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## LEVEL 7 ASSESSMENT SPECIFICATION

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                      |                                 |
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| Submission method:             | <p>All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.)</p> <p><b>Alternative submission method (if applicable):</b></p> <p><b>Late submission of the assessment will result in a late penalty mark.</b> Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.</p> |                                                      |                                 |
| Academic honesty/ referencing: | <p>Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.</p>                                                                                                                                                                                                                                                                                              |                                                      |                                 |

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# 1. Introduction

Sight is very important to our daily living activities; therefore, people usually would take extra care with their eyes. However, with the current routine of work and habits, we could not avoid using computers or smartphones with a long period every day, which may harm our eyes' health and vision.

Nowadays, 75% of adults are using different methods for vision correction, the most common one is wearing eyeglasses, which was chosen by 65% of them (Castloo, 2020). For the young adults, mostly are wearing eyeglasses or contact lenses because they are myopic. Referencing to a journal that published in 2016, the myopic population will be increased continually, and may reach to about half of the whole population in the world (Holden et al, 2016).

From these numbers, we may see how eye care services are important to the public, and how the society would seek for a complete eye care service organization.

In 2012, Dr. Dennis Lam, an ophthalmologist in Hong Kong, has set up C-MER Eye Care Holdings Limited ("C-MER") with their first centre in Central, Hong Kong, to start the business and providing professional ophthalmic service to the public. With the high-quality services with positive WOM (word of mouth), C-MER has become as one of the top Ophthalmic Centres in Hong Kong with their rapid growth and opening more centres in different districts, to aim to cover the area and provide service for people as much as they can. For sure, C-MER has earned their title as the leader of this industry in local market.

On the other hand, C-MER actually didn't stop changing since their launch in 2012. In 2013,

C-MER already planned to expand their business to Mainland China market, they have launched their first eye care centre in Shenzhen. With the strong brand image and connection network in China, C-MER has reached another level of success in China market.

In January 2018, C-MER has listed on SEHK successfully after launching five eye centres from 2012 to 2017 in Hong Kong. Afterwards, C-MER started expanding Mainland China market widely, not only having eye centres in Guangzhou, they also started exploring the potentials in other states, currently they have total seven eye hospitals and three eye centres in China, eight eye centres in Hong Kong (C-MER, 2023).

With the well experienced and developed customer base in Hong Kong, C-MER started to acquire different companies and organisations since 2021, not only for ophthalmic services, also with other specialties in medical industry, including aesthetic medical and dental centres (C-MER, 2021b).

## 2. Business Situation before Changes

In Hong Kong, the optometrists are only permitted to provide the screening services, with their knowledge and experience, to define the patients' eye health status as normal or not. If they define the patients have abnormal situation and symptoms of eye diseases, they could not diagnosis the disease and must refer to ophthalmologists for further follow up and treatment for cure.

However, the patients' behaviour would not reach surgeons or ophthalmologist at first, if they have experienced abnormal or difficulty on sight, patients would seek for optometrists, which would locate around the residential area and no need to make an appointment.

Regarding the profession in different service areas and customers' behaviour, optometrists and ophthalmologists should work along together for patients to have complete eye care services. Unfortunately, optometrists and ophthalmologists usually have conflict in between, mostly because that some eye diseases with light symptoms, Part I optometrists would able to help patients out, and most of the screening services could be done by them as well. Therefore, part of the services will be taken place there, but not in the eye centres with the ophthalmologists. Sure, optometrists are not allowed to cure or diagnosis the disease of the patients, but most of the patients would take advices and opinions from them.

Moreover, few diseases are in grey area, such as dry eye. As dry eye is such a common eye disease in this era, people may able to relief the symptoms with using eye drops or heat mask, these services or products are provided by optometrists, some ophthalmologists would strongly disagree that they misleading patients think that these would be enough to cure their dry eye

disease. But still, patients would visit optometrists first because of cheaper consultation fee and easier to reach.

