

BUSINESS PLAN START-UP GUIDE

Putting Together a Winning Team

When forming a business plan team, it is beneficial to have people with a variety of interests, experiences, and passions. Diversity will strengthen your brainstorming abilities and simplifies task assignment. The table below is an example of various qualities, interests, and expertise of individual members that may contribute to developing a strong, competitive team.

Helpful Professional Resources When Developing Your Business Plan

Member interest or expertise	Best Suited For
Good at organizing, editing, and setting deadlines	Team Captain
Interested in or has a background in marketing, design, or patient recruitment	Marketing Section
Interested in or has a background in finances, accounting, loans, or business administration	Financial Section
Interested in or has a background in program development and clinical services	Product and Service Development Section
Interested in or has a background in law, business administration, or population analysis	Description of Business Section
Interested in or has a background in workflow, architecture, and design	Physical Description of Business Section

- **Independent pharmacist**

It may seem obvious, but it will be beneficial to seek out more than one independent pharmacist, preferably one who is an owner. Independent pharmacists will be one of your best resources, as they have tremendous insight into the business of pharmacy. Most are more than willing to work with students, share their knowledge and expertise, and provide tours of their store. If you need assistance locating an independent pharmacist in your area, a list of NCPA member owners can be provided by contacting NCPA student affairs at studentaffairs@ncpanet.org.

- **Lawyer**

A lawyer who is well versed in business structuring can help determine the proper structure for your pharmacy. They can also help ensure that your business plan includes liability protection and that your pharmacy's finances will benefit the most come tax season.

- **Accountant/Banker**

An accountant or banker can be a remarkable tool when planning your business plan finances. Their expertise, along with use of the *NCPA Digest* sponsored by Cardinal Health, will ensure that your financial projections are sound, realistic, and applicable. They should be able to help you develop your balance sheet, income statement, cash flow statement, and pro forma statements, as well as make sure that your ratios are in line with your competition. NCPA members can access the *NCPA Digest* in the members' only section of the NCPA website at www.ncpanet.org.

- **Insurance Agent**

An insurance agent familiar with small businesses can be valuable in determining any threats your pharmacy may encounter and find solutions to ensure that your pharmacy and its employees are well protected.

The more varied sets of eyes you have reviewing your plan, the better chance you have of seeing all of the various angles of the business. Utilize the resources and connections that you have at your school, your work place, and with your families, friends, and neighbors.

Selecting your pharmacy

The three most important factors in selecting a pharmacy are 1) location, 2) location, and 3) location. The pharmacy chosen by you and your team will greatly impact the direction of your plan. Whether you decide to purchase an existing pharmacy or start a new one, a thorough location analysis is recommended.

- **Purchasing an Existing Pharmacy**

Keep in mind that your goal is to improve an already existing model. Choosing a pharmacy in an area of growing need provides you an opportunity to expand your pharmacy services. Find a pharmacy that allows you more room to showcase business ideas that will improve the success of the business. [“Buying a Pharmacy”](#) is available in the NCPA bookstore, if you would like greater information on how to purchase an existing pharmacy.

- **Starting a New Pharmacy**

Location is of greater emphasis when starting a brand new pharmacy, since you will also have to build your customer base from the ground up. Something as simple as what side of the street the pharmacy sits on can double or cut your business in half. Keep in mind that accessibility is a key determinant of a successful business. Make sure that the prescribers and community where you select your practice will be able to welcome and sustain your new pharmacy. NCPA’s [“Opening a Pharmacy: A How To Guide”](#) is available for purchase in the NCPA bookstore, and is a great resource on how to start a pharmacy.

- **Junior Partnership**

In the most basic scenario, a junior partnership allows ownership share and management responsibilities to shift from the seller to the buyer over a specified time period at a specified price. Sellers benefit financially from this arrangement, including potential tax advantages to receiving proceeds of the sale over a number of years, verses in a lump sum. Buyers also benefit financially, as typically there is a much lower cash requirement for junior partnerships than there is with traditional buyouts. Beyond the financial benefits, junior partnerships also allow for a mentorship relationship between owner and buyer, as well as the opportunity to connect with the patients and community of the pharmacy. , [Pharmacy Junior Partnership](#) is available in the NCPA bookstore, for more in depth information about Junior Partnerships

Obtaining Pharmacy Participation to Provide Resources

When approaching the pharmacy owner for permission to view their financials or other resources, ask if they are familiar with the NCPA Business Plan Competition. Initially, owners may be hesitant to open their books to you, but providing some background information on the competition may help alleviate some of their concerns. If they are still hesitant, ask them if they would be willing to mentor you through the process.

Helpful tips:

- Do your **research** before dropping by the pharmacy.
- **Be familiar** with their customer demographics and **identify** any potential opportunities to widen their range of services. Presenting this information to the pharmacist can offer new perspectives on how to improve their operations, and will make the pharmacist more inclined to working with you.
- **Communicate** to the owner how you will maintain the store owner's confidentiality. This is very important.
- Be **patient**. Owners are busy running their stores and possibly other businesses as well. Plan accordingly and set up meetings early when possible.

The owner may still decline to participate. All is not lost. Keep contacting other pharmacies. Ask team advisors, faculty members, and practicing pharmacists if they know of a pharmacy owner that would be interested in participating.

Additional Resources

Provided are several sites that may be helpful during your initial research. There are numerous resources available, so be resourceful and select those that align parallel to your business mission and objectives.

- State and Quick County Facts. U.S. Census Bureau: <http://quickfacts.census.gov>
- Managing the Pharmacy Inventory.
<http://www.ncpanet.org/members/pdf/ownership-managinginventory.pdf>
- Advantage Software LLC. Depreciation - Depreciation Real Estate:
<http://www.invest-2win.com/depreciation.html>
- U.S. Bureau of Labor Statistics: <http://www.bls.gov/>

Final Words

"Entrepreneurs must learn to be like bloodhounds. They must learn how to sniff out the unmet needs of the people they wish to serve. To win new customers, ask the golden question: "What's the unmet want and how can we meet this unmet want before anybody else does?" -Peter Patsula

Remember that innovation is what defines independent pharmacy. You may be modeling a pharmacy that is quite different than what the original plan called for. Given this new and different pharmacy, it is up to you and your team to analyze the market, identify new opportunities, and expand services to meet customer needs.

Good luck!