



HAKIM
GROUP

Eyecare Plans

Driving recurring revenue and patient loyalty

Why are Eyecare Plans important?

We have talked a lot recently about the importance of recurring revenue to practices. This is the guaranteed income that you know will come in each month which enables you to plan effectively and is also your safety net in case external factors affect your ability to trade. During the pandemic, we have seen that practices with strong recurring revenue were better able to cope as the basic costs of running a practice were covered, even with the doors closed to patients.

As independent opticians, one of our strongest customer messages is about the quality of the eyecare they receive. Having an Eyecare Plan option highlights the importance of that care and also gives a way for everyone to access it, by spreading the cost. Your Eyecare Plan customers become your VIPs in practice and access a host of benefits as part of their plan, including a discount on spectacle purchases. These customers become very loyal to your practice by being part of the Plan.

Eyecare plans should be sold as loyalty programs giving patients peace of mind, not discount schemes

We know from practices already running Eyecare Plans that they have multiple benefits including:

- Increased ADV. The customer usually has a budget in mind and you see them spending to this, even when given a discount. They simply trade up to a higher value frame so the net spend to them is the same. The customer feels rewarded by having a higher value, better brand or better quality frame without changing their budget.

- Increased conversion. As the customer gets a discount when they sign up to an Eyecare Plan, this incentivises them to buy their specs on the day.
- A shortened repurchase cycle. By removing one off eyecare costs, you see customers return more promptly when recalled, knowing the care is included in their plan.

Creating customer value

In order to create value in Eyecare Plans, it is important to include a selection of benefits that are intangible. If a customer can take all the elements of a plan, add them up and divide by the length of the plan then you are not creating any added value and you could face a difficult customer conversation as your only ability to add profit appears as an extra cost to them of spreading the payment.

In the next section, we make some recommendations of benefits to include within a plan but the strongest benefit to offer which is intangible and creates added value is accidental damage cover. Due to this being a financial product, this can only be offered by providing your plans via a third party provider and this is why Eyeplan is the HG Recommends route for introducing Eyecare Plans within your practice. As well as enabling you to offer accidental damage cover, there are loads of benefits of working with Eyeplan. In the coming sections, we cover more on this, as well as outlining how to approach introducing Eyecare Plans yourself, without a third party.

It's important to create added value for your customers through intangible benefits such as accidental damage cover

How do I get started?

Two options

There are two ways to introduce Eyecare Plans. By working with a third party (Eyeplan is the HG partner for this and this is our recommended route) or by doing it yourself in practice.

Third party



Using Eyeplan is ideal if:

- You want to be able to offer accidental damage cover as a plan benefit
- You are based in ROI and trade in Euros
- Your PMS cannot take direct debits (e.g. i-Clarity)
- You want a turnkey solution with all the paperwork and risk taken care of for you, as well as ongoing support and advice to ensure this remains a key part of your business

DIY

Doing the plans yourself is ideal if:

- You have the time available to define and implement the plans and provide ongoing colleague training
- You are on Optix so you have the ability to take DD
- You want to avoid any third party fees
- You do not want to offer accidental damage cover as part of the benefits

In the next few pages we will cover much more detail on each approach

Eyecare plans and contact lenses

If you have a patient who is already on, or is suitable for, a CL direct debit scheme, we recommend you keep them on that scheme for their CL as the HG HQ RRP's include their professional care. Eyecare plans can then be used for spectacle only customers or dual wear customers who buy their contact lenses on a pay as you go basis.

Eyeplan vs. DIY – the commercial view

To help you weigh up which option is right for you, below is an outline of the costs of the Eyeplan model vs. the DIY model. This should help you judge the cost and benefit of each approach and land on the one that is best suited to your individual practice.

****HIGHLY CONFIDENTIAL****

Eyeplan: Available on the Supplier Portal which your Shark should have access to

DIY (via Optix): Available on the Supplier Portal which your Shark should have access to

The accidental damage cover is excluded from the above summary as it isn't possible in the DIY option and this is intended to be a like for like comparison. Accidental Damage can be added to the Eyeplan scheme but the retail cost of this is added to the customer's price so it is not an extra cost you have to absorb into the core profitability of the scheme.

