

Summer Spruce Up:

An Investment in Success

**Five 'cleanups' that will help
secure your future**

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Success always begins with avoiding the phrase, “I don’t have time.”

As a pharmacy owner, your first step on the path to success was taken when you purposefully made time for pharmacy school. Some five years later, you then invested time and effort in practicing your skills while figuring out how to buy a pharmacy.

Knowing how things are in the world of pharmacy ownership, it is probably safe to assume that from one second after you purchased your first pharmacy to this very moment today, you’ve been caught in a time-consuming whirlwind of doing everything it takes to make your business a success. If you are like most pharmacy owners, you never seem to have quite enough time for what needs to be done, let alone time for those things you would like to get done.

And that’s how it goes. Life in pharmacy is a demanding and relentless task-master that won’t take “no” for an answer. Its needs consume your needs. Its crises become your crises. Its success becomes an increasingly demanding burden on your time.

When it comes time for life after pharmacy, it is not uncommon for a former pharmacy owner to need a little encouragement to explore new interests. Single-mindedly reacting to the needs of the pharmacy may seem like the best way to succeed. The truth is, it is the best way to fail. If you want to enjoy a great life after pharmacy—and perhaps enjoy a great life outside of pharmacy during your active career—you must purposefully make time once again. Just as you made time for pharmacy school, as soon as you take on the mantle of ownership, you must make time for taking care of you.

That’s where some late summer cleaning comes in. Yes, we hear about spring cleaning all of the time, but any time is the right time for sprucing up.

Here are five “cleanups” you can take care of this summer to help ensure you enjoy the best possible outcomes in return for dedicating your life to pharmacy ownership. And, as you take each of these cleanups on, I guarantee you will be pleasantly surprised at the positive impact they have on all aspects of your personal, financial, and ownership success.

1 **CLEANUP NO. 1: DEFINE YOUR PLAN FOR INDEPENDENCE**

Like beauty, independence is in the eye of the beholder. What you value now and what you wish for in the future can be yours if you create a plan for independence. Think of independence in two modes: the ability to do what you want while working in pharmacy, which means taking care of your life outside of pharmacy, and the ability to enjoy a meaningful, fulfilling, and comfortable life after pharmacy.

When you can answer the following four questions in a manner that is clear and gives you tremendous confidence, you will be well on your way to achieving an inspired level of independence. The work you must do to answer these questions with clarity and confidence is one of your life's most important cleanups.

- What does independence mean to you now and in the future?
- What is your plan for financing your independence?
- What role will your pharmacy play in that plan?
- Is your retirement plan helping or hurting you?

2 **CLEANUP NO. 2: CREATE A DYNAMIC LEGACY FOR TODAY AND THE FUTURE**

The word legacy typically conjures up images of inheritances, endowments, and philanthropy. Basically, we think of it as rich people giving money to heirs, churches, alma maters, charities, communities, and the arts. For most pharmacy owners toiling away at their businesses, thoughts of legacy usually do not extend very far. Most are satisfied knowing that when the last prescription is filled and they head off into the sunset, there just might be something left over for their children and grandchildren.

Unfortunately, even that simple wish is often unfulfilled. No matter what you

want your legacy to be, finding the best possible answers for these four questions will help ensure your legacy has the best possible chance of being realized.

1. What do you want your legacy to be?
 - For your family?
 - Your pharmacy?
 - Your community?
 - Your wisdom?
2. Is your pharmacy prepared to succeed without you once you start your life after pharmacy?
3. Is your family prepared to succeed once you start your life after pharmacy?
4. Do you have the right documents in place?

3 **CLEANUP NO. 3: CONTINGENCY PLANNING IN CASE YOU SUDDENLY CANNOT WORK**

"Something like that will never happen to me."

A pessimist would say those will likely be your famous last words. When it comes to creating a contingency plan, the old truism, "Plan for the best. Prepare for the worst." is time-tested wisdom. Creating a contingency plan for protecting the financial viability of the pharmacy in case you cannot show up for work is one of those cleanups that all pharmacy owners know they should complete. Trouble is, expediency rules and contingency planning is seen as a luxury you cannot afford, until something happens... Here is a brief description of how to put an effective contingency plan in place.

What is a Contingency Plan?

- A contingency plan is created to address an exceptional risk that, though unlikely, would have catastrophic consequences. One of the valuable outcomes of contingency planning is the immediate identification of strategies for reducing the chances of a catastrophe in the first place.

How does it work?

