

Envisioning a New Inventory Paradigm in the Optometric Healthcare Industry

Mark DeBarge, DBA, MBA, LSSGB

ABSTRACT

While once a staple in most towns, sole proprietorship optometric practices are shuttering their doors (Edmonds, 2018). As the medical industry continues to shift away from sole proprietorships into a group practice model, capturing financial efficiencies within the supply chain will become vital for the financial health of privately-owned group practices competing against private equity.

PROBLEM STATEMENT

Privately-held medical group practices balance allocating funds to growing the group practice through office acquisitions and allocating funds to inventory and equipment purchases. A new supply chain management paradigm can aid privately-owned medical group practices by promoting closer inventory vendor partnerships that showcase value-added services for both parties.

DRIVING RESEARCH QUESTION

How can a privately-owned group practice within the optometric healthcare industry financially compete against optometry practices utilizing private equity funding? Specifically, can a new supply chain management paradigm be created to lessen the annual capital expenditure burdens privately-owned medical group practices face?

METHODS

- Qualitative method using open-ended questionnaire survey
- Thematic analysis of qualitative data
- Open-ended survey instrument was administered through a third-party website

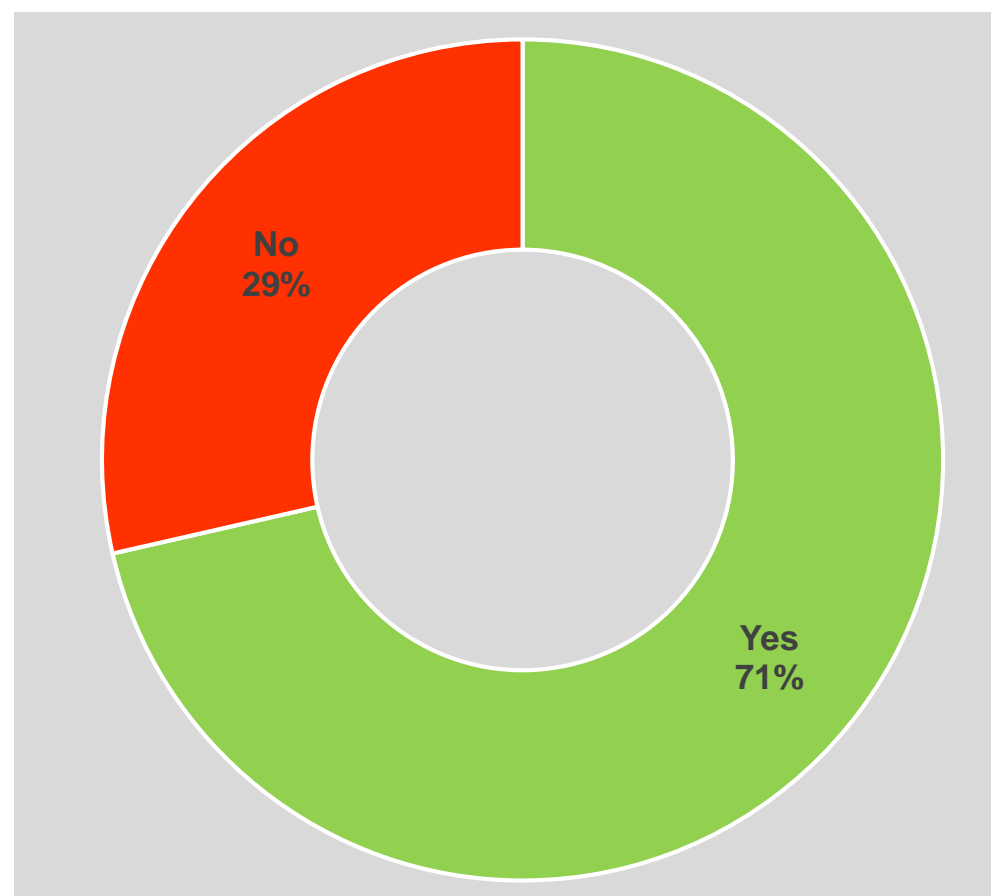
OBJECTIVES

The aim of the applied doctoral project (ADP) was threefold:

1. Create a new and more efficient inventory process for privately-held optometric and ophthalmic group practices
2. Maximize profitability while minimizing costs along the entire supply chain
3. Explore vendor relationships to sustain the provision of marketable products for patients to purchase

Eyewear Vendor Survey Question

Current Shift Experienced by Vendor with the Group Practice Model



Is your organization experiencing a shift from single-owner optometric practices to the group practice model?

