

HKBM 7015

Change and Stability Management

Student Name: Constance Chan

Student Number: 2133979

Why change?

- ◇ To discover the potential of ourselves that able to reach another level of success
- ◇ To accept constructive suggestions
- ◇ To response the demands
- ◇ Higher chance to be eliminated in this new era, especially with technology developing rapidly
- ◇ **SEEK TO BE BETTER**

C-MER Eye Care Holdings Limited

- ◆ Leader of Ophthalmic service industry
- ◆ Established since 2012 with their first eye center in Central Hong Kong (C-MER, 2023)
- ◆ First eye care center in Mainland China was launched in 2013, in Shenzhen (C-MER, 2023)
- ◆ Currently, 8 eye centers in Hong Kong, 7 eye hospitals and 3 eye centers in Mainland China (C-MER, 2023)
- ◆ Since 2021, C-MER started acquiring different organizations from different industries (C-MER, 2022a)
- ◆ The Optometry (OPT) Centre Limited is one of them (C-MER, 2022a)

Ophthalmologists & Optometrists

- ◇ Ophthalmic industry and Optometry industry are very different in Hong Kong
- ◇ By law, Optometrists can do the screening services only, then refer to Ophthalmologists
- ◇ Ophthalmologists has not much time to handle prescription eyeglasses service
- ◇ Myopia control is usually done by Optometrists, such as special lenses and Ortho-k lenses
- ◇ Consultation fees are huge difference
- ◇ Patients usually would find optometrists first

