

PHARMACY Ownership Workshop

UNLOCK THE FREEDOM OF OWNERSHIP

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The Road to Pharmacy Ownership

Jonathan G. Marquess, PharmD, CDCES, FAPhA
CEO, The Marquess Group
VP, Academy of Independent Pharmacy



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Speaker



Jonathan G. Marquess, PharmD, CDCES, FAPhA
President & CEO
The Marquess Group

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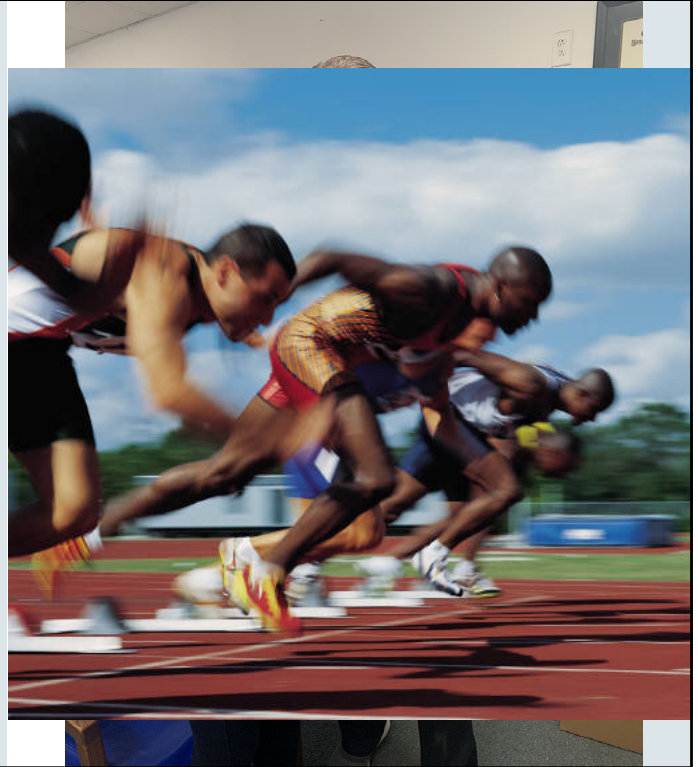
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Great to be here!!

- Welcome
- Thank NCPA
- Stellar Faculty
- Ideas need to be implemented
- Anyone successful has stood on someone's shoulders
- Marathon not a sprint



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Ground Rules

1. Ask Questions
2. Be Interactive
3. Think of Your Pharmacy (Now or Future)
4. Have Some Fun!!

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- ADCES Accredited Diabetes Education
- Chronic Care Management
- Compounding
- CPESN pharmacy
- Immunizations (and travel)
- Long Term Care Pharmacy
- Med Sync
- Adherence packaging
- MTM
- Point of care testing

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NCPA Ownership Workshop

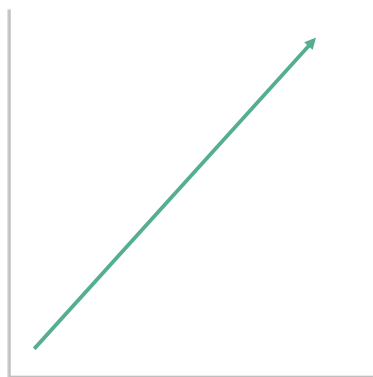
- It's wise to learn from experience, but its EVEN BETTER to learn from people (EXPERTS)
- One reason Elise invites me is, I have made a bunch of mistakes....
(but I learned from them).
- This conference is full of ideas (every NCPA conference is full of ideas). If you don't implement these ideas it's pointless.

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WHAT DOES **SUCCESS** LOOK LIKE TO YOU?

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SUCCESS

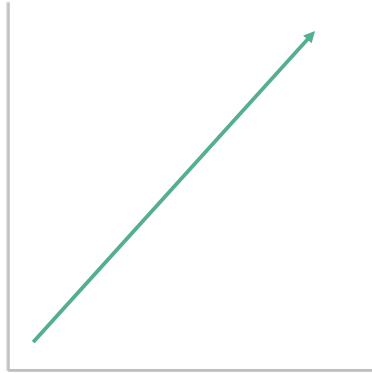


What it looks like....

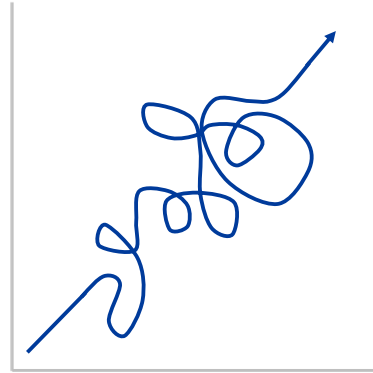
What it really looks like....

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SUCCESS



What it looks like....



What it really looks like....

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Barriers to change



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Life Before Pharmacy

- Born in Louisville, KY
- Worked at Hume Pharmacy and Walgreens
- Undergrad @ WKU
- Lots of BB and Golf!
- Moved to Atlanta for Pharmacy School
 - Worked at Medicine Shoppe
- Not much BB and Golf!



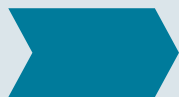
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The Beginning: Pharmacy Background



Education

1993 – Graduated from the Mercer University – Atlanta, GA



Career

1985 - 1993 – Worked at Hume Pharmacy, Walgreens and Medicine Shoppe



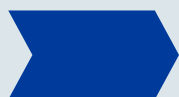
The Marquess Group Pharmacy

1993 – Opened First Pharmacy – East Marietta Drugs



Minimal formal business training

1989 – Started MBA program



Training

1993 – School of Hard Knocks

1996 – Attended Apple Management Program

2009 – Attended NCPA's Ownership and Management

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East Marietta Drugs - First Location 1993

- Large City (500k)
- Metro Atlanta
- 1 mile from the “Big Chicken”
- Owner financed @ 2% and bank loan
- Filled 7 Rx on 1st day
- Now average 175/d
- DSME and LTC
- 30-50 compounds/d
- 20 deliveries/d
- 8 staff



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Pharmacy - Funding

- Owner financing
- Local bank
- Regional bank
- Wholesaler
 - Initial \$75k inventory financed by wholesaler line of credit at 0% for 6 months
- Private financing companies
- Others



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Pharmacy - Start-up v. Buy - Expenses

- \$200k Working capital (estimate) +
- \$20,000 Furniture and fixtures
- \$20,000 Software and hardware
- \$8,000 Rent deposit and 1st month rent
- \$5,000 Marketing and signage
- \$2,400 FT technician during opening month
- \$2,000 Supplies (vials, bags, labels, etc.)
- \$2,000 Licenses, fees, etc.

