

Optometry Practice Ownership: Opening Cold, Warm, and Everything In Between

As you begin your career, you may find yourself conflicted—open cold? Open warm? Buy in? This article contains six different panels, in which ODs share their tips, tricks, and other advice.

Graduate. Open Cold. No Need To Waste Time.

Panelist: Jonathan Tsao, OD

Graduating From Optometry School and Opening a Practice



Dr. Jonathan Tsao, OD [opened an optometry practice cold](#) within three years of graduating from optometry school. He knew from before he even

started optometry school that he wanted to open his own practice, so he wanted to get started as soon as possible.

The biggest draw of opening his own practice was control over how he could provide care. "I wanted to reap the benefits of my hard work—you know, working how you want to practice," Dr. Tsao says. This means being able to spend the amount of time you want to with patients—whether it's scheduling four patients an hour or two.

"It's not for everyone," he admits. Running a business, particularly a new one, entails a lack of work-life balance that employed ODs might value. Even when you stop seeing patients for the day, Dr. Tsao says, "You're still always thinking, trying to figure out what to do next, how to improve, things like that."

The biggest challenge for him was the buildout time. They opened about three months late, and he says that he was burning capital before they were able to start seeing patients. This isn't [unusual for buildouts](#)—things don't always happen on time, or the way you'd expect. "You definitely want to borrow more money than you'd expect—you're always going to spend more than what you originally budgeted for," says Dr. Tsao.

Dr. Tsao recommends hiring a consultant. "You can learn everything yourself," he says, "it's just going to take a lot of time. Why not hit the ground running?"

The hardest part about opening cold was not seeing patients right away—despite your expectations, patients won't immediately flock to your practice! You might not be seeing patients every week for the first few months. This can be hard financially and psychologically, but it's important to stick it out and keep up your marketing efforts.

"Google SEO for improving your website ranking is super important," says Dr. Tsao. He also encourages ODs, depending on their location, to make

sure to keep up with [social media marketing](#).

Student loan debt actually played a major part in why Dr. Tsao opened cold so quickly after graduation. "When you come out from graduation, you can still live below your means. Later on in life, when you start a family or you try to buy a house, your financials get a lot more complicated." As a new grad, he was still in the student mindset and kept from falling victim to lifestyle creep.

"I started off with a full-time manager, because I felt like investing in quality staff—it all goes back to time. You can do everything yourself, you just put in a lot more work, a lot more time," says Dr. Tsao. His manager had substantial experience, and brought a lot of value to the practice early on. "Hiring my manager was the best thing for my practice," he says.

"My original reason for opening a practice was purely financial," he says. "As soon as I opened a practice, my entire mentality changed. Opening your own practice is so much more than the financial aspect." That mentality has shifted his goals for his practice. "In a perfect world, five years from now I'd like to have an associate working for me while I cut back my hours," he says.

How To Run A Practice As a New Grad OD

Panelist: Aaron Neufeld, OD

Managing An Optometry Practice As a New OD



Dr. Aaron Neufeld bought into a practice that originally opened in 1969. "A lot of the staff had been around for twenty years," he says, and it was a big challenge going in as a managing OD just out of school. "The first thing I did was find some mentors, guys who had been in a similar situation that I was," he says. "You don't want to go in as an authoritarian figure, because that will push people away, but at the same time you don't want to be completely laid back."

"You want to show your clinical skills, show that you know how to run the place, but at the same time you want to show a little bit of vulnerability as well," he says. "Trust is the biggest part of running an office."

To learn about the metrics and KPIs of running a practice, Dr. Neufeld turned to people he knew were proficient in finance and researched business metrics. He started looking at daily reporting as well as monthly and yearly, and looked at how marketing was affecting the [finances of his](#)

[practice.](#)

“The previous owner did not believe in meetings. They never had a staff meeting in the twenty years he was managing the practice,” he says. “So when I first started I kind of over-met.” After a while, he scaled back the number of meetings, but still made sure to be transparent with the practice metrics with his staff, and keep everyone updated with how the practice was doing.

“I’m really big on branding,” Dr. Neufeld says, and the first thing he did when he took over his practice was to design a practice logo and make sure it was used in all practice materials. This helped immensely with patient recognition. He also wrote an employee handbook and met with the staff members to go over the policies and the practice culture.

“I wanted to make patients feel welcome—I wanted them to come back, even if they didn’t need anything,” he says. “We made it more personal.” He stepped up the practice’s efforts in community outreach and support to make sure that patients always felt welcome and cared for.

