Many of the performance indicators improved on July and are showing higher values than August 2009. Encouraging signs are continuing to appear despite last month's less positive Index report and the uncertain economic forecasts. On August 30 the British Chamber of Commerce (BCC) upgraded its UK short-term economic prospects and forecast UK GDP growth at 1.7 per cent for this year and 2.2 per cent for 2011.

Turnover

Practice turnover has increased to 173 Index points, a significant increase of 5 per cent on last month and 12 per cent on last August's figures which takes the annual growth to 5.5 per cent. Recently we have looked at comparisons with the two previous years and thought it would be interesting to plot the graphs for January to August 2010 against 2005 and 2000 (Figure 1). In 2000 the UK economy was in good shape, having grown by 3.1 per cent in the year to June and was enjoying the longest continuous expansion in quarterly output since 1955. In 2005 UK growth had slowed to 1 per cent for the same half-year period and consumers and businesses were less certain about the economic prospects. The linear trend lines (which only take into account the values included in the chart and no historical values) clearly show that 2010 is the only year showing increasing turnover for the eight-month period. The monthly trend lines follow similar patterns, but this year there was significant growth in February, the same peak in May which was sustained in June before the fall in July which was reversed this month.

Turnover per eye examination in August reduced by £6 on July 2010 to £154.34, but this value is £4 higher than August 2009.

Optician Index August 2010

Late summer boost

August's figures offer further encouraging signs, with several indicators showing improvement year on year

Total eye examinations

The total number of eye examinations (Figure 2) dropped in July but increased this month by 12 per cent to 115 Index points, which is 13 per cent higher than last August. For the first time this year, annual growth is now a positive figure at just under 1 per cent. There are peaks in February, April, June and August which have resulted in an upward linear trend line in 2010. The series lines for 2000 and 2005 demonstrate similar patterns with peaks in February and May and a downward linear trend over the period. In most years, as in those shown, the number of eye tests falls in July and increases in August.

The number of private eye examinations has improved by 1 per cent to 23 per cent of the total this month, with a corresponding drop of 1 per cent in the Index for NHS tests. This is the lowest percentage of NHS tests since we saw the step-change increase in February.

The Index generally reports in percentage of sales or Index values as these are more relevant to businesses of all sizes and turnovers, but this month we have broken down the sample into turnover groups (Figure 3) which gives a snapshot of these and (Figure 4) is a more in-depth study in order to determine the minimums, maximums, and quartiles of eye examinations performed during August. The breakdown of examinations by turnover group chart enables you to pinpoint where your practice lies and determine whether there are further opportunities for growth or indeed if the targets you are planning are achievable. If your practice falls below the median in your category then perhaps there are more opportunities for you to explore. For example, how do you increase the number of eye examinations, do you have the capacity for increase and could patients return earlier?

Total dispensing has risen by 13 per cent on last month; this remains 7 per cent lower than August last

SUMMARY

- Eye examinations increase by 12 per cent from July
- Progressive lenses up 16 per cent from last month
- Single-vision lenses improve by 6 per cent from July
- New contact lens fits are 11 per cent higher than last month
- Total turnover climbs by 12 per cent against August 2009
- Total dispensing is now 13 per cent higher than last month at 89 index points

