

# NW Eye Care Network examines growth strategy

By CLAY HOLTZMAN  
STAFF WRITER

For three years now, Bellevue's Northwest Eye Care Network has enjoyed strong growth, with 2007's revenue rising slightly more than 200 percent over 2005.

With three branches, including a home office just down the road from the Microsoft Corp. campus in Redmond, the vision care and eyewear company grew last year's revenue to \$2.61 million from \$870,000 in 2005. And Northwest Eye Care Network

was all set to add a fourth location early next year.

Then the economic crisis hit. Now, the company's expansion plans are in a holding pattern as consumer confidence erodes and the loans needed to purchase capital equipment become more challenging to secure.

While company founder and owner Michael Chow said he expects this year's revenue to grow by about 25 percent, the rate is only a fraction of what he has become accustomed to.



BUSINESS JOURNAL PHOTO: Dan Schaefer

**EYE CARE:** Dr. Michael Chow, owner of Northwest Eye Care Network, has offices in Bellevue, Kirkland and Kent. He's rethinking his immediate expansion strategy given the current economy.

"(Business) is not dead, but it is not the way it was earlier in the year," Chow said.

Founded in 1999, Northwest Eye Care Network employs 18 and has offices in Bellevue, Kirkland and Kent, which was added in 2005.

The company sells eyeglasses, frames and contact lenses, and provides eye care services, primarily exams.

Chow, a Seattle native who trained and practiced in Southern California for 10 years before returning to start Northwest Eye Care Network, recognizes there is only so much he can do to insulate himself from the deepening economic downturn.

"A lot of it is out of my control here," he said.

To be sure, Chow has taken some steps to protect his company.

Earlier this year, he joined the Portland-based Professional Eye Care Associates of America marketing consulting group. Membership has given him marketing and business development assistance, as well as a place to turn to for advice on cutting edge equipment.

The marketing group also provides its 20 member companies with product discounts by buying eyewear in bulk on behalf of its members.

That may be a major benefit considering Chow is seeing a decline of about 15 percent in sales of high-end products such as Prada frames.

"The number of units (selling) is OK, but it is the upper units that are down a bit," Chow said.

Appointments are steady compared to last year, although Chow said he finds himself flipping through the book more often in search of reinsurance that business is still coming through the door.

Discretionary spending may be falling, but Chow said he is comforted knowing that eye care is something consumers don't typically put off for a year like a new car or furniture.

"We are partially one of those in-

elastic goods," he said. "People still need to see."

But some consumers may be put in a position where they have no choice but to put off eye exams or perhaps tape their broken glasses together. Nearly 90 percent of all sales are covered in part by insurance, and Chow says job losses and even presidential politics over health-care plans could ripple through his business.

With one-third of the company's sales occurring between now and the end of the year, Chow expects that he will continue to sell well through 2008. One factor could be that consumers, fearful their health plans will change or be eliminated in January, are rushing to buy now when they can get insurance help.

With a clear picture of the economic downturn coming into focus, Chow said he is hedging his revenue expectations for the year and hoping that it won't be long before business bounces back up.

"I'd like to see us still continue to grow a little bit. But I don't think we will grow like we have," Chow said.

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**NORTHWEST EYE  
CARE NETWORK 22**

*Adviser*

Vision services, including eye health care and eyewear

Fiscal year	Total operating revenue	No. of employees
2005	\$0.87M	9
2006	\$1.39M	13
2007	\$2.61M	15