



# One Size Doesn't Fit All: Evaluating and Tailoring Your Next Business Decision

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# Disclosure Statement

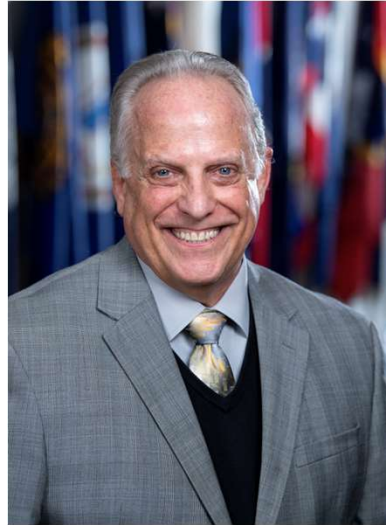
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# Pharmacist and Technician Learning Objectives

1. Explain why it is important for pharmacies to explore and evaluate new business models/practice opportunities that best fit their business' needs.
2. Outline strategies for evaluating a business opportunity including relevance to your specific pharmacy environment, community needs, market trends, and financial sustainability.
3. Discuss the importance of practice readiness, transformation and adaptability when developing and implementing a new business or service venture.

# Speaker



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# A System in Need of Disruption

## **CVS's Latest Move Proves Mark Cuban Was Right When He Said He Plans to Truly (Disrupt) the Drug Industry**

<https://www.inc.com/jeff-haden/cvss-latest-move-proves-mark-cuban-is-truly-disrupting-drug-industry.html>

## **Prescription for disaster: America's broken pharmacy system in revolt over burnout and errors**

<https://www.usatoday.com/story/news/investigations/2023/10/26/pharmacy-chains-dangerous-conditions-medication-errors/71153960007/>

## **Walgreens agrees to be acquired by private equity firm for almost \$10 billion**

<https://www.npr.org/2025/03/07/nx-s1-5320798/walgreens-private-equity-acquisition>

## **NCPA Applauds New Class Action Lawsuit Against UnitedHealth, OptumRx to Recoup DIR Fees**

<https://ncpa.org/newsroom/news-releases/2023/12/19/ncpa-applauds-new-class-action-lawsuit-against-unitedhealth>

# Why is This Happening?

- Vertical Alignment
  - CVS Caremark-Aetna, Cigna-Express Scripts, UnitedHealth Group-Optum, BC/BS-Prime Therapeutics
- Newer companies entering into the marketplace
  - Amazon PillPack™, divvyDOSE™, SmartScripts™, etc.
- Impact of PBMs
  - Dramatic reduction in payment for product & dispensing services
- Lack of payment models for pharmacist provided patient care services





***With All This Noise***

***Are there Opportunities  
or just Threats to our Profession?***



# What's not being said?

- Pharmacist-Patient relationships
  - *Therapeutic relationships*
  - *Pharmacists are the most accessible providers*
- Ensuring that patients are achieving their therapeutic outcomes with safe and effective medications
  - *This is OUR DOMAIN, OUR EXPERTISE, OUR TRAINING*
  - *We are uniquely educated and trained as the drug therapy expert*
- Quality patient care
  - *It's about VALUE not VOLUME*
- Inexpensive drugs can cause costly adverse events and even death if not appropriately monitored



# Opportunities for Pharmacists

- Drug Spend in 2019 to top \$370 billion

<https://www.healthleadersmedia.com/finance/pharmaceutical-spending-top-370b-2019>

- Cost of nonoptimized medication therapy
  - \$528.4 billion (2016)
  - 275,689 deaths
- Causes
  - Nonoptimized therapy
  - Non-adherence
  - Under-prescribing
  - Adverse effects
  - New medical problems

*Viswanathan M, Golin CE, Jones CD, et al. Interventions to improve adherence to self-administered medications for chronic diseases in the United States: a systematic review. Ann Intern Med. 2012;157(11):785-95.*

*Watanabe JH, Mcinnis T, Hirsch JD. Cost of prescription drug-related morbidity and mortality. Ann Pharmacother. 2018;1060028018765159. doi: 10.1177/1060028018765159*