In terms of marketing strategy, the biggest ROI is still word of mouth. “I think that’s how it’s always going to be for optometry,” Dr. Neufeld says. “It’s because we’re such a patient-centric industry.”

“Going in, I had an idea of what I wanted to do, but I didn’t have a solid game plan. I didn’t have a step by step way of doing things,” he says. “If I had, I think I would have been a lot more efficient.”

Dr. Neufeld took his experience from running his practice and opened a group with Dr. Dat Bui, OD—[ODs on Finance](#).

“If you’re interested in private practice, if you’re interested in owning, really research it,” he says. “Look at the numbers. That’s a big thing—we always talk about patients, we always talk about the practice of optometry, but

looking at those numbers is what keeps you afloat."

How To Be A Million Dollar Cold Start Practice In Year One

Panelists: Nikki Iravani, OD

Million-Dollar Optometry Cold Start Practice



Dr. Nikki Iravani, OD opened a practice and within just one year it was worth one million dollars.

She began in clinical practice, but was recruited by industry after a few years, becoming Vice President of Clinical Affairs and Professional Affairs at CooperVision before diving off the cliff into entrepreneurship by developing an app, EyeZen. She opened her practice cold, EyExam, in Santa Clara.

"I thought that if you set up the [nicest office](#), and had the best tools, and

the best exam lanes, and technology, and hired good staff, and were not in an underdeveloped area, obviously everyone would find you and your appointment book would be packed with patients!" She laughs. "It was extremely challenging to book every appointment slot on the schedule, so that was something that was a little bit harder."

She didn't do any marketing before opening because she was focused on the practice buildout. "One thing that I did, and I highly recommend, would be to plan a grand opening event," she says. She threw a themed grand opening, and it generated a lot of buzz about the practice.

"Social media is *huge* in my practice," she says. "We have Facebook, Instagram, and LinkedIn pages, and we do regular posts about three times a week. The posts are great content, but more importantly, we do Facebook, Instagram, and LinkedIn ads. The minute I run an ad campaign, I see the phone ringing and I see appointments scheduled. Don't underestimate the ad campaign!"

Ad campaigns are crucial, she says, because most of the followers of your page are already people in your network. Ad campaigns reach people outside of that network—those who are still in your community or region but aren't friends of your friends, family, or coworkers.

"We do a lot with Yelp," Dr. Iravani says. "I did a Yelp ad campaign, and I was blown away—there's some algorithm with Yelp where your ad is not always showing, but when it is, you get a lot of bookings." She makes sure to actively monitor her ad campaigns so that when they're fully booked, the ad campaigns aren't running, but she can easily turn them back on when the appointment book starts lightening up.

She works with an agency, she says, because while she'd love to be able to delegate within her practice, everyone is busy with their regular jobs. She manages the Yelp ads and email campaigns, but has the agency manage the rest of the social media accounts.

The [biggest innovation in Dr. Iravani's practice](#) is the EyeBar, what she calls "cosmetometry"—the combination of cosmetics and optometry. "My associate and I, we focus on dry eye, contact lenses, and ocular surface disease, and you can't really separate hygiene, aesthetics, and upkeep of your lids and lashes from success in contact lenses or dry eye." The EyeBar stocks dermatology-approved cosmetics and skin-care specifically chosen for optometry patients. She chose the products featured based on a combination of price points and her knowledge of ocular disease and allergies.

"I hear it all day long—I decided to see you because the EyeBar is so cool," she says.

Key to her early success was hiring full-time staff from the start. She started with three, and has grown to seven full-time staff members. She also quickly hired an associate OD, whose role grew from part-time to full-time. "Patients see that it's not just one doctor there—we always have doctors on staff, reliable staff, and they feel confident and refer."

"What differentiates us from every other practice is our super high-tech office," she says. That was key to hiring her staff—people were more willing to become invested in the practice when they saw how much effort had been put into its technology and design.

Dr. Iravani's biggest tip for new grads is to start a practice if that's what they want. "Don't shy away from starting cold," Dr. Iravani says. "The biggest mistake in my career that I made was that I opened so late. I wish that I had done this earlier." The finances can seem intimidating, but loans can be paid back—particularly with a successful practice and a well-chosen staff.

Make Your Practice Stand Out From The Competition

Panelist: Justin Bazan, OD

Creating an Optometry Practice with a Focus on New Trends and Tech...



