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Optical labs

Considerations for onsite prescription eyewear

Develop a direct business model for in-office finishing

By Steve Swalgen

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Today's wholesale optical lab is one of the longest-running constants in the history of American manufacturing. Its legacy has been centered on a long-standing tradition of primarily local eye-care professional relationships, educational support, and, of course, the delivery of qualitatively superior eyewear for the patient's individual ophthalmic needs.

Not unlike virtually all manufacturing industries, the growth and stability of the U.S. wholesale optical lab community has been and continues to be affected by a now very global economy, ever-

See **Optical labs** on page 98



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In Brief

FROM STAFF REPORTS

Association news

OLA revs up Web, meeting

Fairfax, VA—Optical Laboratories Association (OLA) has launched a redesigned Web site, www.ola-labs.org.

■ The new search engine allows users to scan the entire Web site for product information and resources, according to a prepared statement.

■ The “Best Practices Tool box” is a new feature, which contains access to MSDS online, HIPAA manuals, and the Spectral Transmittance Manual.

■ The OLA online link has been expanded beyond placing orders, viewing orders, printing, and paying invoices, and now includes meeting registrations, shared lab data, view your company's record, look up an OLA member company, look up a person in an OLA member company, and surveys.

■ The OLA Web site also includes information on the OLA 2009 annual meeting and convention, Dec. 4 to 5 at the Gaylord National Convention Center, Washington, DC. Links to register and make hotel reservations are available.

In related news, OLA announced the addition of Surfacing University and Finishing University to the education program offered during the OLA annual meeting.

See **In Brief** on page 101

Optical labs

Continued from page 97

changing market dynamics including consolidation (mergers and acquisitions), and costly new technologic advances in lens materials and equipment. These changes have led to a growing loss of the local “general store” feel and much of the historically familial and organic relevance of wholesale labs. By and large these changes have also led to adoption of greater levels of cost efficiencies, focus on drivers of business, easier or more expedited access to new technology, and a “big-box” methodology and structure as the norm. Much of this has been more a behind the scenes reality versus any change or untoward effect to the individual lab’s own closely held relationship with the local eye-care professional. At least that is and has been the hope and the goal.

Market dynamics

For the eyewear-dispensing ophthalmologist or group practice that is currently dispensing patient prescription eyewear via onsite optometrists etc., or plans to do so, there are other market dynamics to consider. Whether to have a full lens-processing finishing lab (e.g., merely purchase uncut lenses from the wholesale lab) versus having the local or regional wholesale lab handle the entire process is a basic starting point. Understanding or developing your own direct business model in the context of in-office finishing, or perhaps as an adjunct, is the first relevant decision. The basic aspect of turnaround time is one end point, and several others relating to full-patient eye care, personnel, and of course investment in appropriate technology make such an endeavor a real winning financial outcome.

As a backdrop to this, one of the largest third-party payer organizations (vision insurance) has recently announced plans, beginning in 2010, to allow optometrists to perform in-office finishing of lenses for their covered patients under this national coverage plan. Prior to this time all patient prescription lens work had to be processed and finished in the particular third-party payer’s wholly owned or certified wholesale optical production labs. This policy shift can be viewed as a significant potential game changer that will, by its very nature, strengthen any current in-office lens finishing practice; it may also encourage those that have heretofore resisted the idea of in-office edging to consider it now for all the established reasons, but also to remain competitive and have greater control over their business financial destiny.

Add to this new and select market eyewear

niches that both wholesale lab and retail-based eye-care professionals are taking advantage of to boost their own business models during these still somewhat uncertain economic times. One such growing niche is what is known as “magnetic sun lenses.” Unlike a traditional sunwear “clip-on” product, the magnetic sun lens is processed (edged and finished with specific edger-based 3D drilled holes for magnet insertion) to match the individual prescription of the patient’s ophthalmic lens and base curve uniformly. This device not only provides sun protection but there is no loss of visual acuity that may otherwise potentially occur to some degree with a more traditional clip-on product. The relevance of this product technology advancement has been profiting both wholesale labs (that do the magnetic sun lens processing onsite) and eye-care professionals as a more economic and attractive alternative to often more costly specific prescription sunwear (effectively a separate set of glasses versus the simpler and more ergonomic magnetic sun lenses). The cost differential between the two can be up to \$100 or more.

Customer satisfaction

What will remain key to both wholesale labs and eye-care dispensing professionals considering in-office finishing is making sure that all aspects of customer satisfaction are seamless to the patient, and that eyewear delivered is not eyewear returned or replaced. The technology exists and has developed to a point where tabletop edging systems incorporate the same level of finite controls and capabilities to produce qualitative results equal to those historically delivered by the local (or not so local) wholesale lab. Fundamental elements of frame-tracing, lens-blocking and verification, and of course edging to a first-time frame fitting are readily available to the ophthalmic practice. Training, full-service warranties, and technical support inclusive of and through the Internet are all provided by the equipment vendor to stress again the seamless endpoint of eyewear delivery to the patient.

The wholesale lab of today and tomorrow remains an important constant and conduit of supply (e.g., lenses uncut, semi-finished, finished), education, and overall support to the dispensing eye care practice. While there is now more opportunity presented to the ophthalmic

practice based on above pending market dynamics and product niches, the extent to which such practices fully grasp and wrap themselves around the full in-office processing opportunity is yet to be played out. The traditional business concerns of personnel, technology costs, and quality controls all need to be examined by the individual practice versus effectively subcontracting out that end-point need of patient prescription delivered eyewear (which historically has included warranty results). However, the return on investment toward in-office finishing has gotten somewhat stronger as a result of new market dynamics that make the relative 50/50 split between in-office edging and wholesale

lab delivered finished eyewear lean more in favor of in-office edging business practice growth.

Today’s wholesale lab will continue as the lens origination point (surfacing/generating) and in the context of backside coated, digitally surfaced (also called free form), and anti-

reflective coated lenses, the very mainstay of American optical (prescription) supply. The technology cost to manufacture and qualitatively deliver the basic ingredients of visual acuity (prescription lenses) adequately and at acceptable cost will remain their hallmark responsibility. The synergy and respect between optical product supplier (wholesale lab and/or equipment supplier) and dispensing eye-care professional is the key to continued technology advancements and improved vision. Major trade associations such as the Optical Laboratory Association and the Vision Council have remained pillars of this relationship and constantly work toward this end. **OT**

Take-Home Message

For the eyewear dispensing ophthalmologist or group practice that is currently dispensing patient prescription eyewear via onsite optometrists, or plans to, there are other market dynamics to consider. Whether to have a full lens processing finishing lab versus having the local or regional wholesale lab handle the entire process is a basic starting point.

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Steve Swalgen is national director of Lab Business, Santinelli International, Hauppauge, NY. Swalgen also is an advisory board member of the Optical Laboratory Association (OLA) and has developed and presented seminars on lens finishing automation and technology trends at each OLA annual meeting since 2004. He has written previously about optical labs and lens dispensing for *Ophthalmology Times*.