# Towncrest Pharmacy Corporation



1989 and 2006

Town Crest  
Pharmacy in Iowa  
City



2012

Solon Towncrest  
Pharmacy in Solon

2016 and 2020

Towncrest LTC  
in Iowa City



2022

Cornerstone  
Apothecary in Van  
Horne, Belle  
Plaine, and  
Marengo



2022

Towncrest Wellness  
Apothecary in Iowa  
City



2022

Bennett Pharmacy  
in New Hampton



# Towncrest Pharmacy Services

- **Enhanced Services**

- Continuous Medication Monitoring (CoMM)
- **Medication Reconciliation**
- Medication Adherence Program (**Adherence packaging**)
- **Clinical Medication Synchronization**
- **Medication Therapy Management (MTM)**
- Enhanced MTM
- Med Check Program
- **Influenza and Pneumococcal Vaccinations**
- **Shingrix Vaccination**
- **Tdap Vaccination**
- Nursing Home Consulting
- CPAP service/Education
- Ostomy Consultations
- Drug Information Service
- Compounding
- Employer based health screenings
- Diabetic shoes
- Compression stockings

- **Wellness Center**

- Cholesterol screening
- Blood glucose screening
- BP screening
- Height and Weight
- BMI
- Point of care testing
  - COVID-19
  - Influenza
  - Strep

- **Specialized Focused**

- Mental Health
- Wellness
- Geriatrics
- End of life/palliative care
- Pharmacogenomics
- CHW/SDoH
- Long-term Care at Home



*Those services in **red** are the required core services for Community Pharmacy Enhanced Services Networks (CPESN)-IA*

# And the Newest Additions



**BECOME A MEMBER TODAY!**

**TOWNCREST**  
Wellness Apothecary

**TOWNCREST WELLNESS  
EXCLUSIVE MEMBERSHIP**

**MEMBER PERKS**

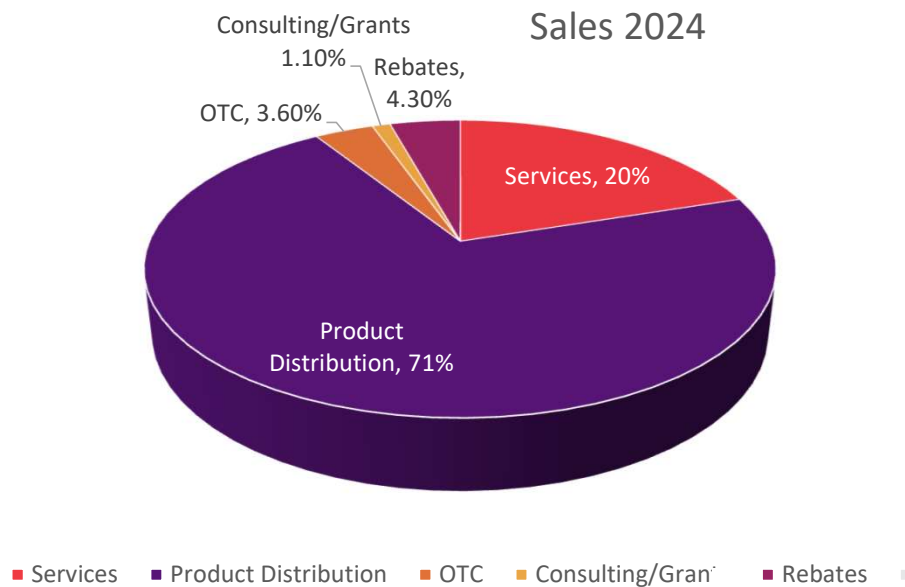
- \$0 PRESCRIPTIONS
- FREE DELIVERY/SHIPPING
- 15% OFF SUPPLEMENTS/OTCS
- ANNUAL PHARMACIST CONSULTATION

**\$39.00  
MONTHLY**

**JOIN US NOW** 319-688-4386 [WWW.TOWNCREST.COM](http://WWW.TOWNCREST.COM)



# Towncrest Financials



- Value-based contracts
  - Managed Care Organizations (MCO)
- Disruptive practice/business models
  - Cost-plus
  - Annual subscriptions
  - Direct contracting
  - Pharmacy Care at Home
  - Cash-based services
- Emphasis on non-dispensing revenue

