

# Business Planning for Premium Services

A checklist for the introduction of new offerings.

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**N**ormally, years of business planning precede the introduction of a new product line or technology. One would assume as much for technology that reduces patients' dependence on glasses, provides them with vision at all distances after cataract surgery, and increases the ophthalmologist's reimbursement. Several years after the FDA's approval of the first presbyopia-correcting lens and the decision by the Centers for Medicare & Medicaid Services to permit patient-shared billing, however, only 7% of patients undergoing cataract surgery in the United States receive a multifocal or accommodating lens. I would argue that two of the primary reasons for this lack of market penetration are poor planning and execution on the part of cataract surgeons and their managerial teams.

Business planning is a rather simple process. In essence, it involves gathering the relevant data regarding a product or service and determining the long-term feasibility of developing and implementing that product or service in a given marketplace. This article provides a business plan checklist that can help you succeed when introducing premium lenses into your practice.

## BUSINESS DESCRIPTION

What is the nature of your business? Do you want to expand your LASIK practice to include cataract surgery, or do you want your traditional cataract surgical practice to cross over into the world of refractive surgery and elective medicine?

You need to understand your current patient base and surgical capabilities. For example, does your practice provide consistently reliable surgical outcomes and have a quality reputation for cataract surgery, or do you need to build those goals into your plan for implementation? Do you have methodology and technology to effectively treat astigmatism and perform postoperative enhancements, which may be required to provide your

premium lens patients with the best possible visual outcome? Understanding the current resources of your business is the first step in planning for a new product or service.

## MARKET ANALYSIS

What is the likelihood that this new product will succeed in your geographical location and demographic mix? In order to effectively project your market potential, you must determine your and the product's positions in the marketplace. You will then be able to tailor your marketing and educational messages to address specific market demands or perceptions of your product or service. Among the important data points to consider are the age-related demographics of your practice as well as the region. The fee or price for the product or service should have some relevance to the regional and national markets and should be consistent with your competitive position in the local market.

## FINANCIAL FEASIBILITY

What volume, revenue, and expenses are associated with the new product or service over a period of time? These determinations may be relatively easy if you have an established cataract practice and predict that you can convert 30% of your patients to a premium lens. Several cataract surgeons around the country with an established base of more than 55 patients have consistently been converting 40% to 60% of candidates to premium lenses. If yours is a primarily LASIK practice or a new practice, this task may be more difficult and will require speculative predictions.

In your analysis, you must consider additional costs such as staffing, marketing, the lenses, enhancement rates, comanagement fees, and your time. Ultimately, it is important to understand—with some degree of sensitivity to the best and worst case scenarios—the new technology's or service's bottom line impact on net income.

## PRODUCT LAUNCH PLAN

What is the new product or service, and how is it being implemented in relation to the overall business? Assume that you have determined that the product fits into your practice's business strategy, there is demand in the marketplace, and the financial predictions indicate the product should be introduced into your practice. In that case, the most critical step is actually executing the product launch plan, which should address the following:

- who is responsible for managing the implementation of key action items
- the mechanism for educating patients, staff, and referring physicians
- potential changes to patient flow and scheduling
- requirements in terms of the staff, equipment, and resources
- requirements in terms of the facility's decor and aesthetics
- quality assurance and the continuous improvement of the process

## MARKETING PLAN

How will you introduce the new product or service into the marketplace? Successful companies spend millions of dollars on branding strategies for a reason. If a product or service is undefined in the marketplace, the seller does not know what he or she is selling, and his or her customers do not know what they are buying.

Marketing occurs indirectly or passively in your practice every day through conversations with patients, telephone calls, and the time patients spend in your practice's lobby and waiting areas. Certainly, the active or direct marketing activities of print, the Internet, radio, television, direct mail, and other media must be considered and well planned. The simple everyday items are often overlooked. Your marketing messages should be well thought out and consistent with your practice's overall marketing strategy and graphical standards. These messages must be present in all areas of your practice in order to maximize exposure and reach as many patients as possible.

## CONCLUSION

Choosing a starting point is often difficult when you want to implement a new product or service. Through the discipline of sound business planning, you can effectively determine and increase the likelihood of your practice's viability at delivering premium IOLs. ■

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