Build a Multi-Million Dollar Practice

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1. Shifting Into the CEO Mindset

As clinicians, most of us were trained to maximize exam efficiency, not business strategy. Yet data shows that the majority of ODs plateau around $155K–$160K in annual income, regardless of skill or dedication. The practices that break into top-tier income ($263K+) and net worth ($4M+) are run by doctors who *reduce their exam hours* and shift into CEO mode.

Instead of spending all day in the lane, the CEO-OD spends time on leadership, growth strategy, and talent development. This requires a mindset shift: you are not just an optometrist — you are the leader of a healthcare business that must scale beyond your personal throughput.

Reflection Prompt: Where are you currently spending most of your working hours — in exams, or in leadership?

2. Infrastructure & Delegation

Scaling requires organizational clarity. A sustainable structure typically looks like this:

- **CEO (Owner) → Practice Manager → Team Leads** (front office, optical, billing, specialty care) → **Staff**

This design frees the owner to focus on strategy rather than daily fire-fighting. Industry data shows a sharp decline in private practice ownership (51% → 41% from 2017–2024), with private equity acquisitions increasing. The only way independent practices remain competitive is through scalable systems and a culture of delegation.

Example: A practice that hires a strong manager can sustain $2–3M revenue without burning out the OD. Without it, growth stalls at ~$1.5M.

3. Profit-First Strategy

Revenue growth is exciting, but profit is what matters. Consider two practices:

- **Practice A:** $1M gross with 35% net → $350K owner income.
- **Practice B:** $3M gross with 12% net → $360K owner income.

Despite being three times larger, Practice B generates almost the same take-home. Benchmarks show healthy practices allocate:

- COGS: 26–32%
- Staff: 18–24%
- OD payroll: 14–20%
- Occupancy: 5–8%
- Marketing: 1–2%
- Net Income: 27–35%

Key Idea: Scaling without profitability just builds a bigger hamster wheel.

Reflection Prompt: Which of your expense categories is out of alignment?

4. High-Margin Specialty Services

Routine eye exams keep the lights on, but specialties drive growth. Cash-pay services like:

- **Myopia management** ($2,000–$3,500/year per child)
- **Dry eye therapies** (IPL, RF, LLLT: $300+/procedure)
- **Vision therapy** ($2,500–$5,000/case)

These services require upfront investment but dramatically increase profit per patient without proportional staff increases.

Example: Adding 100 myopia patients can generate $200K in annual recurring revenue with minimal overhead.

5. Virtual Teams & AI

Payroll is often the largest expense category — but it's also the most flexible. Compare:

- In-house biller: $60K/year
- Virtual biller: ~$24K/year

Adding AI for charting, scheduling, or messaging reduces workload further. Together, virtual teams + AI help practices achieve <60% operating expense ratios.

Key Point: You don't need more staff to grow — you need smarter staffing.

6. Metrics That Drive Growth

Growth without measurement is just luck. The most successful practices track:

- **Revenue per encounter** (target $350+)
- **Net profit margin** (≥25–30%)
- **Operating expense ratio** (<60%)
- **Recall rate** (≥80%)
- **Specialty revenue %** (10–20%+ of total)

Benchmark: Average OD exams per hour: ~1.1. Increase this with delegation, not longer hours.

Action Plan & Next Steps

1. Transition your role from full-time clinician to part-time CEO.
2. Build an organizational chart that allows delegation.
3. Adopt profit-first thinking: revenue means nothing without margin.
4. Add specialty services that align with your skill set.
5. Leverage virtual teams + AI for scalability.
6. Track and review KPIs monthly.

Reflection Question: What is one high-impact change you can make this week to move your practice toward profit-first growth?