



“Healthy Living Begins Here”

Owner: Caren Winters, Pharm.D.

Pharmacy Business Plan

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Description of Business

Location ^[1]

- Located between Atlanta and Athens, 1 hour from Atlanta and 30 minutes from Athens
- Conveniently centered in the quickly growing medical community of Bethlehem
- Plenty of leisure activities nearby: local park, shopping, restaurants, and entertainment
- 37-bed assisted living community located directly behind RxExchange



Demographics ^[2]

- Population within 7 miles in 2018: 68,413
- By 2023, the population is expected to increase by 8.84% to reach 75,039
- Georgia average population growth: 1.13%
- Median age of population within 7 mile: 36.1
- 50% of population has some college education, and of those, 19% have earned a bachelor or professional degree

Local Prescribers ^[3,4]

- Within 5 miles: 131 prescribers that write ~53,500 prescriptions/month
 - In line with the NCPA average prescription cost of \$55.15, this assumes over \$35 million market
- Within 2 miles: 32 prescribers that write ~20,000 prescriptions/month
- Prescribers include: vets, ENT, urgent care, endocrinology, family medicine, dental offices
 - Since May, 2 more dental offices have opened

Competition Analysis ^[1,5]

- Total of 9 competitors within 7-mile radius
- Only 2 of those competitors are located in the immediate Bethlehem area and only 2 are independent pharmacies
- There are currently no independent pharmacies located within Bethlehem
- None of the competitors offer the same niche services as RxExchange
- Through Dr. Winters' experience at one of the competitors within 2-mile radius, average prescription volume is 400-500 prescriptions/day on weekdays → 8,000 prescriptions per month
- The other competitor has similar volume, thus we estimate there are a total of 16,000 prescriptions filled within 2 miles of RxExchange
- With ~20,000 prescriptions available per month within 2 miles, it is evident that Bethlehem can support RxExchange

Products and Services

We will provide all of the typical products and services you would expect from your neighborhood pharmacy and more!

- Expected services include: immunizations, MTM, individualized patient counseling, and compounding (including USP <800> compliance)



A comprehensive list of our innovative products and services includes...

Delivery Services

- FREE delivery to all patients within a 10-mile radius of RxExchange
- Delivery technicians will be provided with an iPad to offer pharmacist telecounseling to all delivery patients

Medication Synchronization/Bubble Packing

- To provide a hassle-free prescription experience, patients have the option to pick up all their medications on the same, pre-specified day each month
- The pharmacy will bubble pack these medications if desired

Point of Care Testing

- As the role of the community pharmacist grows and evolves, RxExchange is staying ahead by providing glucose and cholesterol screenings to the community for a small fee, followed by a counseling session

Coming March 2020: Biweekly Diabetes, Nutrition, and Fitness Classes

- By partnering with the nearby University of Georgia, faculty and students majoring in dietetics and exercise/sports science will fulfill major requirements by leading classes and presentations at RxExchange
- The layout of the pharmacy will be conducive to hosting these classes on-site for patients to learn more about their disease states and how to maintain a healthy lifestyle
- Nutrition classes can be bundled with a one-on-one consultation with a dietician/student to meet personalized needs
- Hour-long fitness classes will be welcoming to all ages/skill levels

Community-Building Health and Wellness Events

- To promote health and wellness in Bethlehem at-large, RxExchange will host community outreach events that include 5Ks, health fairs, and more to bring the community together and achieve our vision of serving as a healthcare center for Bethlehem

Marketing Strategy

Target Population ^[2]

- We defined the population to help develop a marketing strategy
- Based on an ERSI Dominant tapestry report, the population within 3-mile radius is composed of “Up and Coming Families” and “Middleburg”
- “Up and Coming Families” are one of the fastest-growing markets in the country.
 - Median age: 31.4; median household income: \$72,000
 - These families are considered careful shoppers, aware of prices, and are open to influence by others’ opinions
- The “Middleburg” population are conservative, family-oriented consumers
 - Median age: 26.1; median household income of \$59,800
 - They prefer to buy American and are well versed in technology

Marketing Strategy ^[2,6,7]

