

A Reputation Built on Large-Volume Contracts

With the second generation now at the helm, Classic Optical of Youngstown, OH, is building on its success with direct-to-state programs by expanding into managed care.

BY GRETCHYN M. BAILEY, NCLC, FAAO



Schneider equipment has enabled Classic to move into free-form production.

“DON’T TRY to be everything to everybody.” While that advice is frequently given, Dawn Friedkin, COO of Classic Optical in Youngstown, OH, chooses to ignore it.

“We actually can be everything to everybody,” she said. “We’ve made more than 14 million pairs over the past 40 years, and the things we couldn’t do five years ago are now possible because we’ve moved into the technology to allow us to do them.”

Classic occupies over 40,000 square feet and employs 100 associates. The

lab currently makes about 2,000 pairs of glasses per day. Annually, the lab processes 800,000 lenses with 400,000 frames.

THE BEGINNING

Classic Optical began in 1970 when Monte Friedkin, Dawn Friedkin’s father, went into partnership with a friend. “An eye doctor friend wanted to go into the eyeglasses manufacturing business, but he didn’t have enough money,” Mr. Friedkin said. “We partnered with a local law firm and an accounting firm where I was the largest client. After a few months, the friend

decided to go back to just being an eye doctor, and later the accounting firm sold out. I completely took over about three or four years into the project. I watched the industry for 90 days then decided the uncut market was the place to be.” Classic increased production from 200 jobs a day to 7,500 uncuts a day.

As the years progressed, Mr. Friedkin expanded his interests, overseeing up to 20 different companies. At one point, he considered selling Classic, but his daughter changed his mind. “Dawn would not allow me to

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sell,” he said, so he told her “If we keep it, you run it.” Now she does.

LARGE-VOLUME CONTRACTS

During its early history, Classic Optical was a local lab serving local providers. In the 1980s and 1990s, volume purchasing eyeglass programs evolved, and Classic was at the forefront.

“Management learned that the State of Ohio was spending a lot of money to buy eyeglasses for its Medicaid recipients, paying retail, not wholesale,” Ms. Friedkin said. “The state became aware of the opportunity to stretch those dollars using us, and thus began one of the first direct state programs.”

These programs are now known as volume purchase eyeglass programs or direct-to-state programs. The patient (Medicaid recipient) visits a participating eyecare professional (ECP) for an eye exam. The ECP is required to order eyeglasses from a contract lab. As that lab, Classic makes the eyeglasses, sends the finished eyewear back to the ECP, and bills the state. A number of states have now implemented similar programs. Currently, about 13 states offer such a program, and Classic has contracts with six.

FASHIONABLE FRAMES

Originally orders came by mail, then by fax, and now the majority are transmitted elec- ➔

GENERATOR FOR EVERY SIZE LAB AND ALL LENS DESIGNS... INCLUDING DIGITAL FREE-FORM

The new CTL (compact turning lathe) from Gerber Coburn offers extensive versatility for today's optical labs. The generator provides the technical performance to produce conventional, digital, and free-form lenses. Designed with size in mind, the CTL fits all size laboratories, even for eyecare professionals who perform in-house lens production. Based on Gerber Coburn's full-scaled DTL generator, the CTL provides a smaller scaled model at a low cost of entry into free-form production but with the ability to grow with the needs of the lab.



Patented Technology: The CTL generator combines dry-cut processing with Gerber Coburn's patented single-point technology. Among the benefits of dry-cut processing are that it is particularly effective when generating polycarbonate and Trivex® lens materials. It also eliminates wastewater issues by producing dry lens waste disposal. The single-point technology patented by Gerber Coburn is required of all digital free-form generators to produce the final lens that soft-tool polishers need to polish without damaging the design or the prescription.

All Lens Types: While the CTL generator is particularly suited for accommodating the point files necessary for producing digitally surfaced backside progressive addition free-form lenses, it is also well equipped with the capability for processing conventional lenses as well. The CTL's versatility does not end with its ability to process all types of lenses, but it also comes in two models in an upgradeable platform.

Two CTL Models: Gerber Coburn offers two models of its CTL generator—the CTL85 and the CTL 85^{DP}. The compact and manual CTL85 takes conventional and cut-to-polish lens processing to new levels. It is easily upgraded to digital and free-form processing, crib-to-oval cutting, and lens diameter measuring features. The CTL85^{DP} provides the lab with all the features of the CTL85 but comes equipped for digital and free-form production straight from the factory. This feature can be combined with the MAAT sub-aperture polisher for an economical free-form system

Feature-Rich Technology: Among the other extensive features of the CTL generator are built-in diagnostic programs for trouble-free operation, lens diameter measuring to ensure accurate lens generating, crib-to-oval for non-circular lens requirements, and interrupted polycarbonate cutting to eliminate the need for expensive granulators while allowing for easy waste disposal.

Gerber Coburn's new CTL generator provides everything that labs of all sizes need to begin and grow with digital free-form lens processing while still producing conventional lenses as well. Performance, Size, and Price.



Clockwise from top left: Monte Friedkin founded Classic Optical in 1970 as a favor to an ECP friend. The second generation in the business, Dawn Friedkin convinced her father not to sell Classic and now runs the lab as COO. After 14 years with Classic, Rodney Remsey, LDO, advanced from the layout department to lab manager to director of lab operations.

tronically. Early on only certain frames were allowed—those that had been approved by the respective state's program.

