GEORGIA'S OWN CREDIT UNION

Practice Management

Where Financial Performance Meets Clinical Success

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Federally Insured by NCUA

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Financial Disclosures

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- **Speakers are employed by Georgia's Own Credit Union**
- **Services presented are offered at Georgia's Own Credit Union as well as other lending providers**
- **All have no financial disclosures with ineligible companies**

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Why…

Why Practice Management Matters

- Strong finances support better patient care
- Healthcare providers often receive somewhat limited business training
- Operational excellence creates long-term stability
- Growth requires disciplined financial management, personally and professionally

AUDIENCE POLL

Where would more confidence make the biggest difference from a business standpoint?

1. **More confidence in patient care**
2. **More confidence in practice management**

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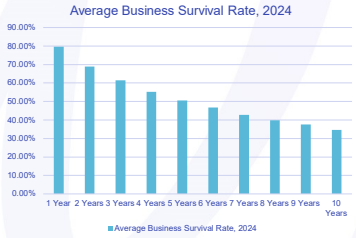
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Why…

Financial Food for Thought

Key Findings

- 79.6% survival rate in year one
- 50.6% survival rate in year five
- Planning improves long-term outcomes



Source: U.S. Bureau of Labor Statistics

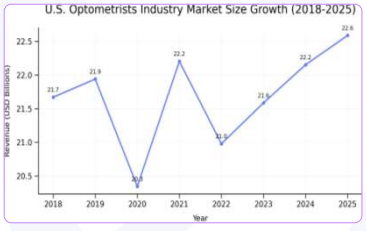
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Why…

Financial Food for Thought

- 69% of eye care providers say inflation influenced their business this year.
- With overhead liabilities up, practices end up rethinking exam fees, optical pricing, and operational efficiency, all without alienating cost-conscious patients.
- Continued growth, but volume of appointments down



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Cash Flow

Cash Flow Challenges

- Delayed insurance reimbursements
- Fixed payroll
- Occupancy costs and limitations
- Revenue cycle and patient collection delays
- Economic impacts vary by service



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Cash Flow

Cash Flow Solutions

- Improve billing speed and accuracy
- Forecast monthly cash needs
- Leverage lines of credit strategically
- Improve scheduling
- Marketing Availability
- Renegotiate vendor contracts and use group purchasing

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Treasury Mgmt.

Know Your Services and Their Fees

- Merchant Services
  - Don't just ask, "What's my rate?" Ask, "What am I actually paying?"
  - Georgia averages 2.5% to 3%+. Plus 0.05-0.30 per Transaction
  - Beware of Flat Rate Pricing, large saving potential
- Payroll Services
  - GA averages $40-$150 monthly, plus $4-$15 per employee
- ACH Services
  - GA averages $0.20-$1.50 per transaction or 0.5%-1.5% per
- Remote Business Deposit Capture
  - $15 - $90 monthly, often a cost per item as well
- Business Wires
  - Incoming $0-$15, Outgoing $25-$40, Int $45-$50
- Fraud Prevention Tools
  - $5-$50 per month



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Deposits

Commercial Deposit Solutions

1. **Business Checking**
   - Manage day-to-day operating expenses with efficient transaction capabilities
2. **Business Savings**
   - Build reserves for future opportunities and unexpected expenses
3. **Business Money Market**
   - Earn competitive returns while maintaining access to working capital
4. **Business Certificates of Deposit**
   - Put excess funds to work with higher-yield savings options and fixed terms
5. **Nonprofit & Association Checking**
   - Specialized banking solutions for nonprofit organizations and professional associations

KEY TAKEAWAY

The right deposit strategy helps improve liquidity, strengthen cash flow, and support long-term financial goals.

Accounts subject to approval. Additional terms and conditions may apply.

