

# The Best of Times in the Worst of Times

How one Southern California LASIK center found opportunity and market share in the midst of an economic crisis.

BY RENATA STONE, MBA

**N**VISION Laser Eye Centers Camarillo, California, opened in May 2007 at the start of what the management team thought was an economic downturn. They could not have known at that time that the “downturn” would develop into one of the worst financial crises since the Great Depression.

Just as many new businesses that launched in that period, the center had high startup costs with decreasing demand for services. According to Market Scope data, the demand for LASIK surgery procedures fluctuates directly with consumer confidence—which continued to plummet in 2008. Laser vision correction facilities nationwide experienced a severe decline of surgical eye volume. The average LASIK center in the United States saw a decline of 40% in total revenue, Market Scope revealed. In 2009, NVISION Camarillo continued its decline, and the management began to reevaluate the company, the economic climate, and growth opportunities.

## PARADIGM SHIFT: REVOLUTION PHASE ONE

The management team of NVISION Camarillo started with a comprehensive strengths, weaknesses, opportunities, and threats (known as *SWOT*) analysis of the marketplace. Surprisingly, this process showed a strong opportunity for growth: the burgeoning baby boomer market in Ventura County, California, the location of the Camarillo office (Figures 1 and 2).

With a population of 823,318 residents, Ventura County is the 12th largest among California’s 58 counties. There are 10 incorporated cities; Oxnard is the largest with 197,899 residents, and Ojai is the smallest with 7,461 residents. Residents who are 60 years of age and older (seniors) total 138,621 or 16.8% of the population. Between 2000 and 2010, the county’s senior population increased 3.3%. By 2030, the county’s population is projected to reach 982,794, and seniors are projected to total 281,079 or 28.6% of the population.<sup>1</sup>

Before acting on the opportunity, the practice’s staff



Figure 1. The Camarillo, California, location of NVISION Laser Eye Centers.

returned to the basics of management to gain a stable infrastructure for future growth. They reviewed expenses and took cost-cutting measures to bring their cost structure in alignment with other centers in the NVISION organization. Leveraging the company’s economies of scale, management was able to secure lower fees for medical equipment, medical supplies, and general office supplies, cutting costs by 15%. The next focus was top-line revenue growth. First, an initiative was implemented to collect on accounts receivables. To generate new business, NVISION created a strategic sales and marketing plan with a focus on the development of referral sources with area eye care providers. These initiatives not only made an impact on the numbers but also provided a boost to employees’ morale by creating a sense of growth and job security during a period of national economic turbulence.

The next step to profitability would be to diversify NVISION’s offerings. As mentioned, the demand for laser vision correction is highly sensitive to macroeconomics



Figure 2. John Davidson, MD, of NVISION Camarillo was named a “Top Doc” by *US News & World Report*.

and marketplace shifts. The financial viability of laser vision correction became substantially riskier, but the opportunity to provide cataract surgery to aging patients translated into a new product and audience for Camarillo. Research indicated that cataract surgery would triple during the next 10 years, and many experts even projected a shortage of cataract surgeons to meet the demand. In fact, 2 years ago, an ASCRS study concluded that there would be a shortage of cataract surgeons in relation to the increasing population of senior citizens.

NVISION’s management saw the opportunity not only to diversify its offering but also to position the practice as an eye care provider with services that would span the lifetime of its patients.

### IMPACT: REVOLUTION PHASE TWO

In addition to product diversification, NVISION Camarillo offered enhanced services to include “five-star” luxury care and customer service for patients and its affiliated doctors coupled with a new emphasis on cataract surgery. At the Camarillo location and all NVISION Centers, patients are treated to five-star amenities and services that include fresh coffee, tea, and snacks; flat-screen TVs to watch videos and educational TV health shows; and the use of personal iPads (Apple Inc.). A significant factor in the strategy also included a strict cost management structure to maximize profitability.

NVISION Camarillo’s reputation as a premier patient care facility grew. As new partnerships flourished with more local eye care providers, Camarillo took a foothold in the area and increased its market share. In 2009, the center had 30 referring optometrists; by 2012, that number was 120, and continued growth is projected.

### THE NVISION NICHE

NVISION Laser Eye Centers has a unique business model. While most LASIK and cataract organizations rely on direct-to-consumer strategies, NVISION has been a pioneer in comanagement with the optometric community since the early 1990s. It is in the best interest of the patient to have the benefit of an optometrist and an ophthalmologist included in the process before, during, and after LASIK surgery. Patients obtained via direct-to-consumer strategies represent a small portion of NVISION’s business by design.

The Camarillo center and NVISION centers throughout Southern California continue to build partnerships in the optometric community, resulting in better care, which ultimately translates to improved business and market longevity. NVISION also offers a nationwide lifetime commitment to the small percentage of patients who choose to have LASIK enhancements. Patients can make confident choices about the quality of care, when they understand the company’s commitment for the lifetime of the patient.

NVISION has never subscribed to the notion that optometrists are competitors. NVISION Camarillo does not have an optical dispensary, instead, the practice refers new patients to affiliated optometrists for glasses or LASIK comanagement. NVISION is also dedicated to providing high-level continuing education programs to affiliated doctors to ensure the highest level of care for patients and professional collaboration.

NVISION was the first company in California to comanage LASIK and, today, it continues its commitment to the success of optometry.

### CONCLUSION

Given that LASIK is a high-priced, highly elastic product and the needs of the aging market are changing, NVISION Camarillo has forged a path of revenue enhancement and bottom-line profitability.

What was once considered a revolution in a down market can now be best described as the evolution of a product in a mature market. NVISION diversified with a cataract offering, however, the platform of comanagement will remain. The comanagement model will continue to be the company’s strongest point of differentiation, strength, and longevity—in any economic climate. ■

*Renata Stone, MBA, is the executive director of NVISION Laser Eye Centers in Camarillo, California. Ms. Stone may be reached at (805) 437-7150; [renata.stone@nvisioncenters.com](mailto:renata.stone@nvisioncenters.com).*



1. Ventura County Agency on Aging. <http://portal.countyofventura.org/portal/page/portal/VCAAA>. Accessed August 23, 2012.