

## Break Even Calculator

This calculator will help you determine the number of prescriptions you must dispense to break even. The break even point is a prediction of when total sales equal all fixed and variable costs to operate a pharmacy for a year and begin to earn profits. The default values are industry averages taken from the 2014 NCPA Digest.

If you are a START-UP, use data from your pro forma financial documents to fill in the white boxes below.

If you are an EXISTING business, estimate your annual expenses, or refer to your itemized tax return.

**Total Revenue from Prescription Drugs** 3,590,000.00

**Total Prescription Drugs Dispensed** 62,424

### Fixed Costs

Rent	58,000.00
Pharmacy Computer Expense	16,000.00
Utilities and Telephone	16,000.00
Business Insurance	12,000.00
Additional Fixed Costs	136,000.00

**Total Fixed Costs** \$238,000.00

### The following are assumed to be variable costs:

Costs of Goods Sold	2,750,000.00
Store Suppliers, Containers and Labels	12,000.00
Delivery Service and Office Postage	0.00
Other Variable Costs	0.00
All Staff Costs (including owner compensation, employee benefits and payroll taxes)	520,000.00

**Total Variable Costs** \$3,282,000.00

**Average Price per Prescription Drug** \$57.51

**Average Variable Cost per Prescription Drug** \$52.58

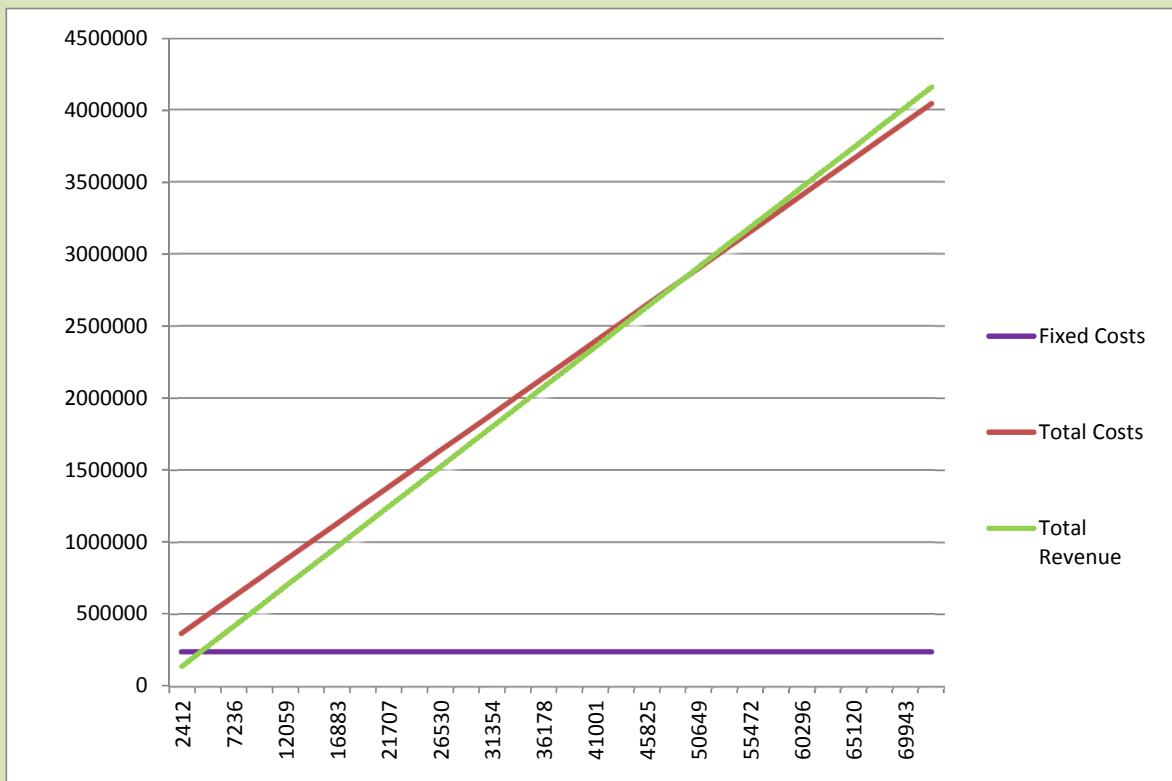
**Contribution Margin** 0.0858

For every dollar of revenue gained from selling a prescription drug  
9 cents goes towards paying off fixed costs, and contributes to  
the profit for the pharmacy.

**Break Even Point**

48,236.73

A total of 48,237 prescriptions must be dispensed for the pharmacy to break even.



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