# Disrupting with New Practice and Payment Models

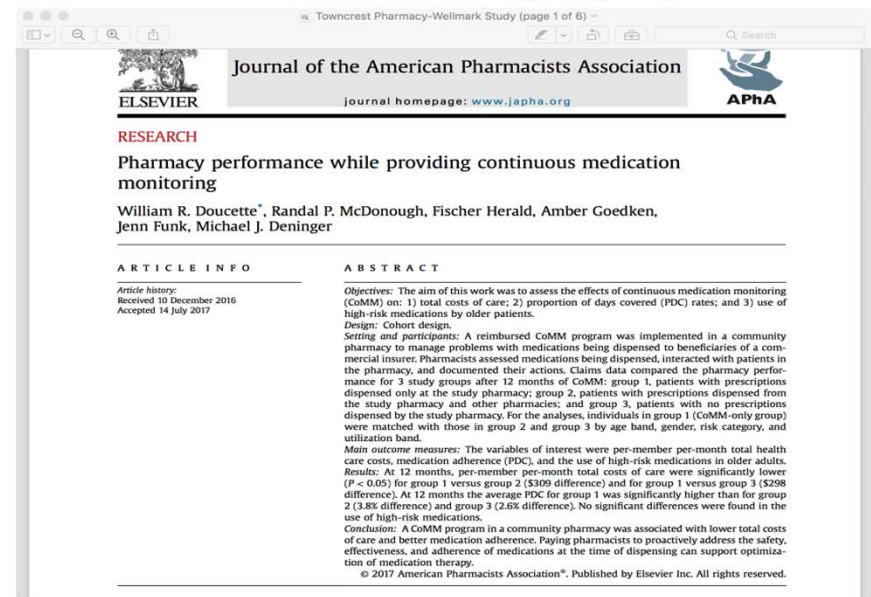
Cash-based Practice

Direct Contracting

Concierge Practice

- Other Opportunities

- Embedding PCPs into community pharmacies
- Value-based arrangements with payers



*J Am Pharm Assoc* (2003) 2017 Nov-Dec;57(6):692-697. doi: 10.1016/j.japh.2017.07.006. Epub 2017 Aug 24.



# Focus Areas

- Cash-based clinical services maximized
- Towncrest Wellness Apothecary—Cash-based practice
  - Consultations
  - Functional medicine supplements
  - Non-sterile compounding
- Pharmacy Care at Home—a goal of 500 patients by the end of the year
  - For LTC pharmacies
  - For eligible patients whose Part D plans include LTC benefit
- Functional medicine
- Non-sterile compounding
- Value-based reimbursement contracts—Maximize
- Grant income—maximize
- CPESN-USA Special Purpose Efforts
  - CPESN BI
  - CPESN Health Equity
- Medical billing
- Cost-plus
- Remote therapeutic monitoring
  - Adherence
- Remote patient monitoring

# Strategic Planning Process

- Determine vision & mission
- Situational Assessment
  - SWOT analysis
  - Internal/external evaluation
- Establish goals and objectives
- Plan strategies to achieve objectives
- Implement plan and evaluate results



# Situational Assessment

- SWOT Analysis
  - Assess **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats for pharmacy
- Scan the Environment
  - Identify opportunities and threats
  - Consider macroenvironment
  - Evaluate microenvironment

S STRENGTHS	W WEAKNESSES	O OPPORTUNITIES	T THREATS
<ul style="list-style-type: none"><li>• Things your company does well</li><li>• Qualities that separate you from your competitors</li><li>• Internal resources such as skilled, knowledgeable staff</li><li>• Tangible assets such as intellectual property, capital, proprietary technologies etc.</li></ul>	<ul style="list-style-type: none"><li>• Things your company lacks</li><li>• Things your competitors do better than you</li><li>• Resource limitations</li><li>• Unclear unique selling proposition</li></ul>	<ul style="list-style-type: none"><li>• Underserved markets for specific products</li><li>• Few competitors in your area</li><li>• Emerging need for your products or services</li><li>• Press/media coverage of your company</li></ul>	<ul style="list-style-type: none"><li>• Emerging competitors</li><li>• Changing regulatory environment</li><li>• Negative press/media coverage</li><li>• Changing customer attitudes toward your company</li></ul>

WordStream

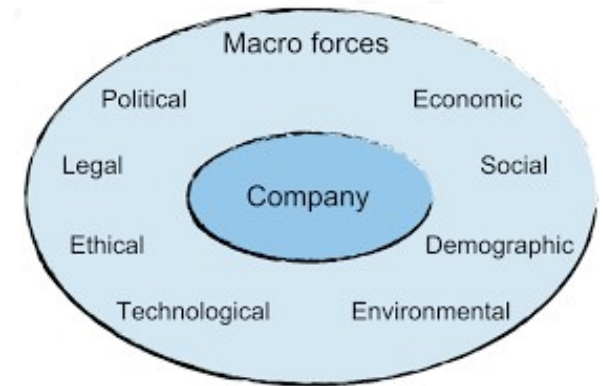
# Environmental Scanning

- Macroenvironment – external influences on pharmacy – not particular actors
  - E.g. Trend to control drug costs; Medicare MTMS
- Microenvironment – specific actors that affect the success of a pharmacy
  - E.g. Local physicians, pharmacies, insurers, employers