Figure 1 Total turnover current 5 and 10 year comparison

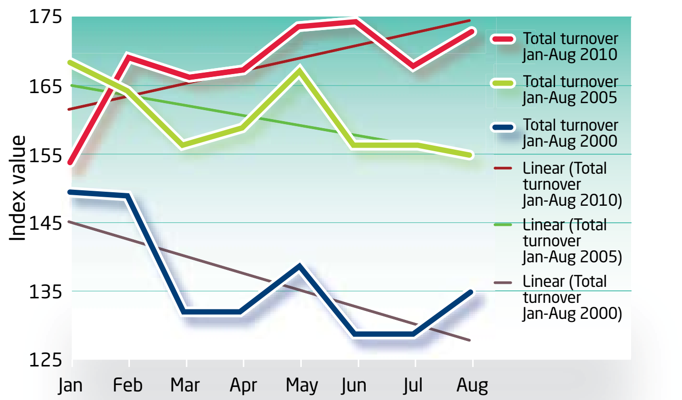


Figure 2 Eye examinations 5 and 10 year comparison

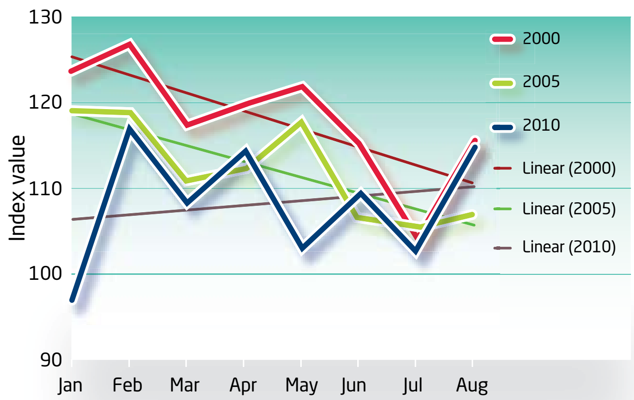


Figure 3 Number of eye tests performed in August

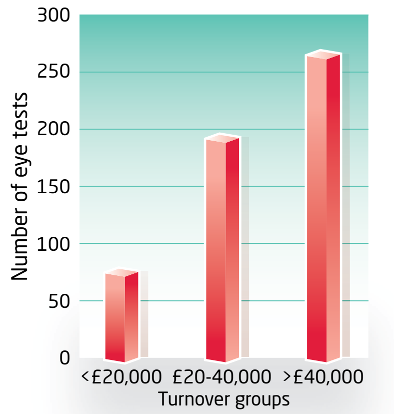
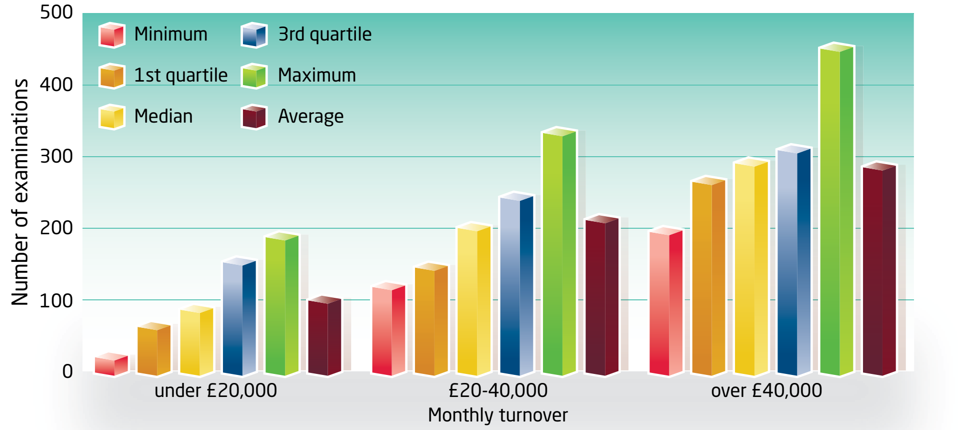


Figure 4 Eye examinations by turnover group August 2010



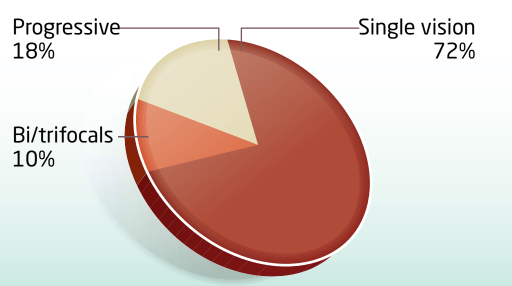
year and is still showing as a negative annual growth of -7 per cent. Average dispensing rate has lost another 1 per cent from last month, now 58 per cent, which is 5 per cent lower than August 2009.

Lenses

All lens benchmarks have improved this month. Single vision improved 6 per cent from July, but this is still 14 per cent lower than last August and accounts for a negative annual growth of -20 per cent. Bi/trifocals went up by 2 per cent from last month, 9 per cent more than August 2009; annual growth is still negative at -6 per cent. Generally where bi/trifocals improve it is at the expense of progressive lenses, but this is not the case this month as progressive lenses showed significant gains of 16 per cent on July, 12 per cent on last August and a positive annual growth figure of 14 per cent. Figure 5 shows that single-vision lenses now account for 72 per cent of spectacle sales, progressive 18 per cent and bi/trifocals 10 per cent.

Photochromic lenses (Figure 6) fell a little again this month to 12 per cent, which is 1 per cent less than August last year. This reinforces the seasonal trends we mentioned last month, where sales reduce during the summer.

Figure 5 Proportion of spectacles dispensed with different types of lens (Aug 2010)



Anti-reflective coatings increased by 10 per cent this month to 77 Index points. This is the highest value we have recorded since March this year, however, it is 28 per cent lower than last August. Annual growth is a slightly more positive figure than last month at -36 per cent. Re-glazes dropped by 1 per cent to 11 per cent of spectacle sales, the same as August 2009.

New contact lens fits went up by 11 per cent from July, which is 10 per cent lower than August last year. Annual growth remains negative, the same as last month at -5 per cent.

Solution sales improved by 6 per cent on last month, 4 per cent better than August last year and a better positive annual growth figure than last month of just over a quarter of 1 per cent.

Please note all figures are adjusted to a 25-working day month. This data has been brought to you with the support of Transitions.

BENEFITS OF JOINING THE INDEX

- *Optician* Index is free of charge to participating practices
- You will be able to monitor how your practice is performing month by month
- Check out improvements and opportunities
- Set targets, project your future performance
- Pose questions to the sample
- Customised graphs – plot your practice results against the sample
- Sixteen years of sample data available
- Data is submitted in confidence to Business Benchmarks

If a practice would like to contribute to the Index, which is a free service to UK practitioners, please contact Lynn Hawkins on 01622 260595, to discuss the benefits, no obligation, or by email to l.hawkins@businessbenchmarks.co.uk

Figure 6 Photochromic lenses Aug 2009 - Aug 2010