Lewin's Three Steps Model

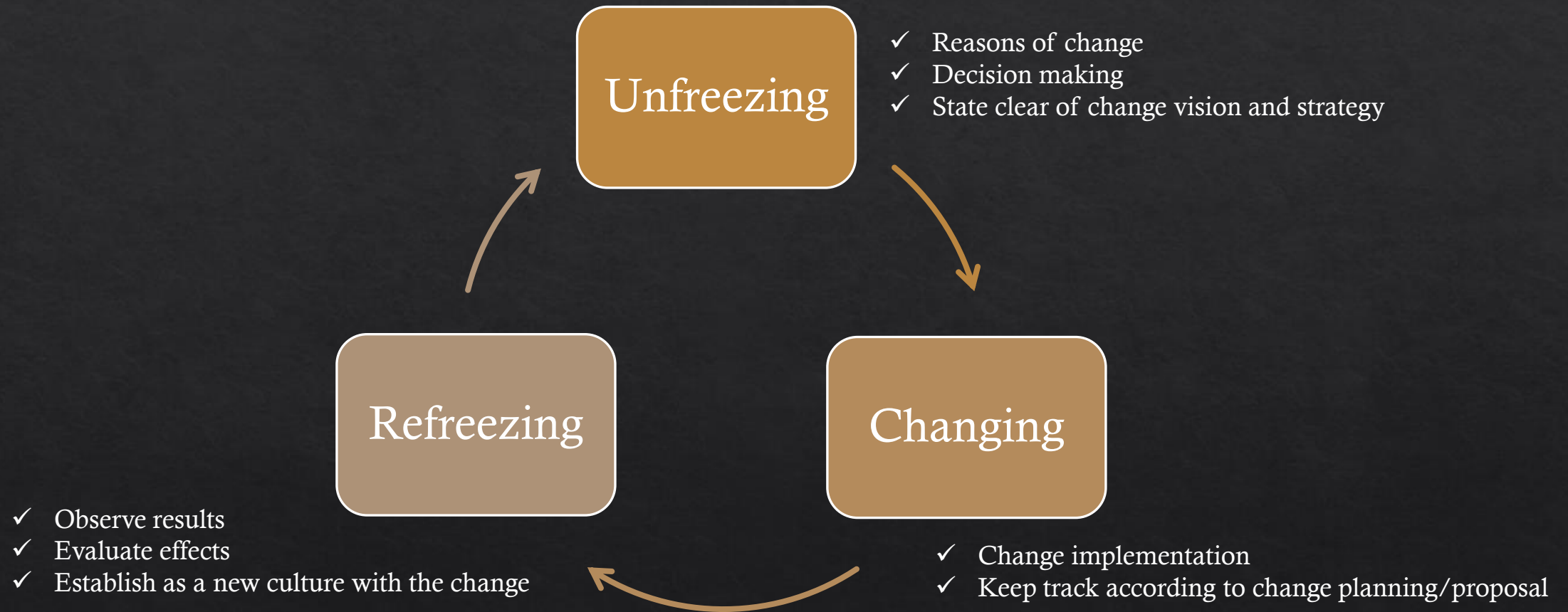


Figure 1: Lewin's Three Step Model chart
Construct by Author

Lewin's Three Steps Model

UNFREEZING	CHANGING	REFREEZING
1. Investigate the demands from market 2. Observe and discuss the potentials internally 3. Communicate with different parties 4. State clear vision and change strategies	1. Plan out the best strategies and propose to OPT 2. Acquire OPT 60% share (C-MER, 2021a) 3. Apply the new business model	1. Evaluate the result 2. Review the growth of sales in both markets 3. Discuss if the change suitable to be continued

Table 1: Lewin's Three Step Model chart with C-MER change plan
Construct by Author

Sales of vision aid products (HK\$'000)

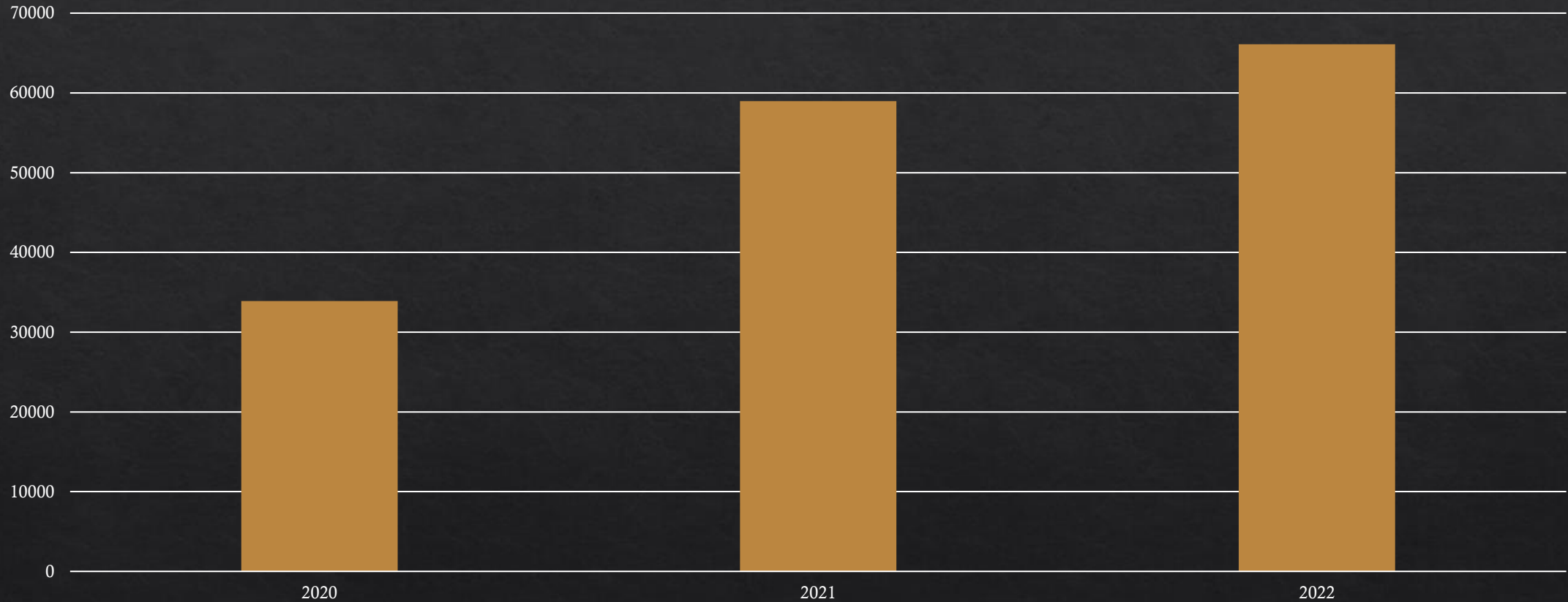


Figure 2: C-MER Sales of vision aid products comparison graph
Construct by Author