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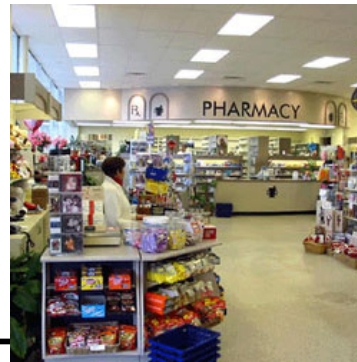


Ownership Journey:

- 2000 - Second location opened "Main Street USA"
- Five years after opening, opportunity to purchase building
- 5000 sf
- Marquess Group HQ
- \$50,000 remodeling cost

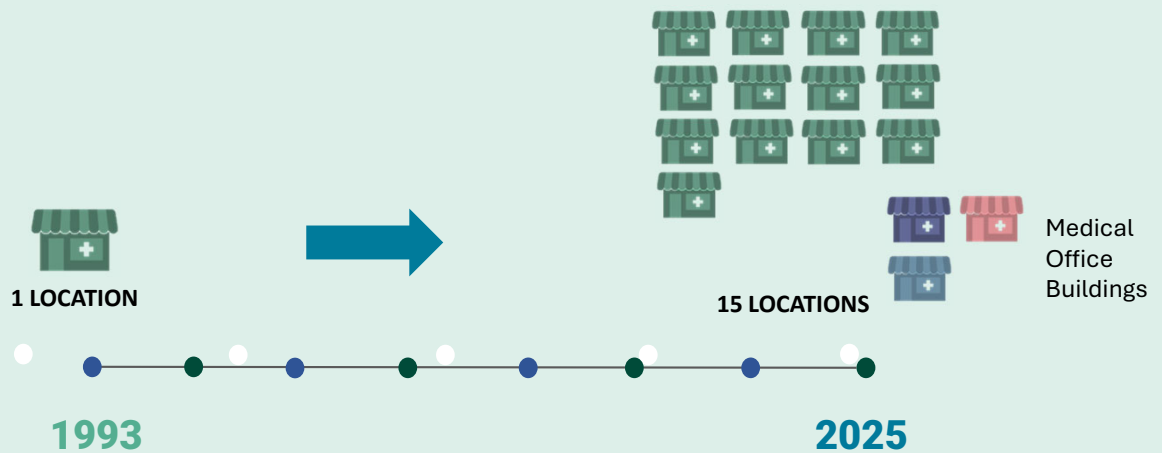
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Pharmacies



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PROGRESSION IN 32 YEARS:



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Niche Services



Medication Therapy Management

Get buy-in from technicians

Hire a motivated clinical pharmacist



Simplify My Meds®

Simplify My Meds

Medication synchronization

Increases customer satisfaction and loyalty



Free Prescription Delivery

5-mile radius (FREE)
(18 miles for Hospice - \$\$)

8 Drivers

Mobile apps

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Niche Services



Immunization

Off-site clinics

Offer travel vaccines

Leads to many other services

Uniform Shop, Hallmark Cards, College Campus, MOBs, Across the Street from 2nd busiest big box, LTC, DME



Compounding



Medication Disposal

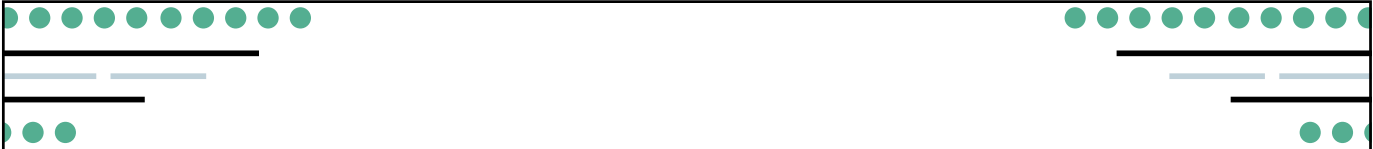
Dispose My Meds Program

Work with local law enforcement

All locations

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Review the 5 “I’s” for starting/sustaining a successful Independent Pharmacy

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Invalidate the Past

Learn from the past

“That’s never been done here before.”

“That can’t be done in this town.”



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Identify Your Goals

- Yogi Berra
- Wayne Gretzky
- Business Plan is a must!

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**“I know some owners who plan
their trip to Destin more than
they spend time on their
business !!”**

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Have a CLEAR Vision

- **State** the Vision Clearly
- **Cast** the Vision Creatively
- **Repeat** the Vision Constantly
- **Celebrate** the Vision Regularly
- **Embrace** the Vision Personally

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Isolate Your Obstacles

- Anything worthwhile – there will be obstacles
- Anywhere there is opportunities – there will be opposition
- Many sell their pharmacy? WHY?
 - They have problems (I have problems, we all have problems)
 - Get involved (local, state and national)
 - Do you do this, do that, no, no, no

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Investigate Your Benefits

Benefits must outweigh the obstacles

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Include Encouraging People

If you want to accomplish something, get some people around you that are going to encourage you, lift you up!

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Challenges to Ownership

Hiring
Mentality
Marketing



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Keep Priorities in Order

- You are unique – Don't give up what is unique to you just because someone else thinks it's wrong or hasn't been done before
- Your greatest contribution may not be something you do, but it could be the TEAM you develop

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Questions?