# Macroenvironment

- Economic factors
  - Health insurance, health care inflation
- Technology
  - Monitoring, EHRs, electronic care plans (e-care plans)
- Social factors
  - Demographics, family trends
- Competitive factors
  - Consolidation, integration, networks
- Regulation & Politics
  - Pharmacy practice regulations, lobbying groups



# Macroenvironment

## • Economic Factors

- Health care spending
- Health insurance
  - Value-based reimbursement
- Patients' willingness/ability to pay
- Direct contract opportunities

## • Technological Factors

- Technology - system through which a firm produces outputs - machines, methods, & knowledge
- Equipment – automated distribution, e-care plan platforms
- Managed care techniques
- Internet

# Macroenvironment

- **Social Factors**

- Demographics and culture – aging population
- Working for longer period of time
- Different wants and needs among the different generations



- **Competitive Factors**

- Consolidation of providers – Pharmacies, others
- Growth of national health care firms
- Managed care penetration
- Strategic alliances and networks



# Macroenvironment



## • Regulation



- Antitrust regulations – limit cooperation
- State regulators – collaborative practice agreements
- Accreditation
- Policies – recognizing pharmacists as providers

## • Political Factors

- Influence of interested parties
- Lobbying ability -- \$\$\$
- Public policy issues – support for “hot” issues
- Trade associations – state and national

# Practice Partner Analysis

- Evaluate microenvironment
  - Analyze practice partners
  - Identify opportunities and threats
- Identify parties that directly impact the firm
  - Customers
  - Suppliers
  - Regulators
  - Competitors



# Microenvironment – Practice Partners

- What is the nature of relations with each party?
  - E.g. Prominent physician group; large employer; health plans
- Is the power balanced?
- What is the level of cooperation and trust?
- Is there a long-term orientation?
- How are decisions made within the relationship?



# Microenvironment – Practice Partners

- Evaluation may involve input from multiple sources
  - Pharmacists
  - Administrators
  - Others – outside colleagues
  - Local media – newspapers, radio, TV



# Microenvironment – Practice Partners

- What is the nature of relations with each party?
- How will they affect your marketing?
- Look for **opportunities** for your services
  - Is there an unmet need?
- Identify **threats** to your plans
  - Are there potential competitors? If so, who?
  - What is likely physician response?

# Competitive Advantage

- Try to create an arrangement of resources so the practice can produce a market offering that, relative to competing offerings:

- 1) is perceived by some market segments to have superior value *and/or*
- 2) can be produced at lower costs

- Towncrest Pharmacy

- Know our customers, personalized service, experience in medication optimization and working collaboratively with other providers, proven clinical documentation system, etc.



# Types of Resources (Tangible)

- Financial
  - Cash reserves, cash flow, access to loans
- Physical
  - Plant, equipment
- Legal
  - Trademarks, patents, licenses
- Human
  - Skills, knowledge

## TYPES OF RESOURCES: TANGIBLE RESOURCES

- Relatively easy to identify, and include physical and financial assets used to create value for customers
- Financial resources
  - Firm's cash accounts
  - Firm's capacity to raise equity
  - Firm's borrowing capacity
- Physical resources
  - Modern plant and facilities
  - Favorable manufacturing locations
  - State-of-the-art machinery and equipment

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# Types of Resources (Intangible)

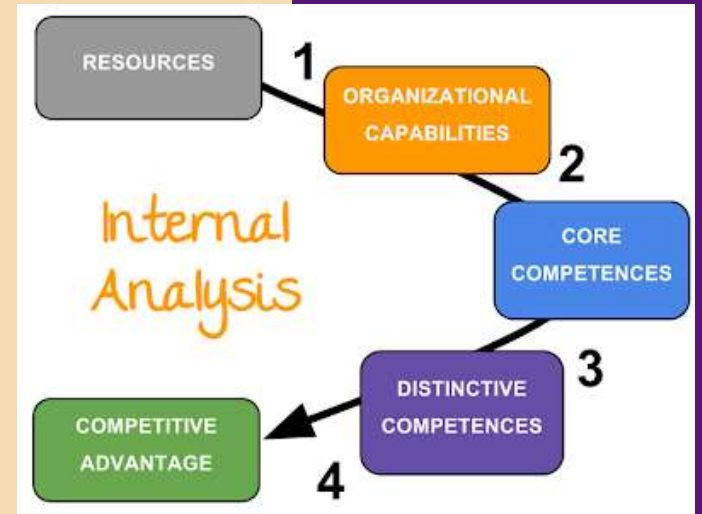
- Organizational
  - Competencies, processes, controls, culture
- Informational
  - Knowledge from consumer and competitor intelligence
- Relational
  - Relationships with suppliers and customers