- Majority of marketing is from Dr. Winters and her involvement in the community
- Dr. Winters’ previous employment at a local competitor has allowed her to establish rapport with patients and prescribers
- Dr. Winters current community involvement:
 - Member of local church
 - Volunteers at the local food bank
 - Member of pharmacy organizations including NCPA and GPhA
- One day a week will be dedicated to being visible within the community and creating partnerships with prescribers and the assisted living community
- Aside from Dr. Winters direct involvement within community, marketing toward the population will include:
 - A 6-month long billboard advertisement located directly across the street from the pharmacy, where an estimated 25,800 cars will pass by each day
 - Interactive website that includes calendar of events and allows patient to ask questions
 - Promotional flyers and advertisements that will be on display at physician offices
 - Sponsorships of local sports teams and community projects
- Health fairs and other events will provide additional advertising to a larger market
- The marketing budget will be larger in the first year of business to account for the cost of a billboard

Marketing Budget			
Description	Year 1	Year 2	Year 3
Billboard	\$6,000	--	--
Website	\$300	\$300	\$300
Promotional Ads	\$2,400	\$2,400	\$2,400
Sponsorships	\$500	\$1,000	\$1,000
Flyers/Business Cards	\$2,400	\$2,400	\$2,400
Miscellaneous	\$400	\$800	\$800
Total	\$12,000	\$6,000	\$6,000

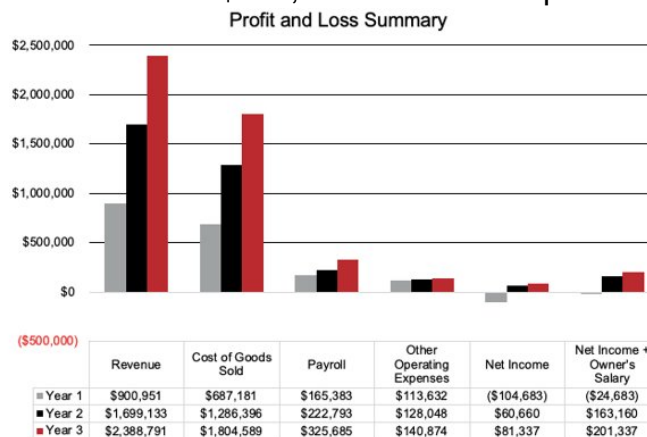
Financial Overview [8]

Projected sales

- Estimated prescription volume in year 1:14,140; year 3: 37,290
- Estimated 518 compounded prescriptions in year 1, increasing to 2,023 by year 3
- Immunizations and MTM volume will slowly grow over time
- Diabetes, nutrition, and exercise classes will begin in March 2020 (year 1) and increase slowly as the program builds

Profit & Loss Summary

- Revenue will increase from \$900,951 in year 1 to \$2,388,791 in year 3
- Cost of goods sold increase accordingly with revenue growth
- Net Income is negative in year 1, but increases to \$81,337 in year 3
- Net Income + Owner's Salary, or the return available to the owner is also negative in year 1, which is to be expected in a startup
 - By year 3, the owner returns \$201,337. This is a respectable 8.4% of revenue



Cash Flow Projections/ Break Even Analysis

- As prescription volume increases, the pharmacy must invest in additional inventory to meet demand, thus limiting cash flow
- In year 2, RxExchange's cash flow from operations is slightly positive each month. However, its loan payment (cash flow from financing) forces cash flow negative in some months
 - RxExchange's cash flow is \$(624) in year 2
- RxExchange's first breakeven month (in terms of cash flow) is in year 2, month 16
 - The pharmacy generated \$1,779 in cash after all activities in that month
- In year 3, pharmacy operations generated \$24,717 in cash
 - Cash flow decreases \$5,279 in year 3 in total after servicing start-up debt
 - However, on-hand cash is still at a reasonable amount at the end of the year
- Available cash never decreases below \$42,000 in any month

	Year 1	Year 2	Year 3
Beginning Cash	\$225,000	\$53,646	\$53,022
Cash Flow from Operations	\$(145,525)	\$27,211	\$24,717
Cash Flow from Financing	\$(25,829)	\$(27,835)	\$(29,996)
Ending Cash	\$53,646	\$53,022	\$47,743

References

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