**Jonathan G. Marquess, PharmD,
CDCES, FAPhA**

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The How To's of Financing Your Pharmacy Deal

Bobby Glaze, PharmD, Loan Officer, First Financial Bank



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Speaker



Bobby Glaze, PharmD

Loan Officer
First Financial Bank

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Pharmacist and Technician Learning Objectives

1. Explain the different types of financing available to pharmacies.
2. Discuss borrower eligibility for SBA loans.
3. Describe the SBA loan process from application to funding.
4. Describe cash flow of the business including a review of its impact on valuations.

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What do banks offer?

Financing for:

- Acquisition and Real Estate
- Equipment Financing
- Expansion & Remodeling
- Business Refinancing
- Start-up Loans
- Working Capital

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Sources of Funding

- Conventional Loans
- SBA Loans – 7a and 504
- Private Equity Investor
- Family and Friends
- Seller Financing
- Grants



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SBA Guaranteed Loan Programs

Debt Financing

- SBA does not directly lend money
- SBA sets the guidelines for loans; the banks lend the money
- SBA partners with lenders to guarantee repayment of the loan
- The loan is a commercial loan structured according to SBA requirements with an SBA guaranty
- PLP– Preferred Lender Program– Some lenders are preferred lender participants

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SBA Size Standards

- Is your business considered to be “small” by the Small Business Administration (SBA)?
- You must be defined as a small business when submitting a proposal for SBA financing.
- SBA uses the North American Industry Classification System (NAICS) as the basis for its size standards.
- The number of employees or average annual receipts are considered.
- For Pharmacies and Drug Stores (NAICS code 446110), the size standard is based on average annual gross income.
- The size standard for Pharmacies and Drug Stores totals \$37.5M.

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Planning to Buy?

- Where are you willing to acquire?
- Target pharmacy requirements.
 - Size, staffing, specialized markets/services
- Who is on your team?
 - Attorney, CPA, Wholesaler, Business Partners, Banker

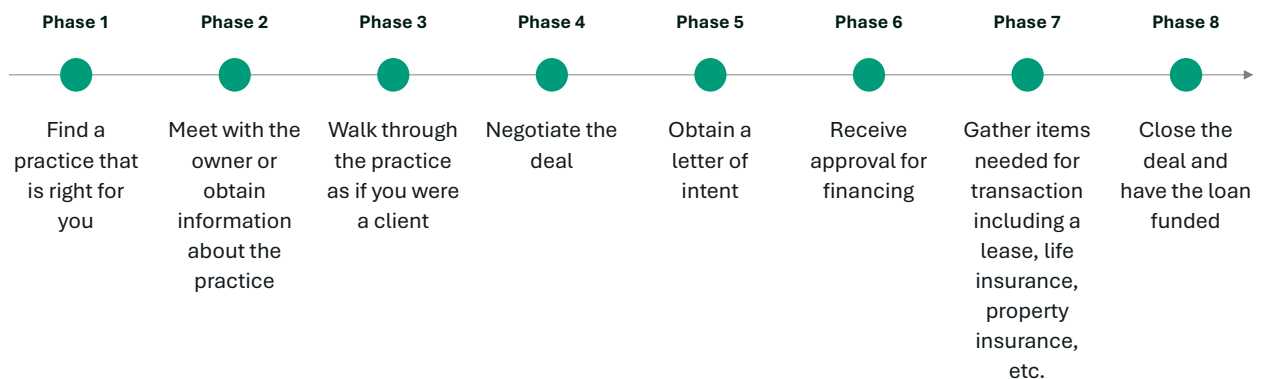
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Buyers Must Have a Plan

- Good Credit
- Valid Pharmacist License (or access to one)
- Passion & Desire to Own a Business
- Have a Great Mentor
- Cash Available for Equity
- Understanding of Financial Performance & Benchmarking
- Find the Right Pharmacy
- Understand the Opportunity
 - Due diligence, valuation, business trends
- Negotiate
 - Term sheet/LOI, real estate, seller carry, bank, cash injection
 - Timeline for the above can take 3-12 months

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The process start to finish...



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Debt Service Coverage Ratio

Debt Service Coverage Ratio (DSCR): DSCR shows how healthy a company's cash flow is and can determine how likely a business is to qualify for a loan. The DSCR is calculated by dividing the operating income available for debt service by the total amount of debt service due.

What Lenders Look For: The minimum DSCR to secure SBA 7(a) financing is 1.15. However, most lenders want a borrower to have a DSCR of 1.3 or more.



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Cash Flow Simplified

- Cash flow = net operating income (NOI) of the business
 - The net operating income will tell us how much debt the business can afford
- The business debt service coverage ratio (DSCR) and the personal global debt service margin must be sufficient to support the loan request

$$\text{DSCR} = \frac{\text{Net Income}}{\text{Debt Payment}}$$

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Performing a Valuation

What does a buyer, accountant, and lender need to review?

1

**YTD Profit and Loss
Statement and Balance
Sheet**

2

**Pharmacy Prescription &
Profitability Reports**

- ✓ Rx Sales Report (Scripts & Payers by plan Code)
- ✓ Top 100 Drugs Dispensed
- ✓ Generic vs. Brand / New vs. Refill
- ✓ Seller's cost of goods, Gross Margin logs
- ✓ Rebates, % Medicaid, 3rd party
- ✓ Ability to recast/normalize financial statements accordingly for a new customer

3

**Three Years of
Tax Returns**

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What is the Pharmacy Worth

What price a seller is willing to accept for the business

What a buyer is willing to pay

What a lender is willing to invest

****All dependent upon the buyers' ability to generate a future ROI. Business evaluations need to be done.**



The Pharmacy must...

