



SUSTAINABILITY

Making refractive error services sustainable: the International Eye Foundation model



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The International Eye Foundation (IEF) believes that the most effective strategy for making spectacles affordable and accessible is to integrate refractive error services into ophthalmic services and to run the refractive error service as a business – thereby making it sustainable. An optical service should be able to deal with high volumes of patients and generate enough revenue – not just to cover its own costs, but also to contribute to ophthalmic clinical services.

IEF assists public and private eye hospitals in low- and middle-income countries to build sustainable refractive error services, both by helping them reorganise their management processes, and by improving their infrastructure through sub-grants and technical assistance. With this model, the IEF estab-

lishes professional optical businesses that can be accessed by anyone, regardless of socioeconomic background. Net profits then go toward improving quality, expanding services, and subsidising ophthalmic care in the eye unit. This combined approach increases the number of patients accessing ophthalmic as well as optometric services and earns revenue to support both types of services.

This article discusses some important aspects of the IEF model.

Planning

When designing an optical service, it is important to clearly formulate its purpose (for example, to offer services to all

patients, including the poorest). It is also essential that everyone involved agree beforehand about the control and management of the business and,

in particular, the management of human and financial resources.

It is important to determine beforehand the capacity of the optical service (the number of people it can serve) and its market (the

‘The customer must be satisfied with the service, the product, and the result’

estimated number of people who need or want optical services). It is also important to establish relationships with relevant stakeholders, for example, with local businesses

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The optical sales showroom at Penya Optical. MALAWI

Penya Optical, Malawi

Penya Optical was established within the government eye unit in Blantyre, Malawi, one of the world’s ten poorest countries. IEF’s initial investment was US \$42,000; Penya Optical broke even after seven months. Now in its third year, Penya Optical’s assets are US \$65,800 and it has US \$47,766 cash in the bank. The estimated return on investment is 156%. Penya Optical contributes 15% of its gross monthly sales to the Blantyre Eye Unit’s sustainability fund.

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The optical workshop at the Lions SightFirst optical centre at the Kimuzu Central Hospital in Lilongwe. MALAWI

and community leaders. The resulting business plan should define the market potential, evaluate the competition, and describe the range of products offered, the procurement and inventory requirements, pricing, and revenue projections.

Procurement and implementation

Before establishing an optical service, the team must ensure that the location is convenient, is prominently visible to the public, is close to an optical workshop, and allows for efficient patient flow (with space for patients to wait, enough examination rooms, and a space where patients can try on new frames). Optometrists skilled in objective and subjective refraction should be used, rather than automated equipment. In addition, having basic workshop equipment on-site will minimise downtime due to maintenance and repair. Strong management is critical: lines of authority and accountability should be clear.

Finally, efficient procurement practices must be adopted to ensure lower costs. The following points are important:

- order large volumes to lower costs, but avoid being overstocked
- look for the most cost-effective source of spectacles
- stock a wide choice of frames and lenses,

some in the latest designs, to satisfy patients' individual needs and tastes.

Monitoring the quality of refraction, the craftsmanship of spectacles, and turnaround time is critical. The customer must be satisfied with the service, the product, and the result: improved vision. Quality counts!

Financial considerations

It is important to establish clear policies governing the use of revenues. In general, IEF recommends that 70 per cent of revenue be reinvested into the spectacle inventory, with revenue equal to three to four months' operational costs retained in the bank. It is also important to agree on a strategy to manage the devaluation of funds, especially where customs and taxes are high.

IEF's hospital partners include the refraction fee as a fixed amount in the general outpatient fee. Patients requiring additional services such as spectacles are charged separately for frames and lenses.

Building an optical service from scratch requires between US \$40,000 and US \$50,000 for equipment, inventory, supplies, furniture, and staffing. This is usually provided by a grant or donor initially, and does not include the indirect costs to IEF of providing support.

In IEF partner hospitals, the percentage of total hospital earnings generated by revenue from the refractive error service ranges from 12 per cent in northern India and 18–30 per cent in Central America to 98 per cent in Malawi, where most other services are provided free of charge (Figure 1).

IEF believes in having an exit strategy: this involves handing over assets and management responsibilities to local hospitals/charities eventually and maintaining only a monitoring and advisory role.

In conclusion, combining a high-quality optometric business with ophthalmic services helps to reduce rates of uncorrected refractive error and contributes to the financial health of the entire eye care service.

Figure 1: Relative contribution of optical and non-optical services to total revenue

