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Safilo Training and Education Manager

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On behalf of Vision Expo, we sincerely thank you for being with us this year.


Vision Expo Has Gone Green!

We have eliminated all paper session evaluation forms. Please be sure to complete your electronic session evaluations online when you login to request your CE Letter for each course you attended! Your feedback is important to us as our Conference Advisory Board considers content and speakers for future meetings to provide you with the best education possible.

Robin Brush has received honorarium from Safilo. All relevant relationships have been mitigated.



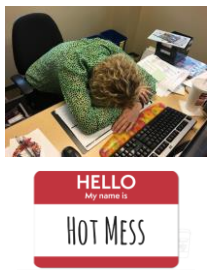
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<ul style="list-style-type: none"> • Safilo Training and Education • Specialty: Optical • ABO Certified Optician - over 27 years • Ophthalmology/Optomety • Manager/Buyer • ABO certified speaker 	
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	<ul style="list-style-type: none">• Product Flops• What is frame return rate?• How do you buy frames?• Adding New Brands• Great Opportunities.
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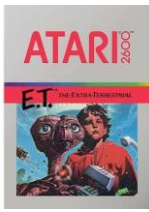
	<ul style="list-style-type: none">• 34% (66%)• Lost all vendor discounts• No rebates• Overstocked wrong styles• 18 frame vendors & 32 brands.
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Product Flops

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www.atari.com

E.T. the Extra-Terrestrial

- According to usatoday.com, this video game was the BIGGEST failure in video game history
- Developed in conjunction with Steven Spielberg's movie E.T.
- Spent only 5 weeks in development when a typical video game takes months, if not years to develop
- The video game proved to be "too difficult and sold miserably"
- Atari spent \$21M to purchase the rights to the franchise and \$5M on promotions
- Company made 4 million copies but only sold 1.5 million
- Atari burned the leftovers in a land fill
- What happened to the games still in the stores?

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www.usatoday.com

Cheetos Lip Balm

- 2005 Frito-Lay developed Cheetos lip balm based on their snack Cheetos, which had been very popular for more than six decades.
- Cheetos lip balm failed miserably
- What happened to the Cheetos Lip Balm that remained in retail stores?

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www.usatoday.com

NEW! Coke

- 1995, due to losing market share to Pepsi Cola, Coca-Cola changed its formula that had been in place for 99 years
- Noted by many as the greatest flop of all times
- New Coke was met by public outrage and was discontinued after only a few months
- What happened to the New Coke still in grocery stores?

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TOP 2022 RETAILERS:

Walmart Save money. Live better.

amazon

YOU BUY IT, YOU SELL IT

COSTCO WHOLESALE

THE HOME DEPOT

Kroger

www.hf.com

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DID YOU KNOW?

- Opticals are the only retail stores that can return merchandise to the manufacturers for an even exchange of new merchandise.
- Is this good or bad?
- What if this wasn't an option? Would your buying behavior be different?.

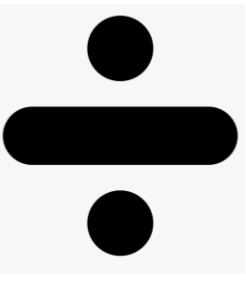
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What is...?

Return


R A T E

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Return Rate:

**Number of frames returned
(company)**



**Number of frames ordered
(company)**

Example: returned 20 frames and purchased 100. Return rate is 20%.

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Too High:

- lose vendor discounts
 - 3rd party cushion NEEDED
- lose vendor and group rebates
 - quarterly/yearly
- no inventory control
 - can't re-order best sellers because you're overstocked on the wrong frames
 - your time is spent with too many frame vendors
- lose money!
 - order, return, order, return
 - optician checking in boxes instead of selling on the floor.


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How to keep a low return rate:

- one person does the buying
 - buy by the numbers
- best sellers stay on display
 - supplier drop-ship to lab
- only return:
 - warranties
 - retired styles.

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Return Rate Example:

- 32% return rate
 - \$40,000 sales with one vendor
 - no discounts
 - no rebates
 - overstocked on wrong styles
- 7% return rate
 - \$89,000 sales with one vendor
 - max discounts
 - \$10,000 rebate
 - \$10K x 3 = \$30K revenue!
 - not overstocked
 - inventory cost relevant to sales.