On the other hand, there are more competitors in the local market, which could provide similar quality of eyecare services to patients. To build up a unique brand image, C-MER could not only have a title as the leader of the industry, since their competitor is aiming their target customers age group as teenagers to young adults, C-MER should create another age group customers to avoid direct conflict with them.

During COVID-19 period, from 2020 to 2022, the myopia control business was rising and became popular topic in Hong Kong, and the demands of this services is increasing day by day. Before pandemic, 25% of age 6 to 8 children are myopic, 0.7% of age 8 children were high myopia in Hong Kong (Yam et al. 2020). However, schools were closed and the outdoor activities were restricted from 2020, which caused students spent more time on using screens for e-learning and entertainment, from 2.5 hours to 7 hours per day (Chinese University of Hong Kong, 2021). Therefore, the myopic population increased rapidly in Hong Kong in the past few years, also the trend shows it will keep increasing in the near future.

In Hong Kong, most common treatments of myopia control are using Ortho-K contact lenses and special eyeglasses lenses, which these services would be provided by optometrists. Usually, parents would bring their children to visit optometrists for vision checking, during the examination, optometrists would find out the risk of children that may have high myopia when they become adults. From different studies, they show that high myopia may lead to serious eye diseases in elderly age, such as retinal degeneration, glaucoma and blindness (The Hong Kong Polytechnic University, 2022). With public educations from ophthalmologists and optometrists, and enough resources in the internet, public has risen their awareness of myopia control and

eye health care. By that, the demands of eye care and myopia management services have been increased in local market.

In November 2021, C-MER has announced to acquire an optical centre group, The Optometry (OPT) Centre Limited (“OPT”) with an operating history over 20 years and four well established optical centre, in Hong Kong (C-MER, 2021a), including front line eye care screening services, this change makes C-MER has completed a full service to their patients. Moreover, C-MER would have more referral cases from the optometrists in the optical centres, which able to create patient traffic from optometrists to ophthalmologists under the same system. Also, with their own optical centres, C-MER is able to expand their services with offering myopia control and contact lens prescriptions for different age groups customers (C-MER, 2022a).

### 3. Change models

In this report, the change will be analysis with two change models, Lewin's Three Step Models and Kotter's change management theory.

Theories and models are important for management teams and leaders to monitor the stages of changing, they would assist them to make a quick response to the effects that caused by external factors, especially everything changes quickly in this era with technology development and customers' expectations (Hussain, et.al, 2018).

Lewin's Three Step Models are: Unfreezing, Changing, and Defreezing (Bakari, Hunjra, & Niazi, 2017). Usually, it would be used for describing different stages of a change, from finding the reason to change, making decision, sourcing a solution, application, observation, then final settlement.

