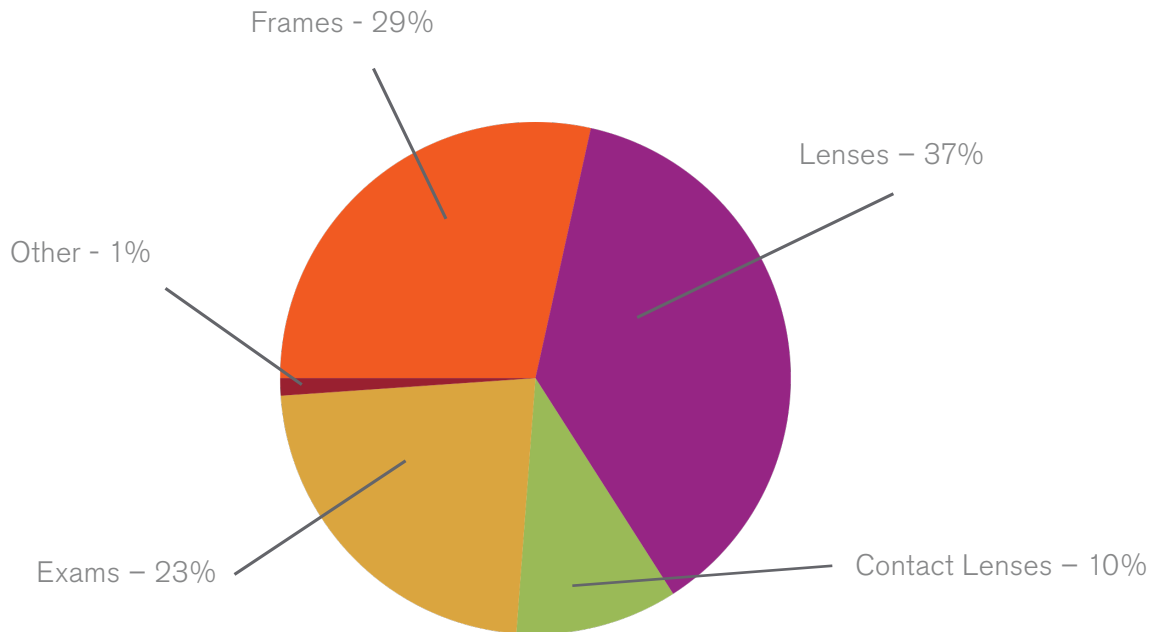


Secrets to Inventory Management Success

Why is Inventory Management Important?

The optical has a large impact on a practice's financial health. Most independent optometric practice owners don't realize it, but approximately 47% of their total revenue comes from prescription eyewear.



Benefits of an Inventory Management System

1. More satisfied patients
2. More productive staff
3. End the roller coaster ride of impulse and gimmick buying
4. Eliminate large frame bills at the end of slow months
5. Lower return rates
6. Increase sales
7. Measure ROI for higher profits
8. Stabilize your cash flow
9. Enhance image
10. Keep your best-selling styles in stock

Implementing an Inventory Management System (IMS)

Implementing an Inventory Management System (IMS)

Evaluate your current frame inventory.

Most practices find it helpful to start by performing a complete frame inventory of their retail optical. You can even ask your rep for help!

[illegible]

Determine what your frame inventory *should* be based on the demographics of your practice.

The total number of frames you have should depend on the number of exams you perform per year in your practice.

1,000 exams	per year	450 - 550 frames
2,000 exams	per year	600 - 700 frames
3,000 exams	per year	700 - 900 frames
4,000 exams	per year	900 - 1,200 frames

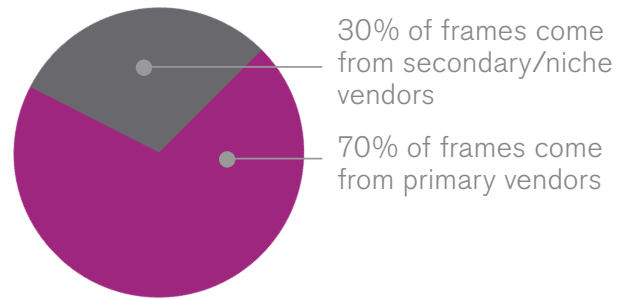
Determine what types of frames appeal to your demographic.

Your Frame Mix should reflect your patient focus exactly identifying the number of frames you display for each of the four patient segments.

1. Image Patients
2. Quality Patients
3. Value Patients
4. Budget Patients

Determine which and how many vendors you'd like to do business with. Most independents get

like to do business with. Most independents get the most from their vendors with the least amount of administrative cost using four to six frame vendors.



Maintaining your inventory with a reorder system

- Computerized inventory systems can improve speed and accuracy, and automate re-ordering frames sold.
- Manual inventory systems use reusable tags with a tag box.

Measuring Results

To improve your inventory results, measure sales for the following tiers independently.

1. Image Product
2. Quality Product
3. Value Product
4. Budget Product