can before you buy in
 - f. Many ODs love being a Doc but don't really like running a business
 - g. Its better to start cold than buy a bad practice (but buy in to a good one over cold if possible)
 - i. An existing business has patients
2. Finding Your "Forever" Practice
 - a. First Associate ships
 - i. Don't stay too long!
 - ii. Find out what you want to do, what area of the business is right for you
 - iii. Don't lead the place your at think you are in for the long hall if that is not your plan
 - iv. Why does someone want to hire an associate?
 1. Professional reasons= we are going to be well trained clinicians
 2. Stress of ownership
 3. They see their retirement
 4. Growth of their practice
 - v. Practice Lifecycle, Four Phases: Starting Phase, Development, Stable, and Decline

- vi. You want to make 30% of what you produce: \$500k means you make \$150k, which means for 3-4 ODs you need around 2million in total sales
 - vii. Prob. \$90k is what you most ODs make right out of school
 - viii. The avg patient is worth about \$300/yr. (so you need about 300 patients to make that money)
 - ix. In CA a covenant not to compete clause if not enforceable but it is in other states
 - a. In states that enforce that: they must be reasonable (courts often don't want to be involved)
 - x. The actual amount is \$180k to hire the \$90k OD
 - xi. Debt is often a driving force to practicing optometry
- b. Second: Research
- i. Pre-Appointing for next years visit
 - ii. This helps bring 65% of your patients from last year, this how you can keep growing you practice
 - 1. w/ pre- appointing you need 1 OD for 7000 people
- c. Third: Demographics
- i. 95% of your patients are from 3 miles away
 - 1. By geo-spatial marketing you can tell what your marketplace is like as well as the projected growth of that area
 - ii. Look at the growth of an area
- d. Fourth: Where you want to Live
- e. Fifth: Location, Location, Location
- i. In a city of 300,000, it matters where the business is (not as much in a town of 5000)
 - ii. Change in a community, look at the future of an area and what
 - iii. What is a practice worth: Generally appraised for 60-65% of last 3 years of revenue (that is how you can actually guess the worth)
 - iv. What they actually sell for its not the same thing
 - 1. Many businesses are appraised by cash flow
 - 2. The reason could be for many things: i.e. the Dr has never put any money back into the practice
 - 3. This is why appraisal can't be always an accurate marker
 - 4. In modern optometry you need new technology
 - a. EHR, OCT, etc.
- f. What is a "BAD" practice?
- i. One that is in severe decline that can't be brought back