- While fires, floods, or tornadoes are things we often connect with contingency planning, the type of planning most essential to your success is planning around people. What happens if you are unable to work for an extended period? What happens if your key employees are unable to work for any reason? What happens if your junior pharmacist suddenly decides to leave?
- These things can cause confusion, disorder, loss of income, and even the demise of your business.
- Your best bet is to make contingency planning a normal part of the way your business works.
- Start with a thorough assessment of the risks your pharmacy faces and how these risks could impact critical pharmacy functions (remember to include the risk of losing key people as discussed above).
- Don't get too carried away; a truly thorough risk analysis will give you a huge list of potential threats. Prioritize by determining which threats are most likely AND which ones would have the most dire impact on your success.
- The end result of a risk analysis is usually a huge list of potential threats: if you try to produce a contingency plan for each, you may be overwhelmed. This is why you must prioritize.
- Consider contingencies you can put into place today that would reduce the impact of the prioritized risks and incorporate them into your business.

As stated earlier, the most important part of your contingency plan is being prepared to handle an unforeseen death or disability to you or any of your key employees. This is a common reason mentioned by pharmacy owners for not reaching their ownership potential and hitting their ownership goals.*

** Contingency planning and buying disability insurance, business overhead expense insurance, or key employee life insurance are two separate things. Insurance can provide much needed capital to an unfortunate situation, but it does not resolve the issue of determining the essential things that must be done at the pharmacy to survive until you or the key employee can return to work or a replacement can be found.*

4 CLEANUP NO. 4: ADDRESSING LONG-TERM CARE RISK IN YOUR INDEPENDENCE PLAN

The thing to remember about long-term care (LTC) insurance is that by the time you really need it, it's far too late to buy it.

Here are some basic facts to help you manage the expense of long-term care should you require it during your life after pharmacy.

- There are two separate parts of a long-term care plan: the transitions of care (how care will be delivered at each stage) and the funding (traditional long-term care insurance and other options).
- Both are equally important, but how care will be delivered is the often overlooked part of the plan. In our opinion, this should be the first part of any plan. Once this is completed, then funding should be determined.
- You must be healthy to qualify for any form of long-term care insurance. Since your health changes as you age, it's prudent to consider LTC insurance way before you retire. Most pharmacists look into LTC insurance in their early 50s.
- There are many forms of LTC insurance on the market today and the costs vary greatly. A good advisor can show you the different options and work with you to find the option that best fits your goals and budget.

- Another reason to shop around is that health qualifications vary significantly from one insurer to another. Be prepared to share information with an insurance professional. You want them matching you with the company offering the best protection for the best price.
- Make sure you plan to pay these premiums (or fund LTC another way) in your retirement budget for the rest of your life. This is the biggest threat to your retirement nest egg.

5 CLEANUP NO. 5: GET YOUR PERSONAL CASH FLOW UNDER CONTROL

Joe Dominguez championed living a simple and frugal life. Dominguez, who died in 1997, was an author and speaker in the Voluntary Simplicity movement. He spent years urging Americans to save money by cutting their rampant consumerism. We like to ask a simple question when we work with pharmacy owners: How much is enough?

If you think about how much income your pharmacy has to make to generate the money you take out of it for personal expenses, every dollar you spend can be traced back to many, many more dollars earned.

Dominguez proved that when you pay attention to how you spend money, you spend less. And, when you spend less, you have the freedom (independence!) to work less. When you work less, you have the time to focus on things that mean more to you than accumulating possessions.

This is perhaps one of the most immediately effective strategies for realizing your plan for independence during your life in pharmacy.

By examining your answers to these five questions, you will most likely be

able to identify ways you can immediately gain greater control of your cash flow.

- Do you know how you spend every dollar you bring home?
- How well does your pharmacy budget work?
- Do you evaluate all of your service providers every year for cost savings opportunities?
- Do you have a personal budget?
- What guidelines are in place to help you control your personal spending?

We all dream of having a clean house... but who dreams of actually doing the cleaning? The fact is, we don't have to dream about doing summer cleaning, because the work is always right there waiting for us. What we need is the will (and perhaps courage) to make the time for getting down to work.

Doing your summer cleaning by taking on these forms of strategic planning means confronting the forces of expedience that dominate the lives of most pharmacy owners. What we have seen time and again is that avoiding a necessary confrontation eventually leads to making poor choices.

Roseanne Barr once said, "The day I worry about cleaning my house is the day Sears comes out with a riding vacuum cleaner." Unlike Roseanne, your success and your ability to achieve true inspired independence is not possible until you take on the need to do a little summer cleaning. ■

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