"Although there may be a somewhat limited group of frames, they're now very stylish," said Ms. Friedkin. "We work with vendors to ensure we find fashionable frames at a low cost. You wouldn't know the difference between children wearing a state benefit frame versus a frame from a large retailer. Some programs now allow a larger group of frames to give more choice to recipients."

Classic has evolved since first moving into large-volume plans. The lab has established online systems that limit the provider's order to the items that are allowed on the contract, streamlining the provider's order and saving the provider time. With system safeguards in place, Classic also partners with states to ensure that the benefit is managed in an economical way to allow these programs to exist.

"Over the last 20 years, we've saved millions of state and federal government money by helping states with these programs," she said. "We help the state maintain the current benefit without increasing the cost and guarantee equal choice of products and services for all beneficiaries. A recipient in an urban or rural area can pick from the same group of frames from one provider to another. All the eyeglasses are made to the same quality standards. Everybody is treated equally."

MANAGED CARE CONTRACTS

Making the move into managed care contracts was a natural next step for Classic. The business model is similar, as are the requirements, such as effectively shipping quality products to thousands of providers.

"We moved the large contracts into another large-volume market segment," said Ms. Friedkin. "We ship to thousands of locations every day. This is much different from handling a large retail chain, which is shipping loads of eyeglasses to one location. The organization and efficiencies are different when handling so many different providers. We're dealing with thousands of providers who could call in at any time to check on their orders."

EQUIPMENT AND TECHNOLOGY

"Back when we started, we were buying fancy edgers for \$3,500," said Ms. Friedkin. "Now we're buying them for \$500,000. It's a whole different world today."

This past summer, Classic renovated to expand its space and automate its finishing department. Ms. Friedkin and her lab management team real- ➔

Today most progressive lenses in Europe are produced using a standard blank and digital surfacing on the backside.

ized that it would make more sense to automate that department first. The lab is now fully automated from the stock room through inserting finished lenses into the frames.

As the lab team was investigating equipment, the thinking was to automate Classic's surfacing department first. The team doesn't buy machinery that they have not seen in real-life operation, so they traveled to labs across the country and internationally. Due to their in-the-field investigation, the team realized the lab would benefit more by automating the finishing department first.

By fully automating the finish lab, lenses go straight from the stock room into a tray, onto a conveyor, into an A&R MCBVPU Automated Finish Blocker & Verifier, and then, via another conveyor, into one of two MEI robotic edgers. It is not until after the edgers that the frame and lenses again require human intervention.

"Within my first five years back, we needed a generator," said Ms. Friedkin, "so we bought a Schneider Master, free-form enabled, but at the time we didn't have any specific plans to run free-form on it. In the past, we never would have looked at such a generator because the technology was beyond our needs, but it never makes sense to buy a new piece of equipment with old technology."

DIGITAL REVOLUTION

Part of Classic's future is even more automation and technology. Currently free-form is only a small percentage of production, but Ms. Friedkin is convinced that it will soon play a larger role. Free-form didn't fit into the past business model because state contracts wouldn't pay for it. As the lab has grown into serving managed care contracts, there has been an increased need for free-form technology.

"We've already begun this evolution by implementing new automated technology," said Ms. Friedkin. "We're leveraging our economies of scale to providers and other market segments. We won't find many customers that are as big as states, but many are large enough to make sense for us. Leveraging our economies of scale—we've been great at that for a long time."

Looking at big the picture, Mr. Friedkin predicts



Two MEI robotic edgers (a Bisphera XDD and a Double R-XDD) in the finishing department are fed by automatic conveyors.

that what we see today in Europe will be happening soon in the U.S.

"It's a digital revolution," he said. "What took place in the television industry is taking place in the optical industry—it's all about high definition. Today most progressive lenses in Europe are produced using a standard blank and digital surfacing on the backside. Consumers are paying top dollar for this technology. In the U.S., most progressive lenses are produced using pre-cast molds and conventional toric surfacing. Digital surfacing is more difficult and more expensive, but optically it's a better lens. It's a question of how long it will take to catch up in the U.S. and whether people in this country will pay a higher price for the lenses."

DIVERSIFICATION AHEAD

Classic's management is taking the lab to the next level by diversifying, increasing government contracts, and growing managed care work. Ms. Friedkin is also leveraging the number of contracts and providers already working with the lab. Classic has been supplying many providers for a long time, but they didn't know they were able to order directly from the lab. She would like to leverage Classic's provider relationships in order to offer more services.

The main reason for moving into diversification was a desire to avoid lay-offs.

"We lost a big contract," she said. "I had a choice. I could lay off a bunch of people or reduce hours. We didn't lay off a single person. Everybody felt the pain. I never again wanted to worry about our associates losing their jobs. From then on, I have worked with

our sales and marketing teams to further diversify."

ALL ABOUT THE PEOPLE

At the end of the day, it's not the bottom line but the people who matter. From employee longevity to avoiding layoffs, the belief in people shows every day.

Ms. Friedkin's first job at Classic was traying up frames at age 11 during the summer. Her business, law, and public policy education and experience fit well with the business model of Classic, but running a business was a new venture.

"I came back to a company where there were people who knew me as a child," she said. "Some department heads were older than me. For some people, that could have been a problem. For me, it's all worked out very well."

Rodney Remsey, LDO, began his career at Classic in 1986 in the layout department. Over the next 14 years he advanced from layout lead to lab manager to his current position of director of lab operations. He said Classic's success starts at the top. "The owners have provided the opportunity for us to evolve to what we have become today," he said. "The management team has been together for at least 25 years, and the average employee stays for almost 10 years. A strong employee base allows us to focus on becoming efficient and putting out the best products." □

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