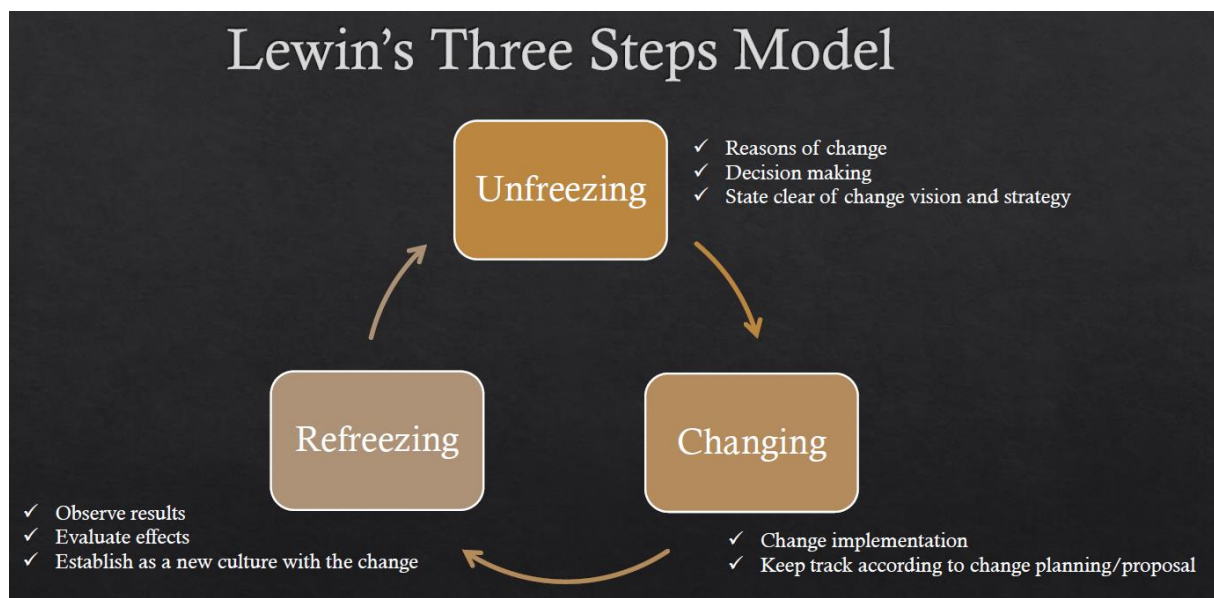


Figure 1: Lewin's Three Steps Model

Construct by author

In the current business culture, to convince the others to accept change is needed is never an easy task to do. Most people would have no comment or not seeing the needs of change, mainly because they are still happy with their current states. However, if an organization refused or failed to change, it would be replaced by competitor very easily and eliminated in the market very soon (Laig & Abocejo, 2021). Therefore, this kind of risks and dangers could be foreseen by few people in an organisation, and once they raised up the problem and urge of changes, then that's the starting of Unfreezing stage.

Unfreezing stage usually starts with analysing the current situation, it could be done by surveying surrounding people, such as colleagues or customers, depends on which group of people would be affected with the changes (Malika, 2022). With a detail and clear change vision and strategy will makes convincing the others easier, and of course, we should have more than enough of communication between different parties to keep the change policy has transparency, to make the others feel confidence with the proposal of changes.

For Changing stage, this is where the changes implantation starts, and take action to start the changes strategy. C-MER has considered that the necessary of adding optometrists for covering the myopia control services and responding to the demands in the market. Therefore, they implanted their business changing plan, to acquire OPT in 2021. With their service network in Hong Kong, C-MER foresee the potential and profit return with extra optometrists providing services to more customers.

For Refreezing stage, usually end the changes with evaluating the effects and results after the implantations, it could also be done by surveying people, reviewing the revenue or profits if it was a business change strategy (Malika, 2022). Of course, the changes that applied in C-MER, by acquiring OPT for expanding their service area and enlarging their business opportunities to

take care more patients as they could, it does not only change the business culture inside C-MER, it also changing the culture in the industry. By results, which will be mentioned more in the following session, C-MER has proved that the change is success, but for the industry, if the change is also suitable for other companies, this we need to observe for a longer time. But for sure, it only could be started if those parties would love to change as well.

Prof. John Kotter, Harvard professor and change management expert, has created a new theory with further develop from Lewin's Three Steps Model, which focused on the people involved in a change process and their psychology (Hicks, 2022). Kotter's change management theory has eight steps, which are listed in below figure:

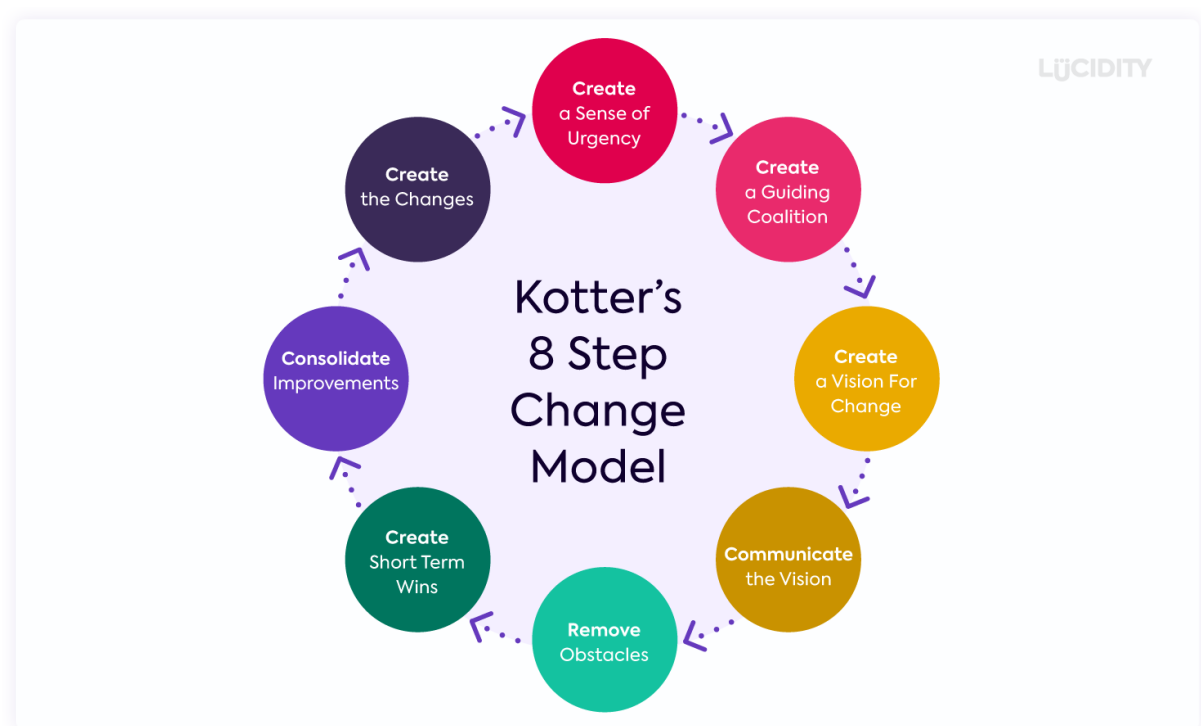


Figure 2: Kotter's eight step change model

From: Lucidity

For C-MER case, we may analysis the change in different stages with Kotter's eight step change model as below (Lucidity, 2023):

Create a sense of urgency: Raise up the demands of myopia control business in the market

Create a guiding coalition: After internal discussion, has a group of staff to evaluate and analyse the pros and cons of a change (acquiring OPT) for leaders

Create a vision for change: From the analysis, the potential of the change will be seen and the leaders could have enough information to set the vision for the change

Communicate the vision: Ensuring with the others in the team about monitoring change progress, to have the better change management for aiming to achieve the vision

Remove Obstacles: Communicate with the team to identify the resistances factors that may face during the change, for example the sales of vision aid products wouldn't increased or the process of acquirement may not smooth

Create short-term wins: With the short-term goals, management team would easier to keep tracking of the change, and turning the plan into step-by-step pattern for monitoring

Consolidate improves: After the implantation of change and achieving short-term goals, the effects of the change could be recorded down for further analysis since the leaders may need to check if the results are acceptable and see if any other aspects which would include in the change need to be revised and improved.

Create the change: If the team and the leaders are happy with the results, then the change has been created and would be remained as daily operation from now on.

Similar to Lewin's Three Steps Model, Kotter's Eight Steps Model is also shown as a cycle in the diagram, so after created the change, there may have some improvement about the operations that were from the change, to enhance the organizations' performance and profit. To have better results, another sense of urgency may be created in the future. Comparing these two change management models, Kotter's Eight Steps Model is clearer than Lewin's Three Steps Model with the step-by-step process, which is easier for monitoring and understanding the change (Lucidity, 2023). Especially for a business organization, Kotter's Eight Steps Model is easier for the team to generate the analysis and results and report to the leaders.

## 4. Evaluate of Changes

According to this patients' / customers' behaviour and demands, C-MER has considered that only ophthalmic medical and surgical services may not enough to cover and provide complete eye care service to public.

Therefore, C-MER decided to change and seek for partnership and potential of acquiring optical centres in Hong Kong.