	Eyeplan	DIY
Practice as the decision maker	✓	✓
Expert advice on pricing and structure	✓	
Customer contracts, direct debits and paperwork managed	✓	
Cost per direct debit		
Initial set up fee		
Colleague training provided	✓	
Accidental Damage Scheme	✓	
Risk of direct debit claims removed from practice	✓	

Next steps

Please review the following pages to decide what the right route for your practice is. If you have further questions on eyecare plans please contact your buddy or Lorna Robinson (lornarobinson@hakimgroup.co.uk)

I already have eyecare plans in place (either through Eyeplan or DIY), do I need to do anything?

If you have this in place and it's working for you, there is no action needed. However, feel free to use the resources in this document to sense check or enhance what you do, if you think it could be of benefit.



Eyeplan



Introduction to Eyeplan

Eyeplan is a proven way to generate revenue for your practice, generate loyalty and underwrite the business. Eyeplan is an eye care scheme provider whose services are based around managed fee collections through Direct Debits and supported fee generation. Its services are designed to ensure eye care schemes are successful and beneficial to the business and take away the time, expertise and risk burden of designing and implementing eyecare plans.

Eyeplan will work with you as the decision maker to design plans and pricing that work for your practice, using their expertise to guide and advise

They then take care of all the set up and paperwork and will train your team on how to promote and sell the service. With ongoing support, training, marketing and coaching, Eyeplan are the experts in ensuring Eyecare Plans remain a key part of your business.

The Eyeplan Business Model delivers multiple benefits:

- Contracted income that is collected by Eyeplan
- Improved dispense values
- Improved purchasing frequency

What services does Eyeplan offer?

Eyeplan's services are dedicated to making an eye care scheme successful. Services include:

- Managed fee collections: managing Direct Debit collections so the practice does not have to
- Supported fee generation: everything the practice needs to be successful
- Ready made paperwork: customer contracts and T&Cs, direct debit mandates, standard correspondence etc. is all taken care of for you

- Risk management: any legal disputes relating to direct debit payment are managed by Eyeplan
- Professional, easy to use online tool: build patient specific quotes in a simple, slick online tool
- Accidental Damage Scheme: Eyeplan is able to provide an accidental damage scheme
- Expert advice on managing NHS patients, scheme benefits and plan structure and pricing

The Accidental Damage Scheme (ADS)

The Eyeplan ADS acts as a unique incentive for members to join Eyeplan. It fulfils a number of functions:

- It is an incentive for patients to join
- It allows the benefits package to have an unquantifiable element
- It helps protect the patient-practice relationship when it is weakest
- It covers the cost of offering a repair or replacement (subject to a small excess payable by the patient on the claim)
- All spectacles bought whilst a member and under two years old are covered – as many pairs as qualify. The premium for the scheme is added to the fee amount set by the practice and thus is paid for by the member not the practice. It is charged to patients at 45p +VAT per month

The Opti management platform

Eyeplan's scheme management is delivered via Opti, a feature rich online system that allows for flexibility on all levels. It is designed to deliver a tailor-made eye care package to members. Key features include:

- Configurable schemes and fees
- Optional additional add-on care packages
- Optional allowances
- Time limited collections, for example spectacle repayments
- Membership lists, membership status and amendments

****HIGHLY CONFIDENTIAL****

How much does Eyeplan cost?

Available on the supplier portal which your Shark should have access to. Eyeplan's monthly transaction rate is a negotiated rate for Hakim Group based on a volume discount. The more members via HG, the lower the rate. To ensure everyone gets the benefit of this tiered structure,

the pricing is averaged out to a single fee per member per month.

The only other charges made by Eyeplan are for any printed materials or non-routine postage, which are charged at cost.

Why use Eyeplan?

- Eyeplan has the recipe of member benefits that attracts and retains members
- Eyeplan has the pricing expertise to work with practices to create an offer that is attractive and rewarding for both practice and patient
- Eyeplan provides training and marketing support to drive this area of your business
- Eyeplan's dedicated optical membership management portal, Opti, offers all the practice and group need to manage the schemes and accounts
- Eyeplan has the expertise in Direct Debit management
- Practices can expect not only regular contracted monthly income but:
 - Enhanced value for eye care
 - Improved conversion rates
 - Improved dispense values

How to start the conversation

Hakim Group is looked after by Eyeplan's Commercial Director Chris Clemence. Contact chris.clemence@eyeplan.co.uk.

Eyeplan will also be in attendance at the 2021 Annual Retreat.



DIY

DIY

We have spoken with a number of HG practices who have successful Eyecare Plans and taken some best practice, along with some considerations to help you get started.

