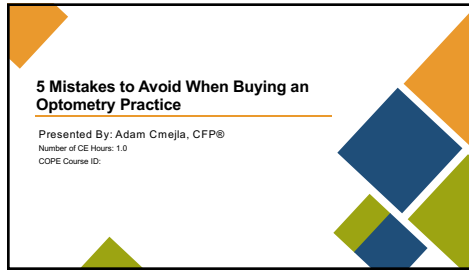


**5 Mistakes to Avoid When Buying an Optometry Practice**

Presented By: Adam Cmejla, CFP®  
Number of CE Hours: 1.0  
COPE Course ID:



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**Disclaimer**

The presenter has not been paid or received compensation by product or service to provide any information contained herein.



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**Mistake #1:**

**Buying what the practice makes, not what it keeps**

a. We are buying ONE thing: **CASH FLOW**  
b. Focusing on top line doesn't solve the goal.



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**Mistake #2:**

**Not doing qualitative & quantitative due diligence**

- a) Tax returns verification – CPA or other advisors
- b) Track trend hx of revenue
  - Is it up, down, or sideways?
- c) Track profitability hx



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**Mistake #2:**

**Not doing qualitative & quantitative due diligence**

- d) Understand the KPIs
  - Daily revenue
  - Revenue per comprehensive exam
  - Revenue split per managed care plan
  - Percentage of revenue allocated to:
    - COGS
    - HR
    - Rent/occupancy expense
    - Profit (most important)



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**Mistake #2:**

**Not doing qualitative & quantitative due diligence**

- e) Qualitatively
  - Do you want to live in the area?
  - Equipment status
  - Practice's curb appeal
  - Spend \$\$ on either equipment and/or office?



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**Mistake #3:**

**Wants to buy a practice that the owner isn't ready to sell**

Seller's:

- a) Unreasonable valuation
- b) Unrealistic expectation of employment post-sale

Both indicates:

- 1. No proper planning; and
- 2. Sale-dependent (for retirement)

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**Mistake #4:**


**Not buying a practice that everyone passes on**

a) Rural

b) Rural benefits:

- i) Competitive immunity
- ii) Loyal patient base
- iii) Expanded scope of care and cross-selling opportunities
- iv) Lower cost of labor
- v) Lower occupancy costs

*Leads to higher profitability numbers*



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**Mistake #4:**

**Not buying a practice that everyone passes on**

c) Concerns we hear from rural owners

- Young doctors don't want to buy
- Fear of having to shut their doors
- "Patient care deserts"

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**Mistake #5:**

**Do you REALLY want to own a practice?**

- a) I'm a huge advocate for practice ownership.
- b) I'm also a huge advocate for being true to yourself.



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**Mistake #5:**

**Do you REALLY want to own a practice?**

- c) How do you know?
  - i) Interview current practice owners
  - ii) Ask yourself these 3 questions
    - (1) What am I solving for?
    - (2) In service of what?
    - (3) At the cost of what?
- d) What do you want to spend most of your time?



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**Conclusion**

- i. Surround yourself with a team that can help you navigate this decision
- ii. This decision is an inflection point in your life and will set the trajectory. Invest in it by surrounding yourself with experienced advisors and consultants.
- iii. Begin with the end in mind.

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