As the industry leader, this act also shows to other ophthalmologists that the new business model as working with optometrists would change the system of eye care service and the benefits for both ophthalmologists and optometrists, which usually have conflicts in the past.

According to C-MER interim reports, comparing the sales of vision aid products before and after acquiring OPT, it has showed a huge increment of the sales:

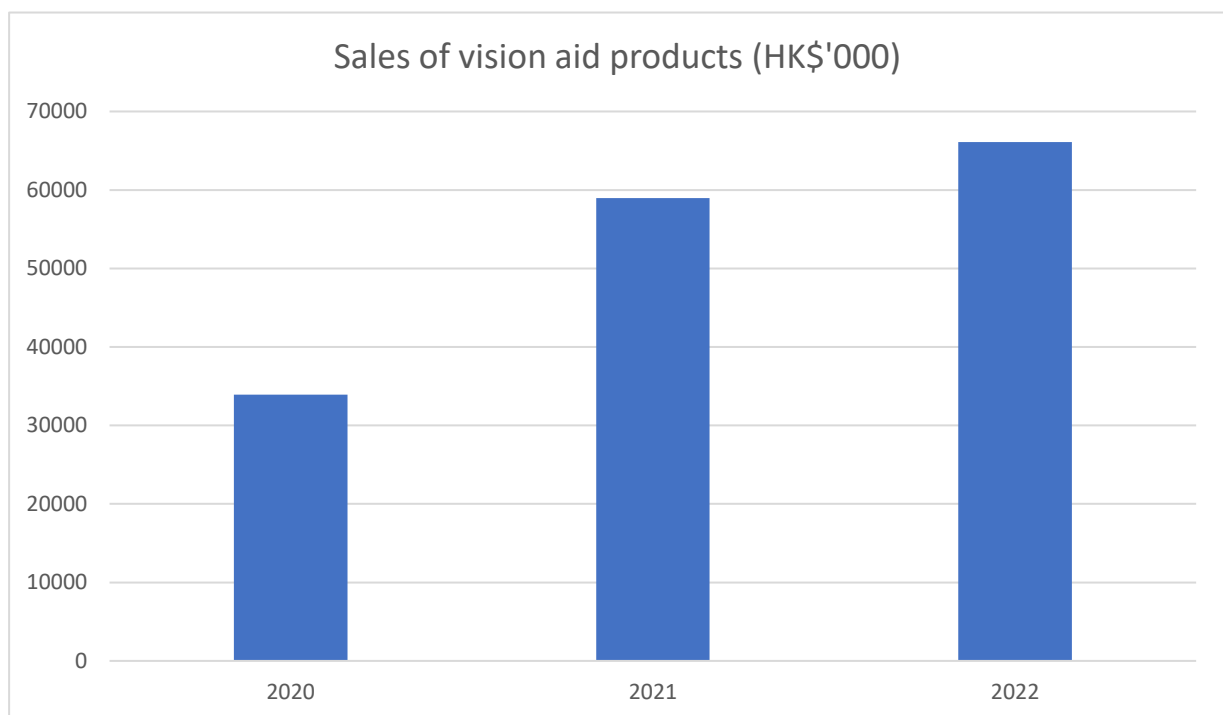


Figure 3: C-MER sales of vision aid products from 2020 to 2022

Construct by author

Comparing 2022 and 2020 (all data collected up to June of that year), it has grown for about 200% sales amount of vision aid products. Mostly would be selling eyeglasses and ortho-k lens treatments for myopia control services by optical centres with Part I optometrists increased after acquiring OPT since 2021.