"I knew, right from the start, that I wanted to focus on hospitality," says Dr. Justin Bazan, OD. "It has to be an experience that you look forward to going back to, not something you dread. If you're at a doctor's office and you hate going there, you're probably going to avoid going there. We want somebody to get their annual reminder and say, I can't wait to go back to Park Slope Eye!"

Dr. Bazan's practice keeps a stock of beverages for patients, from water and juice to beer and hard seltzer. "Everybody's on a White Claw kick!" he laughs.

Most interestingly, Dr. Bazan's practice is phoneless. He didn't want any patients to have the experience of walking in and see every person who could help them on the phone and telling them to wait. "We studied phone

use for three months, and it came down to, why are people calling us, and can we find a better way than handling it on the phone?" he says.

They found that people were calling into the office for three reasons:

1. **To make an appointment.** They overcame this by instituting [an online booking system that seamlessly integrated with their EHR](#), so patients could make their own appointments at their leisure.
2. **To ask questions about insurance and hours.** They made sure that the website clearly answered all those questions, between an easily accessible FAQ and updating all their listings, from Yelp to Google Maps.
3. **To ask whether their glasses were ready.** Their opticians now hand out business cards with ETAs for glasses, and requests that patients email to contact the office in order to set expectations.

"We do take a hit every once in a while," says Dr. Bazan. Every so often they'll get one star reviews based on the phone use, but the response from patients has largely been positive.

Of course, a large part of this success is the demographics of their audience, which consists largely of young professionals, parents, and kids. "I think the future of optometry, and how our practice is evolving, is leading into more myopia management," he says. "I think that's another way that we're standing out in our community, because we've embraced myopia management, big time."

"I think that the modern optometric office needs to embrace disease management," says Dr. Bazan, and the technology in their office reflects that. The standard retail model in optometry, he says, is going to decline as technology and scope of practice expand.

Key to staff management is learning not to micromanage. "I think that giving people the ownership of the position, and allowing them to have authority to

handle situations as they come up is something they really appreciate," he says. He doesn't have an office manager, because his office has fewer than a dozen staff members. Dr. Bazan is very active in the profession, and has designed his practice around allowing him to travel. This meant hours and time management as well as hiring.

His major tip for new grads looking to open a practice and succeed in ownership is to find someone they admire and model themselves after them—but add their own flair.

Forget About Cold Starts—Let's Focus On Warm Start Practices

Panelists: Adam Ramsey, OD

Warm Start Optometry Practices



"You need to start *hot*," says Dr. Adam Ramsey. "You got to hustle like

somebody's chasing you."

What's a warm start practice? A warm start practice is opening with marketing and branding done ahead of time, Dr. Ramsey says. "Before your doors open, the public needs to know that it's coming."

Without laying the groundwork in your community, you're going to open to zero patients. If you start marketing your practice ahead of time, you're guaranteed to open your doors to an appointment book filled enough to give you traction and make your practice successful early on.

In order to drive anticipation of his practice's opening, Dr. Ramsey hosted several contests, including a guessing game as to what was being built on the first level of the building. They also hosted events in front of the store, with music, food trucks, and other services to make sure people knew that something was opening soon. "Because of that, when we opened, we hit the ground running."

"The first day I saw five patients," he says. "That's because I had built up people wanting to come—the [Instagram](#) was already done, our Facebook was already done, the website was already done. We were taking appointments for two months before we opened." Patients were willing to wait up to ninety days to come to them rather than go to another practice.

His marketing strategy is very different now. In the first year of the practice, they'd do fashion shows and other events with community artisans in the office to draw in passersby. Walk-ins for the events would then become patients—whether by making appointments for weeks in advance or even a year! Other events they did included music shows, painting classes, book signings, and workshops.

"You've got to get creative with your marketing strategies when you're first opening, and think outside of the box to get people in the door," he says.

A lot of that creativity involved building collaborations and partnerships with other business owners in the community. This worked to spread marketing spend around a group. "A lot of times when people network, they try to network up," he says. "I tell people to network across—find somebody that's hungry and hustling with you, and they'll grind with you way harder than somebody who's bigger than you." While the practice provided the venue for the event, the retailers, musicians, and food truck owners who were involved in the event were also heavily invested in the success of these events.

"You can be creative and do marketing without spending a dollar," he says.

As the practice grows, it's important to tell the brand story appropriately. This makes sure that you're setting expectations for patients and the community, and that you have control over your brand.

For a private practice, brand control is often tied to an individual doctor. As a practice grows, however, tying the practice to a brand rather than the owner's personality is crucial. This will ensure patient experience even if the office moves past the individual doctor.