- ✓ Enable a buyer to earn market compensation
- ✓ Allow for debt repayment on total project cost
- ✓ Appraise - lenders like a debt service margin of 1.3 or better

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Identifying Value in a Pharmacy

Attractive	Not Attractive
>\$3M Revenue	<\$2M Revenue
Good profitability	Underperforming, limited growth potential
Balanced expenses	Overstaffed/extended hours
Good staff and location	Declining revenue and/or scripts
Stable growth	Excessive rent
Reasonable rent/lease	Unfavorable lease terms
Differentiation	Premium asking price
Competition	Poor/unclear/outdated financials

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Pharmacy Valuation Formulas

- Multiple of cash flow
 - (EBITDA) + inventory
 - Market is averaging 2.5 to 4x
- % of annual gross sales + inventory
 - Usually 15-25%
- \$\$ multiple of annual Rx count + inventory
 - Typically \$10-\$20 (chain method)

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Valuation Example

\$4M total revenue, \$65k annual RX
Normalized EBITDA of \$315K



Option 1 (cash flow)

$\$315K \times 3 = \$945K + \text{inventory}$

Option 2 (gross sales)

$\$4M \times 20\% = \$800K + \text{inventory}$

Option 3 (\$/script)

$\$65k \times \$15/\text{script} = \$975K + \text{inventory}$

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Sample Purchase Structure

- Asset vs Stock
 - Asset most common
- 90% bank loan
 - SBA lends on total project cost
- 10% equity requirement
 - Combo of: buyer cash down payment, seller promissory note
- Buyer needs working capital
 - Cash (savings, 401k, family/gift)
 - Added to loan
 - Inventory

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What can be used as a cash injection?

- Cash in the Bank
- Savings
- Investor Dollars
- Gift
- Borrowed Funds- Must have another source of repayment
 - 401k loans
 - HELOC
- Seller Note

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Pharmacy Acquisition Loan Example

Budget = \$1.4M

- ✓ \$945k Goodwill
- ✓ \$250k Inventory
- ✓ \$175k Working Capital
- ✓ \$30k Closing Costs



Funding Sources

- ✓ \$140k Buyer's 10% Down
- ✓ \$0 Seller Note
- ✓ \$1.26M Bank Note

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Acquisition Do's and Don'ts

DO	DON'T
Understand business and its differentiators	Don't limit yourself based on what's there, see potential
Know current cash flow opportunity	Don't pay for potential
Leverage pharmacy experts (Banker, CPA, Attorneys)	Don't be emotional, make a sound business decision
Expect the unexpected	Don't assume bad trends are easily fixed, or good ones always continue
Budget and forecast future performance	Don't get into a bidding war

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Questions?



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Loan Officer, First Financial Bank

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Deal or No Deal!

Gabe Trahan, Former Senior Director, Store Operations and Marketing, NCPA (Retired)



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Speaker



Gabe Trahan

Former Senior Director, Store Operations and Marketing
NCPA

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Pharmacist and Technician Learning Objectives

1. Outline attributes that cause concern in a lease or buy proposal.
2. Discuss potential resolutions for lease problems and appropriate action.

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Deal or No Deal



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Advisory Team

- ✓ CPA who understands pharmacy
- ✓ Attorney with healthcare experience & acquisitions
- ✓ Consultant with up-to-date knowledge



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Place a value on
what will break the
deal.



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Deal or No Deal!

- ❑ Existing PIC thinking of opening their own store.
- ❑ History of OTC & DME retails much too low.
- ❑ 10% of customers have charge accounts.
- ❑ Past 2 years showing a lost in customer count.
- ❑ Accounting makes no sense.
- ❑ Lease is good for one year at a time.



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Deal or No Deal!

- ❑ Landlord refuses non-compete agreement.
- ❑ Another community pharmacy is located 2 blocks away.
- ❑ Improvements and repairs are all on you.
- ❑ Lease includes a portion of the **parking lot.
- ❑ Lease includes 300 sq ft of *common space.

***Parking terms at times can be negotiated.*

Parking terms can be combined with store sq ft!

**Common space :Hallways, Lobbies, staircases, restrooms and outdoor spaces.*



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Personnel

**Uncle, Partner
and Bookkeeper**

**Reduction in
purchase
price?**

- Does daily deposit
- Runs and gets change
- Keeps the coffee going
- Looks after the books
- Unjams the copier
- Tells people when there is a light out.
- Starts all conversations with “I remember when...”
- And ends them with “this place would fall apart without me ..”

\$78,500.00 a year.



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What to pay for and consider not to pay for!

- **Seasonal Product**
- **POS system (old)**
- **RX Robot**
- **Additional fixtures**
- **Maintenance fees**



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Delivery Vehicle



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Dated Gifts?

- Backroom inventory
- Two-year-old non-OTC

Sidewalk Test!



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Deal or No Deal?



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Look at each
card as if they
were **3-dollar**
bills.
\$\$\$\$\$\$\$\$

Check storage
Envelopes or cards?
Return policy?



Chains generally do not pay for Gifts or Cards

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Pre-existing Contracts / Agreements



Greeting Cards



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- The **new owner** has a choice of assuming the contract from the original owner, or not assuming it.
- If **new owner assumes** it, all pricing continues and the new owner is held to the remaining volume commitment.
- If the **new owner** does not assume the existing contract, the original owner would be recharged for any unfulfilled volume, or upfronts paid, depending on the contract wording.
- The **new owner** would lose any pricing discounts under the current contract.
- The **new owner** could ask to sign a new agreement with us, or he would receive product at standard terms (wholesale).

Volume Commitment	331,538
Volume Attained	246,577
Volume Remaining	84,961

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Road Street Pharmacy is closing its doors Monday, Nov. 30. The more than 13-year - old independently owned and operated pharmacy will transfer prescriptions to the CVS location ...

Stop by 45 Road Street for over-the-counter items, cards, and gifts **available at 70% off and to wish the owner well!**

70% OFF

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Out of Balanced Inventory

Before you take ownership!

- Return to manufacturer
- Return to wholesaler

*** Nobody buys a brace because it's on sale!**



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What should I do?



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What do I do with this stuff?