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Lending

Funding the Growth and Stability of Your Practice

1. **SBA Loans (covered in more detail later)**
2. **Business Line of Credit**
   - Access funds as needed and pay interest only on the amount used
   - Ideal for managing payroll cycles, insurance reimbursement delays, unexpected expenses, and short-term needs
3. **Term Loans**
   - Fixed financing with predictable repayment schedules
   - Commonly used for expansions, renovations, equipment purchases, and staffing investments. Best suited for planned, long-term business investments
4. **Equipment Financing**
   - Designed specifically for medical and practice-related equipment purchases. Equipment may serve as collateral, preserving capital
   - Allows practices to invest in technology without depleting cash reserves
5. **Retained Earnings / Internal Capital**
   - Reinvest profits in the practice to support growth initiatives
   - Can be a cost-effective funding source, but may limit growth when used as the sole source of capital
6. **Commercial Real Estate**
   - Finance the purchase, construction, or refinancing of owner-occupied properties
   - Build equity while creating long-term stability for your practice
7. **Business Credit Cards**
   - Simplify day-to-day expenses and employee purchasing
   - Improve expense tracking and cash flow management

KEY TAKEAWAY

The right financing can help your practice manage cash flow, invest in growth, and achieve long-term goals.

Loans subject to approval. Additional terms and conditions may apply.

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SBA Loans

What are they?

- Affordable financing for working capital, real estate, and more
- Potentially lower rates through a partial SBA guarantee
- Can sometimes have a confusing, competitive application process
- Common programs: SBA 7(a) and SBA 504 loans



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SBA Loans

SBA 7(a):
Provides access to working capital for operating expenses as businesses grow and expand. Funds can also be used to acquire another business, purchase real estate or equipment, refinance business debt, and more. Benefits include:

- Longer terms of 10 years or 25 years for owner-occupied real estate
- Fully amortized, with no balloon payments at the end of your term and no annual renewal requirements
- Low collateral and financial requirements compared with bank loans
- No prepayment penalties for loans shorter than 15 years

SBA 504:
Can be used to buy or build commercial property and finance land purchases, construction costs, and equipment for businesses that occupy the property

- Long-term, affordable, fixed-rate financing
- Typically requires a 10% down payment, although a higher down payment may be required for limited-use facilities and businesses less than two years old

Loan terms may vary based on several factors including creditworthiness. Your loan terms may differ from the stated terms.

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Financial Checkup

Are your documents in order?

- Personal tax returns (2023, 2024, and 2025)
- Business tax returns (2023, 2024, and 2025) — *all affiliated entities*
- Business balance sheet and profit & loss report (year-end 2025)
- Complete personal financial statement
- Complete management resume
- Complete business debt schedule
- Business plan with two-year projections (month by month)
- Complete pro forma balance sheet

Why is this important?

Where to find?

- CPA
- Personal Tax software
- Tax Preparer

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Financial Check Up

Continued:

- Stronger optical strategies
- Better vendor negotiation
- Outsourcing RCM to maximize profits
- Leveraging AI and automation for efficiency
- Exploring new revenue streams
  - Such as Employee Benefit packages for employer groups
  - Wellness packages with onsite interaction
- Invest in staffing
  - Development, education, interaction
  - The cost of hiring exceeds the cost of retention in this market

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SBDC

Who can help you prepare these resources?
Small Business Development Centers (SBDCs)

- Services are free (Taxpayer paid, so you are already paying!)
- Can assist with:
  - business plans
  - projections
  - Marketing
- Part of their job is to help businesses look more appetizing to Lenders as a whole
- Every zip code/county in Georgia has an assigned office (some share locations)
- 3rd Party, not affiliated with financial institutions.

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Next Steps

Sustainable Growth: Your Practice's Next Steps

1. Strengthen your operations

- Streamline scheduling, billing, and patient intake processes
- Monitor key performance indicators such as wait times, collections, and no-show rates
- Create efficient systems that support future growth

2. Review your merchant services processes

- What services are you using and how much are they costing you?
- Are these the right services for your needs? How often do you use them?
- How would these services improve not only business efficiency but also the patient experience?

3. Maintain financial discipline

- Optimize billing accuracy and revenue cycle performance
- Monitor expenses and staffing efficiency
- What short-term goals is the business trying to achieve?
- Regularly review cash flow and profitability metrics

4. Use trusted resources and educational tools

- Leverage industry data and market insights to guide decisions
- Partner with organizations such as the SBDC and industry associations
- Build relationships with financial advisors and lending partners who understand your practice
- What are the practice's long-term goals?

KEY TAKEAWAY

- **Sustainable growth is achieved when operational excellence, patient experience, financial discipline, and strategic guidance work together.**
- **Are there any topics you want a more extensive breakdown? Come by the table and let us know!**

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Happy to answer any further questions!

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