Provision of ophthalmic services (HK'000)

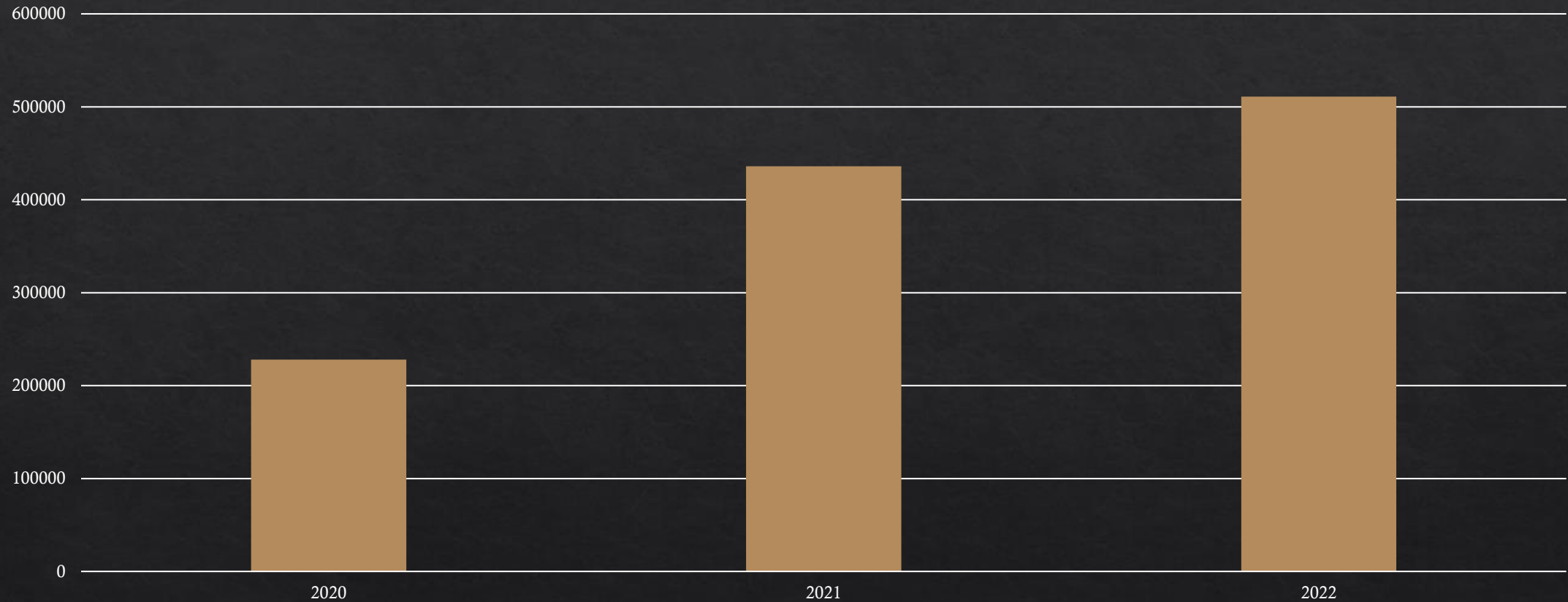


Figure 3: C-MER Provision of ophthalmic services comparison graph
Construct by Author

Conclusion and Recommendation

- ◇ C-MER shows that Optometry and Ophthalmic industries could work together
- ◇ The benefits would be greater than only promoting the professional on one side
- ◇ Changed organization culture, also changed the market culture
- ◇ With the successful results, C-MER and OPT launched a joint center recently (new change)
- ◇ May able to apply in Mainland China as well
- ◇ As reference, may try to enter other overseas market, such as Singapore