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SALES REP



SUPPLIER DROP SHIPS TO LAB


TWO WAYS TO RE-ORDER FRAMES

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1. Sales Rep




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FRAME FLIPPING:

1. Buy by the numbers
OR..
2. Buy by personal taste

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BUY BY THE NUMBERS:

- fill with best sellers first
- if space allows, then add new

Why it works:

- keeps best sellers selling
- numbers don't lie
- opticians still get new

Opportunity:

- requires the most consistent buyer.

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Buy by the Numbers Returns:

- warranties
- retired .. that's it!

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Buy by Personal Taste:

- buy what you love
- shopping for the staff

Why it works:


- it doesn't if you want to maintain a low return rate

Opportunity:


- magic ball?

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Robin's Car Dealership



Audi



Mercedes




Range Rover



BMW

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SALES REP

Buy by Personal Taste Returns:

- not selling so send back
- we're tired of it
- duplicates
- warranties
- retired.

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Safety Net of Returning:


- buy like you can't return it
- would you buy differently if this was your money?
 - order, return, order, return.

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2. Supplier Drop-Ships to Lab



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Do you know these online retailers?

- Warby Parker
- Zenni Optical
- Zeelool
- Eye Buy Direct

Do they remove a best-selling frame from their site when they sell it?


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SALES REP



Best Seller


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**(SUPPLIER DROP-SHIP)
BOARD MANAGEMENT:**

- leave top sellers on display
- refresh every quarter


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Point of Purchase:

- patient buys the frame
- explain to patient a new frame is ordered for them
- sample is cleaned and put back on display
- sells over and over again
 - not waiting 8 to 12 weeks for the sales rep
 - T.L.A. (think like Amazon).

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Optician:

- your computer order
 - choices for frame:
 - doctor supply
 - patient supply (P.O.F.)
 - **lab supply**
- lab will use your account number and order
 - same discounts, BGSA.

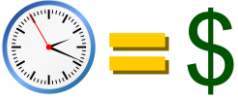
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Save Time and Money:

- best way to keep inventory costs relevant to sales
- opticians are patient and sales focused not checking in boxes
- Sales Reps:
 - brand training
 - merchandising
 - NOT leaving you
- free shipping due to increased sales (check with your vendors)

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BENEFIT: REDUCE Time...Save Money!

For example: Estimated cost of staff time with 20 frame vendors: \$7500

- \$25/hour x 10 hours month purchasing frames = \$250/month or \$3000 year
- \$25/hour x 10 hours month checking in, putting into inventory, pricing = \$250/month or \$3000 year
- \$25/hour x 5 hours month credits, warranties = \$125/month or \$1500 year

OR REDUCE VENDORS AND


- Sell ONE EXTRA pair of glasses day @ \$325/pair, avg. 25 days/month = \$97,500 in additional revenue each year!

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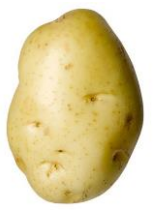



How do you choose new frame lines?




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	<p>Potatoes to Potatoes:</p> <ul style="list-style-type: none">• 4,000 varieties• they look similar – are they all the same?• how do you choose the potato you need?.
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 <p>Russet/Idaho: bake</p>	 <p>Yukon Gold: soups</p>	 <p>White: scalloped</p>
 <p>Red: roast</p>		 <p>Blue/Purple: boil</p>

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Frames to Frames:

- how do you decide which new brands to add?
 - they're all the same
 - personal taste
 - if I like the sales rep
 - price
 - niché
 - [by inventory need](#)

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CHOOSING NEW BRANDS



Know your numbers:

- by retail price point, what is needed?(retail price point category analysis)
 - \$300+ men's
 - \$500+ women's
 - \$99 package.

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Frames = Needs

- every frame line fills a specific need
 - larger men's sizes
 - petite ladies
 - universal/global/asian fitting
 - sport
 - teens
- what have you been asked for lately that you couldn't provide?.

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Doctors and Practice Managers:

- How is your optical buyer purchasing frames?
- What is your return rate?
- How many frame vendors and brands do you have?
- Are you earning rebates?.

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Motivate Your Manager:

- Quarterly Bonus:
 - return rate %
 - Frame Inventory Number
 - C.O.G. (cost of goods)
 - Sales.

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Remember...

Return rate is:
of frame returned
divided by
of frames ordered

Successful opticals
buy-by-the-numbers
or keep their best-
sellers in inventory

Having a high return
rate costs money!
Loss of discounts,
rebates and payroll

When you order
frames for your
office, order like
there is no safety net

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thank you!

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- Training and Education Manager

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