

# Bill Nolan: The Williams Group

## Thursday, April 20<sup>th</sup>, 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