Thank you

Q & A

Reference

- ◇ Bakari, H., Hunjra, A. I., & Niazi, G. S. K., 2017, *How does authentic leadership influence planned organizational change? The role of employees' perceptions: Integration of theory of planned behavior and Lewin's three step model*. Journal of Change Management, 17(2), 155-187.
- ◇ C-MER, 2021a, *DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 60% EQUITY INTEREST OF THE TARGET AND PROVISION OF SHAREHOLDERS' LOANS TO THE TARGET*, Available at: https://admin.cmereye.com/themes/grouptemplate_zh-hk/Public/assets/pdf/EW-20211111.pdf (Accessed on 3 Apr 2023)
- ◇ C-MER, 2021b, *2021 Interim report*, Available at: https://admin.cmereye.com/themes/grouptemplate_zh-hk/Public/assets/pdf/zqbg-20210927.pdf (Accessed on 3 Apr 2023)
- ◇ C-MER, 2022a, *2021 Annual report*, Available at: https://admin.cmereye.com/themes/grouptemplate_zh-hk/Public/assets/pdf/EW2022-0330.pdf (Accessed on 30 Mar 2023)
- ◇ C-MER, 2022b, *2022 Interim report*, Available at: <https://admin.cmereye.com/wp-content/uploads/2022/09/2022-INTERIM-REPORT1.pdf> (Accessed on 30 Mar 2023)
- ◇ C-MER, 2023, *Business Milestone*, Available at: https://cmereye.com/Business-milestones_en (Accessed on 30 Mar 2023)
- ◇ Malik P., 2022, *Lewin's 3-Stage Model of Change Theory: Overview*, Available at: <https://whatfix.com/blog/lewins-change-model/> (Accessed on 30 Mar 2023)
- ◇ The Chinese University of Hong Kong, 2021, *CUHK Study Demonstrates a 2.5-fold Increase in Myopia Incidence in Children During COVID-19 Pandemic Due to Less Time Outdoors and More Time on Screens*. Available at: <https://www.med.cuhk.edu.hk/press-releases/cuhk-study-demonstrates-a-2-5-fold-increase-in-myopia-incidence-in-children-during-covid-19-pandemic-due-to-less-time-outdoors-and-more-time-on-screens> (Accessed: 9 Apr 2023).
- ◇ Yam, J. C. et al., 2020, *High prevalence of myopia in children and their parents in Hong Kong Chinese Population: the Hong Kong Children Eye Study*. Acta ophthalmologica, 98(5), e639-e648.

Appendix

Introduction of Company – C-MER Eye Care

C-MER Eye Care Holdings Limited (“C-MER”) started their business since 2012 in Hong Kong. Since that, C-MER has become as one of the top Ophthalmic Centres in Hong Kong with their rapid growth and opening more centres in different suburb, to aim to provide professional eye care service to the public. No doubt, C-MER is the leader of this industry in local market.

On the other hand, C-MER didn’t stop changing since the beginning, after one year of launching in Hong Kong, C-MER has launched their first eye care centre in Shenzhen in 2013, to expand and explore the market potential in Mainland China.

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 entering Mainland China market, currently they have total seven eye hospitals and three eye centres in China, eight eye centres in Hong Kong (C-MER, 2023).

Since 2021, C-MER started to acquire different businesses in Hong Kong, not only for eye care services, also with other specialties in medical industry, including Laser centres and dental centres (C-MER, 2021b).

Appendix

The business environment of C-MER Eye Care

Their business model has changed as well, they were starting with an ophthalmic centre by solo surgeon Dr. Dennis Lam, then inviting more eye surgeons in Hong Kong to join their group, but still only focusing on the medical and surgical service to the public. 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.

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 an unique brand image, C-MER could not only having 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.

Appendix

Change Model - Lewin's Three step model

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.

In the current business environment, 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, some 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 C-MER case, they have observed that the myopia control business was rising 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 is increasing in Hong Kong in the past few years.

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. 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).

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.

Appendix

Evaluate critically the change programme and review its effects on organisational behaviour / operation

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.

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. 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.

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.

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.