

We Must Know Our Costs

Guest Editorial by WARREN S. MILLER, C.O.

San Jose, Calif.

The Orthopedic and Prosthetic Appliance Industry is taking its place in the field of Specialists in the Medical profession. The Limb and Brace shop in the dingy back alleys are disappearing. Today shops are located in professional buildings and downtown shopping centers. Also a great amount of our time is spent attending special courses in the latest techniques of Brace and Limb fabrication.

If we are to take our place in this fast moving time we must raise our standards. This only can be accomplished by adequate fees for our services. Inasmuch as we are selling our services we should know what and how to charge for them. In the eyes of the lay person all types of artificial limbs or braces mean the same. They are not aware each patient is a separate problem and each individual requires a different accessory for his appliance, and of the hours spent fitting and adjusting these.

The average businessman is well aware of the high cost to operate a business. With numerous taxes, insurance and high wage scales his profit is soon depleted. The only way to overcome this problem is to raise prices. By making a cost survey one may determine as to where and how much prices should be increased. In some phases of operation we may be charging enough, but over the entire picture we are rendering services far below cost.

Most Limb and Brace shops set a price for their product figuring only the cost to make it, forgetting the accessory costs. For instance: Ischial Ring, Drop Foot Joints, Knee Caps, etc., for braces. Soft Socket, SACH Feet Suction Sockets, etc., for limbs.

All these accessories cost a great amount more than we realize.

Our next big problem is realization of the time spent fitting, adjusting and taking measurements and repairs. We are all prone to forget these important items not being aware this is the difference between success or failure of the enterprise.

In the past OALMA tried to enlist the aid of the industry in making a National cost survey. This I believe is a step in the proper direction, however, the real need is smaller shops having an adequate accounting system then a survey. The average small shop is not aware of the hourly cost of operation. This is dangerous for the economic health of the business.

In order to raise our standards we must understand our cost problems, maintain neat and clean establishments, send our technicians to special schools, pay adequate salaries to attract young personnel with talent, understanding and a good personality.

We complain about VA Contracts, State contract prices, yet we can do nothing to correct this situation because lack of facts on costs. This is the direct result of ignorance of operational costs. The large firm is in the minority, yet they are usually aware of these problems but are unable to do anything without the cooperation and education of smaller firms.

Closer cooperation with OALMA will furnish important statistics. This should enable the Industry to elevate itself to the proper place in the Medical profession, and benefit each and every member throughout the entire Nation.

—Warren S. Miller.