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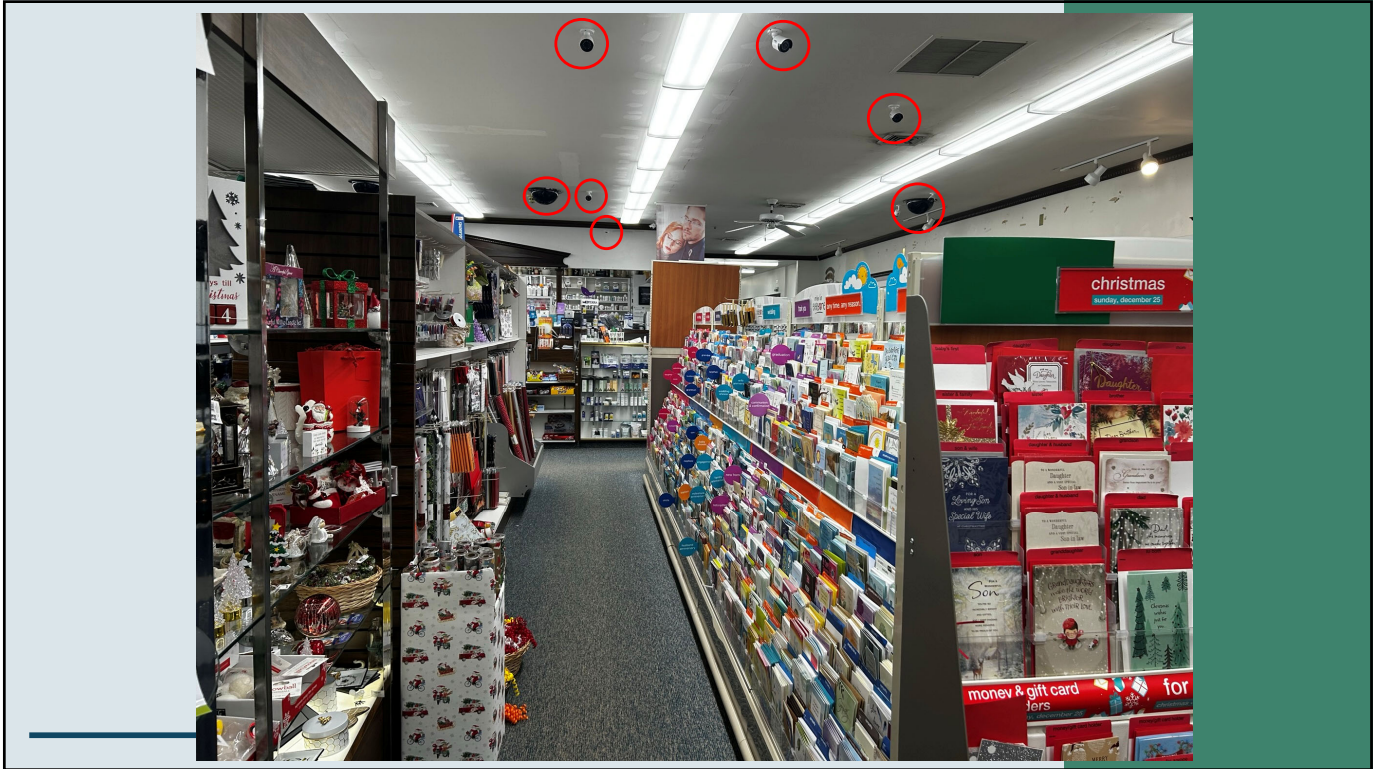
Unbiased Inventory Assessment



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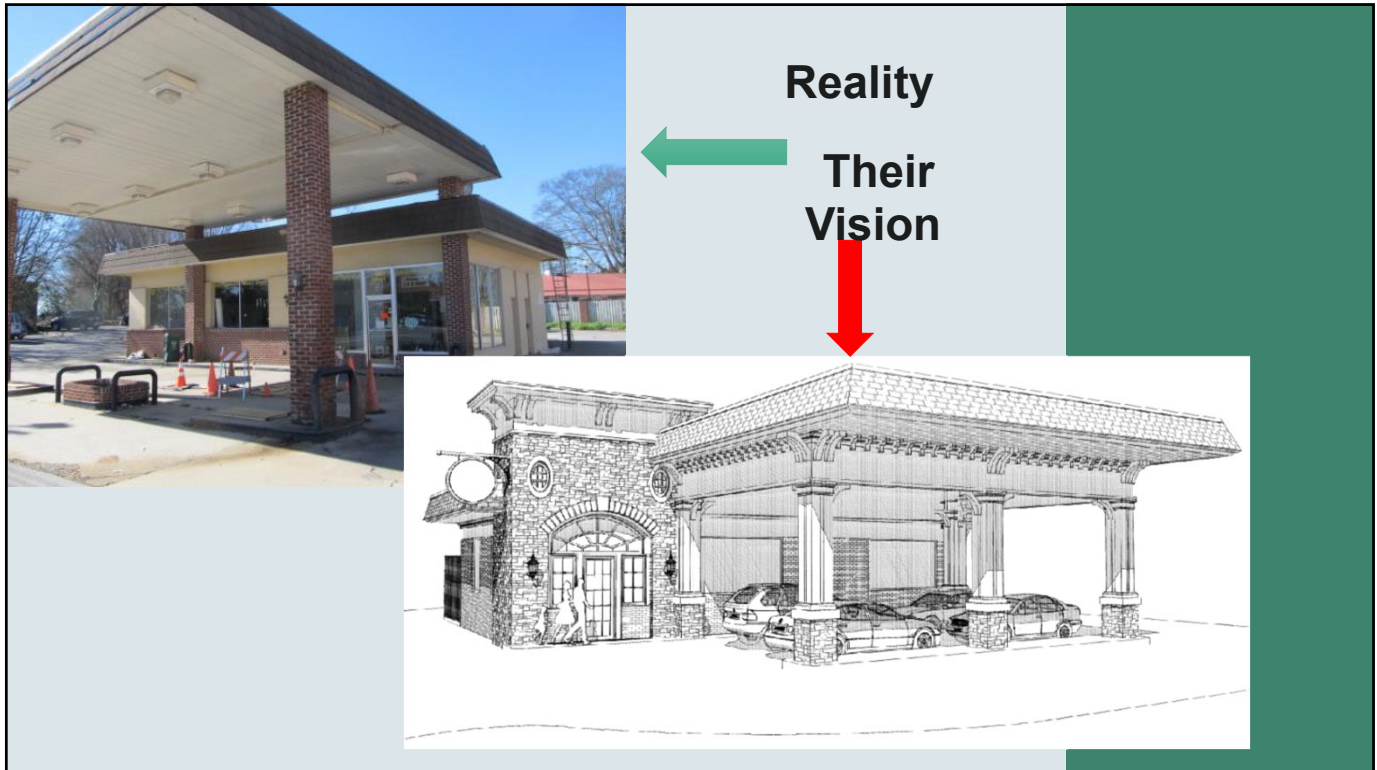
Pitfalls to Avoid