This has major effects when it comes to surpassing the competition. "When a patient can actually tell the difference between my exam and an exam somewhere else, then I've done my job appropriately," he says. "Then you're not competing in the same space. You're not playing in the same sandbox. I would say, sit down in that office and say, how is mine different?" Making sure that you're offering the highest quality care, and that your patients feel that, will make you rise above the competition.

Since he opened his practice, other optometrists in the area have reached out to Dr. Ramsey to ask for advice on how he did it. He's consulted, started a podcast, and written a book, all to help optometrists figure out how to "open warm."

He's also working on a group called [Black Eyecare Perspective](#). "It's a combination of Black eyecare professionals, doctors and opticians, that want to work together and support each other and be able to exchange ideas. Not only that, but we want to teach non-Black people that want to market to the Black community, because there's a lot of doctors that live and operate in areas of color, but they may not necessarily know how to effectively market to that community without offending them, without seeming that they're too pushy."

This involves everything from consulting on frame choices to ad campaigns. "You've got to be inclusive; you have to have people behind the scenes that can look at your branding or marketing portfolio and say, that's cool—that's not cool." Black Eyecare Perspectives offers both a professional networking group and consulting for brand groups who want to be able to market to communities of color. "If you're going to target a specific community, you need to actually look and say, what does that community need, and what do they receive?" Inclusive marketing, Dr. Ramsey says, will pay for itself—if you do it right!

"Now, it's about how I can take it to the next level?" says Dr. Ramsey. "How can I network across—how can I help somebody else, a company, a new grad, another doctor?"

"I'm excited about the industry, and I'm excited about what's to come."

How to Buy Into an Optometry Practice

Panelist: Adam Cmejla

How To Prepare Yourself To Buy Into An Optometry Practice



“With three strokes of a pen, you can be a million dollars in debt,” says [Adam Cmejla, CPA](#). The biggest question an optometrist thinking about buying into a practice should be asking themselves is, “What is the practice going to generate for me in additional revenue after I buy in?”

When it comes to selling practices, Cmejla says, sellers often miss the mark with the amount of transparency they bring to the negotiating process. “What sellers are missing is presenting the upside potential of what that buy in is going to do for a buyer,” he says.

As a seller, it’s important to be very up front on the financials of the practice. Buyers want to know, “What’s the return on equity that you’re going to be getting with this practice?”

For sellers, the three things you must be transparent on (in no particular order):

1. Statement of cash flow
2. Income statement
3. Balance sheet

Be transparent for at least two years in arrears, because a potential owner is not just looking at the immediate opportunity, but the growth potential.

The valuation of a practice is a complex process, involving EBITDA as well as many other aspects, and so as a buyer it's crucial to get the details on how the business's financial work, including all the little things.

For buyers, Cmejla says, cash is king. "You want to make sure that a) you have a good nest egg; b) you haven't let lifestyle creep get a hold of you, and c) you haven't been refinancing yourself into a corner from a student loan standpoint." As a buyer, you have to understand both your financials and the financials of a practice. Both of these things will have a huge impact on your ability to get financial support from an underwriter.

The buyer of a practice doesn't always know the whole picture. "There are so many moving parts in a practice that it's difficult to get a pre-approval letter for that. Rather, figure out and go to the negotiating table with the seller of the practice, get a ballpark understanding of what that purchase price is going to be, and then take the financials of the practice to the underwriter," he says. "Any underwriter is going to want to see at least two years of financial statements."

However, one good thing about getting a loan to [buy into a practice](#) is that it's very different from other kinds of loans that require down payments. Financing can be 100% for a practice, but not if it includes real estate (which often requires 10% down payment).

"At its core, buying a business is doing nothing but purchasing the predictability of future cash flow."

The biggest question a buyer should be asking is, "What's the intrinsic value that I might be able to grow in the practice?"

Red flags for buyers? "I would know, and be observant of what the owner is doing," says Cmejla. Is the owner doing everything in the practice? Or are enough things being delegated in the practice that the new owner won't be overwhelmed with tasks?

"I would argue that if you own a practice, you should not be working a full time equivalent for two reasons: number one, you need time to work on the practice, on the executive and strategic thinking, and number two, running a business is really freaking hard! You need some time off."

Want more tips on practice finance? Listen to Adam Cmejla's podcast, 20/20 Money!

Which of these options appeals to you? Do you have any tips for young ODs looking to open cold or buy in? Leave a comment below!