With the proper eye care service, and creating the patients' traffic from the optical centres to eye centres, the provision of ophthalmic services also increased as well:

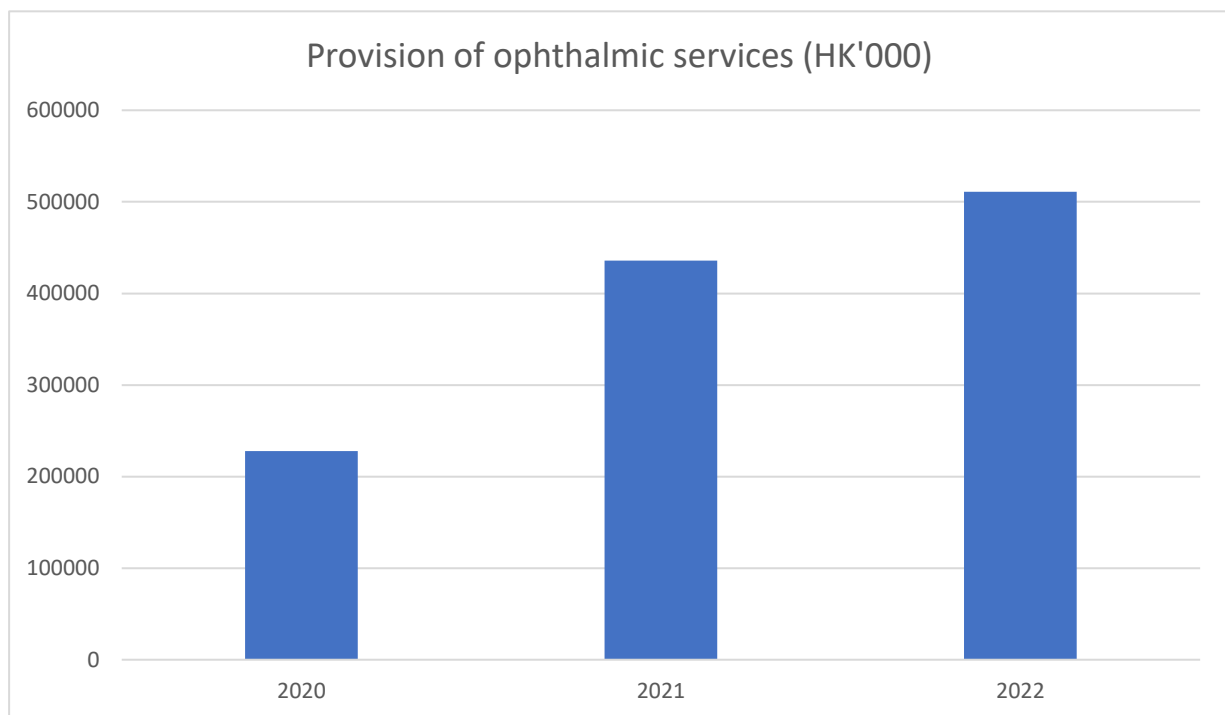


Figure 4: C-MER provision of ophthalmic services from 2020 to 2022

Construct by author

There is a huge different between 2020 and 2021, nearly a double increment, we believe that with more their own optometrists in the centres are ready for providing screening services to their patients, the service flow in C-MER system has become smoother than before, which also improved the satisfaction of patients. This also cause the provision of ophthalmic services keeps in increasing continually every year.

## 5. Conclusion and Recommendation

From the results and the growth of sales of different products and services in C-MER, we could see that the new business model is a great success for ophthalmic industry, C-MER could also be a good reference for the other centres. Of course, as the first mover, C-MER has gained more advantages including better and professional branding images, and the word of mouth from the patients. These would help local market improve on both optometry and ophthalmic industries, and show when both industries could have more cooperation, we can have a win-win as result.

In 2023, C-MER and OPT have launched their first joint centre in Hong Kong (C-MER, 2023), which has performed the new business model, creating their own patient flow, in the same location. This is a new change planning after C-MER acquiring OPT, and showed about the cycle of changes perfectly with their successful case.

With the success, we would recommend C-MER to continue the business model as combining optometry services with their well-developed eye care services network in Hong Kong. Moreover, the same changes could be also applied in Mainland China as the myopic population is much higher than in other South East Asian countries and they already started developing for few years with building eye hospitals and centres.

Once it is successful in Guangzhou, Shanghai and Beijing, which are also big cities in China, then C-MER may consider to develop and expand their market in Singapore, which has similar culture with Hong Kong.

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