- **Unrealistic** expectation that physicians will send business your way.
- Trust *your* vision of what your store should look like.

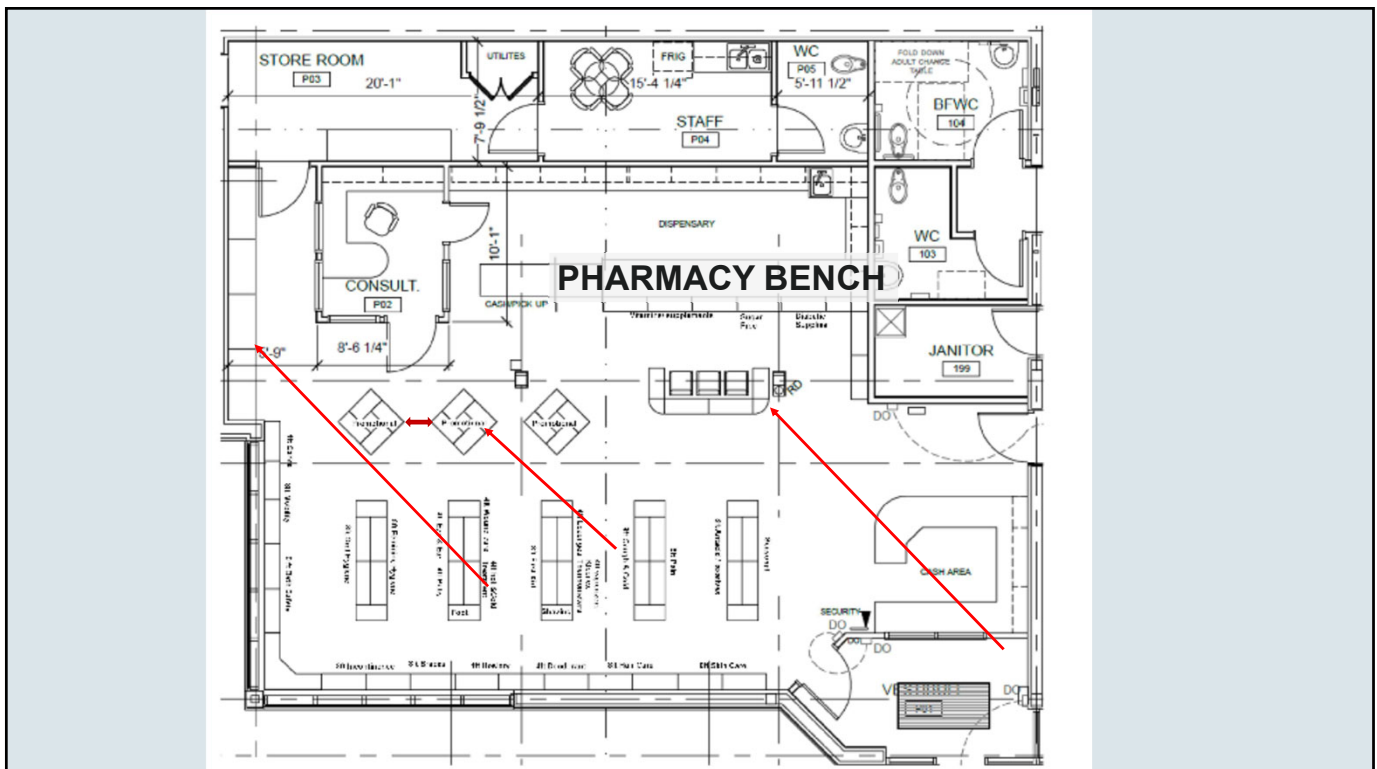


Pre-Pandemic

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What are Tenant Improvement Costs?

- ▶ Perimeter drywall taped and finished
- ▶ Floor covering (e.g., wood, tile, carpet)
- ▶ Special wall finishes such as premium paint, wallcoverings or wood paneling
- ▶ Additional plumbing and/or electrical capacity and distribution



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What are Tenant Improvement Costs?

- ▶ Finished Ceiling
- ▶ Interior doors and hardware
- ▶ Lighting fixtures
- ▶ Bathroom(s) with commercial grade fixtures
- ▶ Partition walls (e.g., consulting rooms, storage area, office area)
- ▶ Additional entry doors or automatic electric doors
- ▶ Upgraded storefront treatments and signage