## TYPES OF RESOURCES: INTANGIBLE RESOURCES

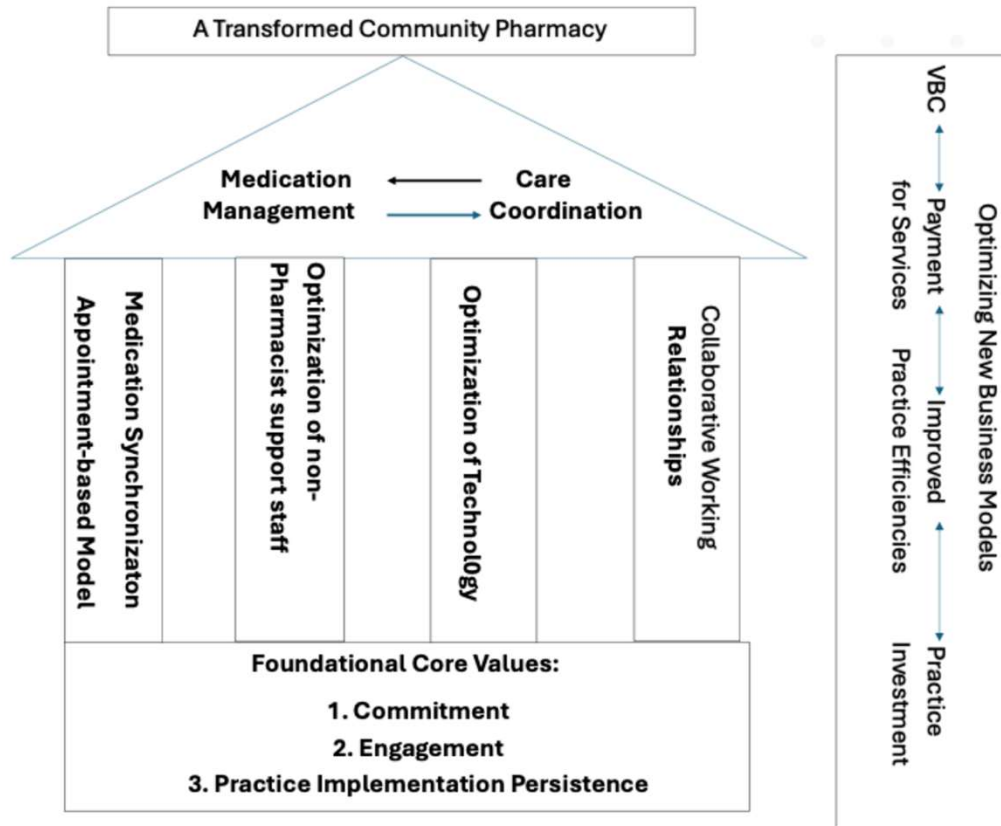
- Difficult for competitors (and the firm itself) to account for or imitate, typically embedded in unique routines and practices that have evolved over time
  - Human
    - Experience and capabilities of employees
    - Trust
    - Managerial skills
    - Firm-specific practices and procedures

# Internal Analysis

- Assess own strengths and weaknesses
  - What do we do well? Core competencies?
  - What resources do we possess that could give us a competitive advantage?
  - What advantages do our competitors possess?
  - How much investment is needed to overcome them?



# Practice Readiness



# Employee Readiness

- Intangibility. **Services** are inherently experiential.
- Inconsistency. **Service** delivery is prone to inconsistency.
- Inseparability. In addition to being intangible, a **service** is also inherently inseparable from the **service** delivery vehicle.
- Non-Inventoried.

## 4 I's of services

1. Intangibility
2. Inconsistency
3. Inseparability
4. Inventory



# Employee Readiness

- Training and development
- Practice support
- Practice transformation and readiness
- Engaging, committing, and persisting
- Accountability

## EMPLOYEE TRAINING AND DEVELOPMENT



# Practice Challenges

- Funding/practice investment
- Employee apathy
- Employee resistance/hesitancy
  - Lack of confidence in their competence?
- Practice partner(s) pushback/resistance
- Patient buy-in/acceptance
- Balance between managing operating costs and investing in the practice
- Persistence

## What Is Apathy at Work?

Characterized by a general lack of interest, enthusiasm, or motivation. In the office, it shows up as employees:

- ✓ Going through the motions
- ✓ Lacking a sense of purpose
- ✓ Showing minimal emotional investment





# Questions?

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