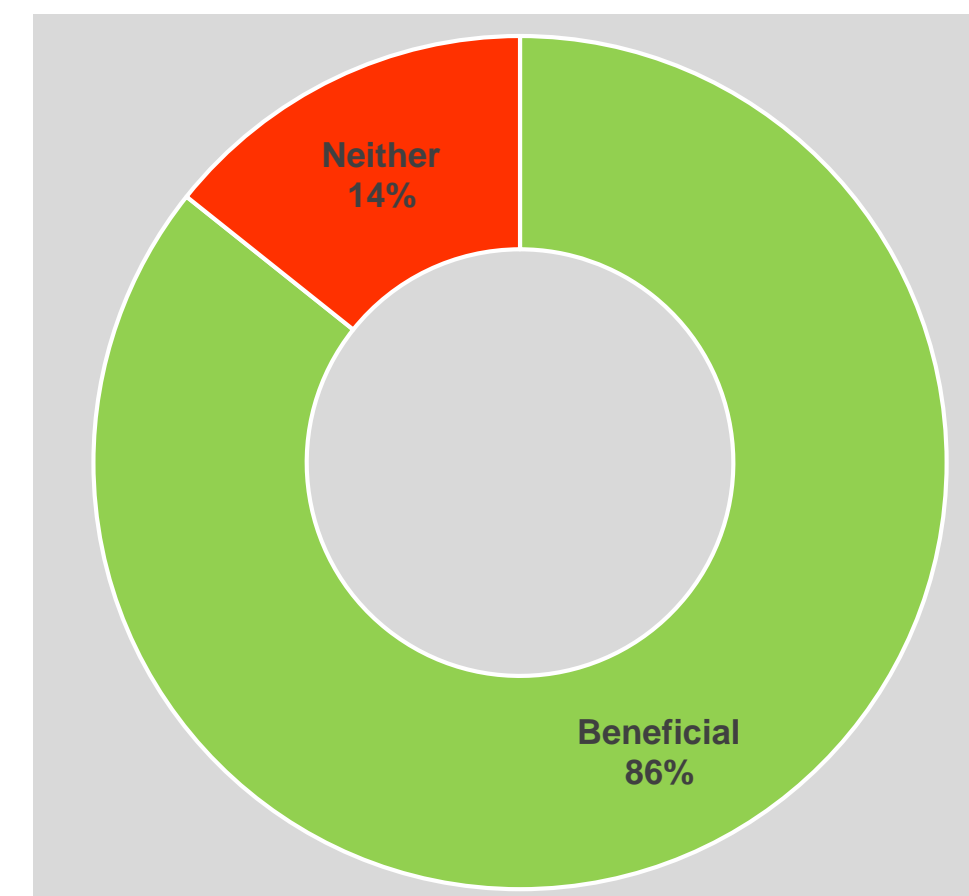
RESULTS

A three-fold solution was proposed and approved by the partner organization as the best course of action:

1. Creation of a centralized purchasing department
2. Implementation of a product matrix
3. Incorporation of consignment products

Eyewear Vendor Survey Question

Vendor Results from Interaction with the Group Practice Model



Is the group practice model beneficial or disruptive to product procurement and fulfillment for your organization's supply chain management?

CONCLUSIONS

Upon reviewing the alternatives explored, the study concluded privately-held optometric group practices should introduce a new supply chain paradigm driven by a centralized purchasing department that incorporates a consignment product model reliant upon key eyewear vendor partnerships. This solution eases the daily administrative burdens occurring at the individual office level while also lessening the organization's overall annual capital expenditure burdens.

REFERENCES

Edmonds, S. (2018, July 24). Blog: Practice trends in optometry. *Healio*. <https://www.healio.com/news/optometry/20200408/blog-practice-trends-in-optometry>

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CONTACT INFORMATION

Mark DeBarge

6048 North St Rd 25
Logansport IN 46947

C: (260) 601-8842

E: markedebarge@hotmail.com