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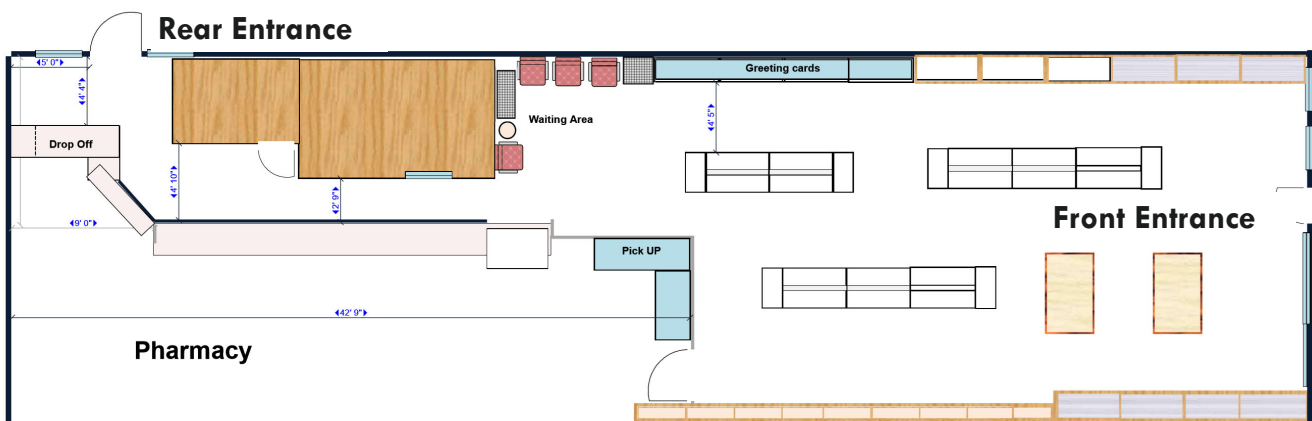
Storefront Treatment



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\$1,500 lease 250 RX a day Main Street

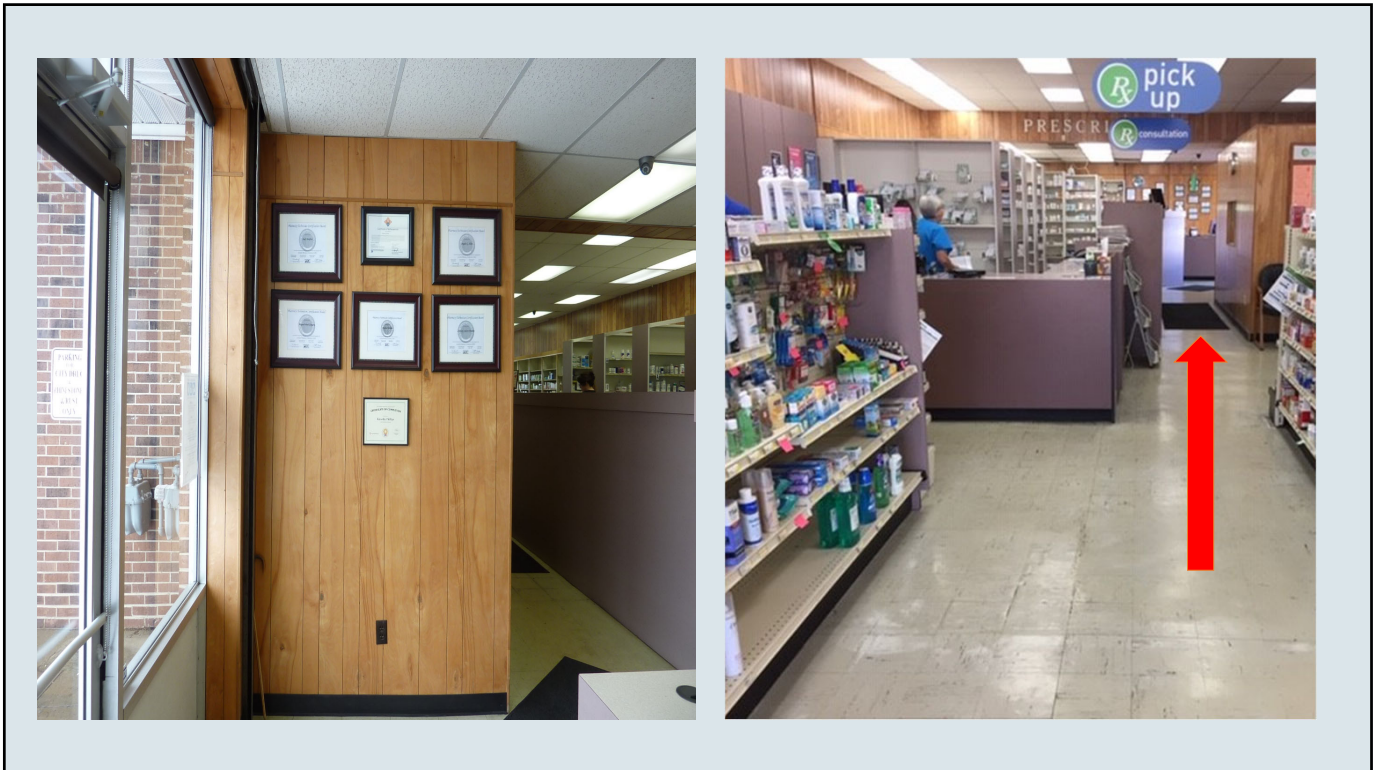
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No Drive-Thru

1886 sq. ft. 23 ft. by 82 ft..