Plan structure

It is recommended to have a few different tiers of the plan to offer a patient choice without having so many it is confusing or overwhelming for patients or colleagues.

If you have a patient who is already on, or is suitable for a CL direct debit scheme, we recommend you keep them on that scheme for their CL as the HGHQ RRP's we issued included their professional care.

Based on this, we recommend having an Eyecare Plan option for:

- Glasses only customers with simple eyecare
- Glasses only customers with premium eyecare
- Glasses and (cash/pay as you go) contact lens customers with simple eyecare
- Glasses and (cash/pay as you go) contact lens customers with premium eyecare

We would define "simple" eyecare as a regular eye exam and "premium" eyecare as including OCT and Optomap (where available) but you should consider what is right for your practice and the services you are able to offer.

Benefits

From reviewing a number of plans, we recommend you consider a mix of benefits from the below list, in a lot of cases you may want to include them all. We strongly recommend including benefits which do not have a defined price as these create added value to the plan.

- Spectacle discount (see next section for more detail on this)
- Unlimited appts (consider if a fair usage policy would be needed as part of the T&Cs)
- Priority appointments (e.g. same day telephone consultation, physical appointment (non-emergency) within 2 days* where needed)
- Free CL trial
- Sunspec/CL/accessories discounts
- Annual spectacle service/MOT

*emergency eyecare is managed as a priority

Speaking with HG practices already using these benefits, the cost/impact of the unlimited and priority appointments is negligible. It is a peace of mind benefit for the patient but in most cases, you only see the patient for their routine eyecare which is costed into your pricing. Due to the infrequent nature, guidance would be not to hold any specific diary time for this, but to manage around no shows, gaps and working hours when needed.

Spec discounts and pricing your plans

It's important we do not give away too much discount on specs to avoid eyecare plans becoming unprofitable. No two HG practices are the same so we cannot be too prescriptive with pricing or discount. However, to try and make this simpler, we have linked below to a very simple modeller that enables you to input the cost of the eyecare at each plan level, your ADV, proposed discount, proposed plan pricing and it will show you the profit you will then make. You can play with each element until you are happy.

<https://www.hgsupplierportal.com/eyecare-modeller>

Managing NHS patients within your plan(s)

Once you have decided on the right tiers for your eyecare plans, you need to consider how to manage NHS patients. We recommend you still claim their GOS fee when you are able and give them a benefit from this. Options to think about for this are:

- Giving NHS patients a £1/month discount
- Keeping the charging the same but giving them a refund equivalent to the GOS funding whenever a successful GOS claim is made

With regards to NHS patients and Eyecare Plans, there are a few things to consider. Certain patients may have a change of circumstances part way through an Eyecare Plan contract and no longer be eligible for GOS. If that happens you would have to accept that they have received a discount on their plan but we can no longer claim a GOS fee when the time comes.

Whilst we recommend the plan offers members unlimited appointments, you should only claim a GOS fee where the appointment is in accordance with the NHS's Memorandum of Understanding. For example, you could not claim a GOS Eye Test fee if the patient had benefited from a privately funded eye examination in a time period less than outlined

in the MOU. The exception to this is if the patient's circumstances had changed and the Optometrist could justify the test was clinically necessary i.e. new signs or symptoms which may be related to an eye condition of concern or an eye test or recommended by a medical professional.

It's important to consider all these elements when deciding whether to discount the Plan for NHS patients.

Contracts and T&Cs

We recognise that you don't want a complex set of T&Cs that sit behind your plans that make patients feel they are signing their life away. However, we recommend you do have a straightforward set of T&Cs to mitigate risk and give you a route to resolution in the event of non-payment. We have drafted an example set of T&Cs available in the link below for you to use and personalise to your practice, should you wish.

<https://www.hgsupplierportal.com/eyecare-t-cs>

Assets and Marketing

To support you with launching you eyecare plans, we have created templates of the below marketing assets:

- Posters
- Patient leaflet
- Prescription wallet
- Window decal
- Strut card
- IPTV
- Social media posts
- Membership card
- Recall graphic

These will need completing with the details of your practice plan(s) and the HG marketing team are on hand to help you customise these templates for your practice. To view these assets and engage the marketing team please use the following link:

<https://www.hgsupplierportal.com/eyecare-marketing-assets>

Optix

Under the DIY option you will need to use Optix to take direct debit payments from your patients. If you need support with this element, please contact the Operations team at HGHQ.