

# PRACTICE MANAGEMENT

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## Evaluating Yourself as a CEO

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We need more than just a gut feeling about how well we are managing the position of the chief executive officer (CEO) of the practice. We need a tool to help evaluate our effectiveness. In the October 2008 issue of *Harvard Business Review* Stephen Kaufman presents an article entitled *Evaluating the CEO*. Kaufman presents five dimensions of CEO performance for evaluation. These areas are: leadership, strategy, people management, operating metrics and relationships with external constituencies.<sup>1</sup>

I've taken the liberty of adapting and expanding on his CEO evaluation for an optometric CEO evaluation.

Evaluate yourself in these five areas to identify your strengths and weaknesses. Give yourself 1 point for each question answered with a "Yes" and 0 points for any other answer. Total the numbers for each area. There are 5 possible points for each area.

**Leadership.** Leadership is more than telling people what to do. Leadership involves motivating and energizing your doctors and staff. In one way or another, everyone leads someone else. The real question is where are you leading people? A mission statement gives the practice a goal to hit and a standard to use for every decision in the practice. Leadership is also about consistency. If the CEO makes exceptions for herself, then don't be surprised to see others in the practice feel they are entitled to exceptions as well. Leadership is about leading people, so if you want

people to value your leadership, then you must value the people you are leading.

Here are the questions to answer for your leadership score.

- \_\_\_ Do you have a written mission statement for your practice?
- \_\_\_ Can every staff member recite your mission statement from memory?
- \_\_\_ Do you set an example by following all the rules in your practice?
- \_\_\_ Are you actively leading your practice toward continuous improvement?
- \_\_\_ Do your partners and employees know you value them?
- \_\_\_ **TOTAL**

**Strategy.** *"Anyone can steer the ship, but it takes a real leader to chart the course."*<sup>2</sup>

Being an effective CEO means clearly identifying the strategy and tactics being used in the practice and making sure they are working together symbiotically. This starts with having long term goals for the practice. It continues with a written strategy for positioning the practice. If you are trying to have an upscale practice you need to consider how third party plans are contributing to that goal. If a third party is not contributing positively, consider dropping that third party. A coordinated well thought out marketing plan produces the highest return on investment. Do you have a plan for the entire year so that you can take the greatest advantage of your marketing dollars? At least twice a year you should look over everything in the office and make sure it is contributing to the overall positive direction of the practice.

- \_\_\_ Does your practice have a 3-5 year written goals?
- \_\_\_ Does your practice have a written strategy for how the practice is positioned in the community with respect to fees and volume?
- \_\_\_ Does your practice have a written strategy for marketing?

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Wright M. Coding Rules. Evaluating yourself as a CEO. Opt Vis Dev. 2008;39(4):214-216.

- \_\_\_ Does your practice have a written strategy for third party management?
- \_\_\_ Do all the tactics employed in your practice support your strategies?
- \_\_\_ **TOTAL**

**People management.** Woodrow Wilson said “*I not only use all the brains that I have, but all that I can borrow.*”<sup>3</sup> The doctors and staff members in the practice are a tremendous resource. When you have expectations of your doctors and staff, they will positively surprise you. People want a meaningful job. People want to do more than just rote jobs. An effective CEO will put systems in place to help the doctors and staff members to become managers of their positions. Vince Lombardi summed it up perfectly when he said, “*The achievements of an organization are the results of the combined efforts of each individual.*” The effective CEO will implement ways to help each individual maximize their performance.

- \_\_\_ Are the right people in the right jobs?
- \_\_\_ Is everyone trained and proficiency tested for their position?
- \_\_\_ Do you have regular office meetings?
- \_\_\_ Is your practice organized so that every staff member knows exactly who should handle every issue that comes up in the practice (and it’s not you for everything)?
- \_\_\_ Are your doctors and staff consistently producing at appropriate performance levels?
- \_\_\_ **TOTAL**

**Operating metrics.** Donna Harrison said, “*Great leaders are never satisfied with current levels of performance. They are relentlessly driven by possibilities and potential achievements.*”<sup>4</sup> In order to objectively see changes in your practice you must measure. Then compare the measurements against benchmarks. The benchmarks can be the previous performance of your own practice. Your practice can also be benchmarked against national numbers. The keys are to choose meaningful measurements, measure, take action as a result of the measurements and set goals for future performance.

- \_\_\_ Do you objectively measure the performance of your practice on a regular basis?
- \_\_\_ Have you selected the best metrics to measure?
- \_\_\_ Do you take action based on the results of your measurements?

- \_\_\_ Do you have written goals for your practice metrics?
- \_\_\_ Is your practice consistently hitting or surpassing your practice metrics goals?
- \_\_\_ **TOTAL**

**Relationships with external constituencies.** Many people help us in the patient care we deliver. Vendors have a vested interest in us. When we do well, they do well. But do we view them as partners in the practice. Our success or failure is often viewed by the patient by how well the vendors hold up their end of the game. Likewise, vendors often spend large amounts of money creating programs that can help eye doctors do a better job of providing patient care. Are you working with your vendors as partners to make your practice even better? You may want to create an external board that meets once or twice a year to discuss how to make your practice better. People on the board should be at least your insurance agent, your CPA, your banker and your attorney. They can give you great insights into how the community views your practice and what changes are needed to take it to the next level.

- \_\_\_ Do your spectacle laboratory vendors view your relationship with them as a partnership?
- \_\_\_ Do your contact lens laboratory vendors view your relationship with them as a partnership?
- \_\_\_ Do you meet with a board of practice advisors at least once a year?
- \_\_\_ Do you meet with a focus group of patients at least once a year?
- \_\_\_ Do people in your community think of your practice as the first place to go for eye issues?
- \_\_\_ **TOTAL**

Now it’s time to see the overall picture. On the chart below, circle your TOTAL score for each area.

OPTOMETRIC CEO EVALUATION	Needs help					Great
Leadership	1	2	3	4	5	
Strategy	1	2	3	4	5	
People management	1	2	3	4	5	
Operating metrics	1	2	3	4	5	
Relationships with external constituencies	1	2	3	4	5	

Looking at the chart shows your strengths and weaknesses. The purpose for this exercise is to become better. As you look at your scores in each area, create

a plan of action. What classes, systems, or people are needed to improve your score in each area to become a better CEO for your practice? Resist the urge to just use this as an intellectual exercise. Make a plan and take an action today to become a better optometric CEO. You should then retake this test in 6 months to measure your progress.

## References

1. Kaufman, Stephen P; Evaluating the CEO; Harvard Business Review; October 2008; 53-57.
  2. Maxwell, John C; The Law of Navigation; The 21 Irrefutable Laws of Leadership
  3. [http://thinkexist.com/quotation/i\\_not\\_only\\_use\\_all\\_the\\_brains\\_that\\_i\\_have-but\\_all/227315.html](http://thinkexist.com/quotation/i_not_only_use_all_the_brains_that_i_have-but_all/227315.html)
  4. [http://www.leadershipvictoria.com/resources\\_ns/index.cfm?siteaction=fd&mid=002.002.004&cmid=002.002.004&pmid=002.002](http://www.leadershipvictoria.com/resources_ns/index.cfm?siteaction=fd&mid=002.002.004&cmid=002.002.004&pmid=002.002)
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