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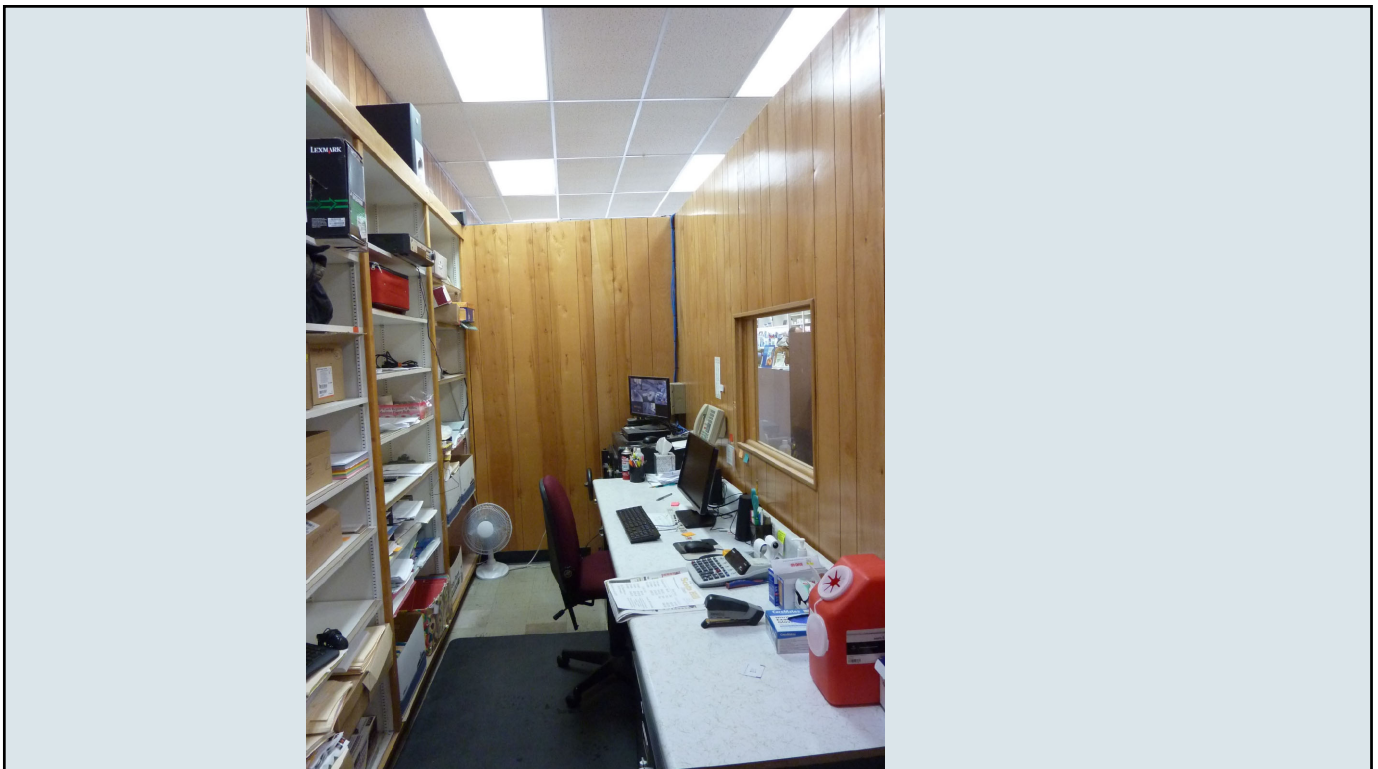
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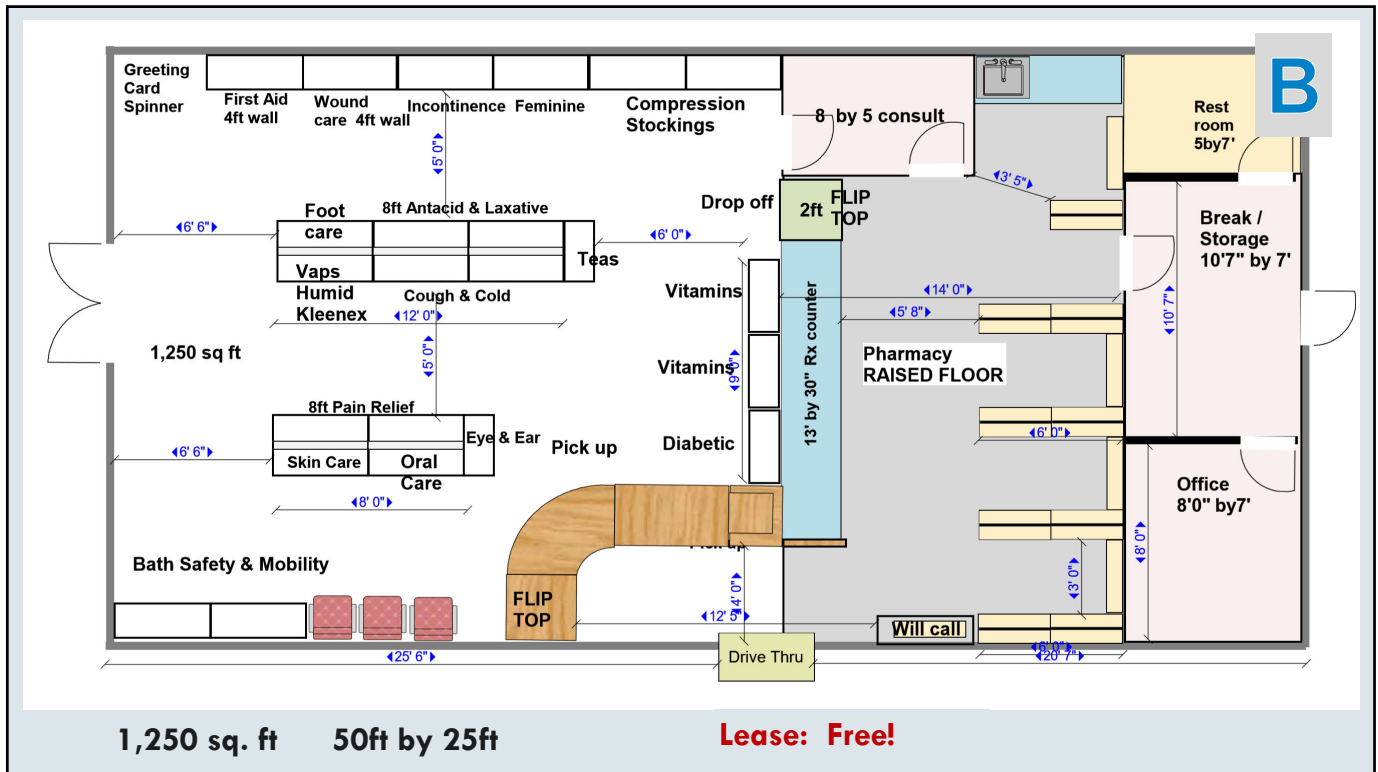
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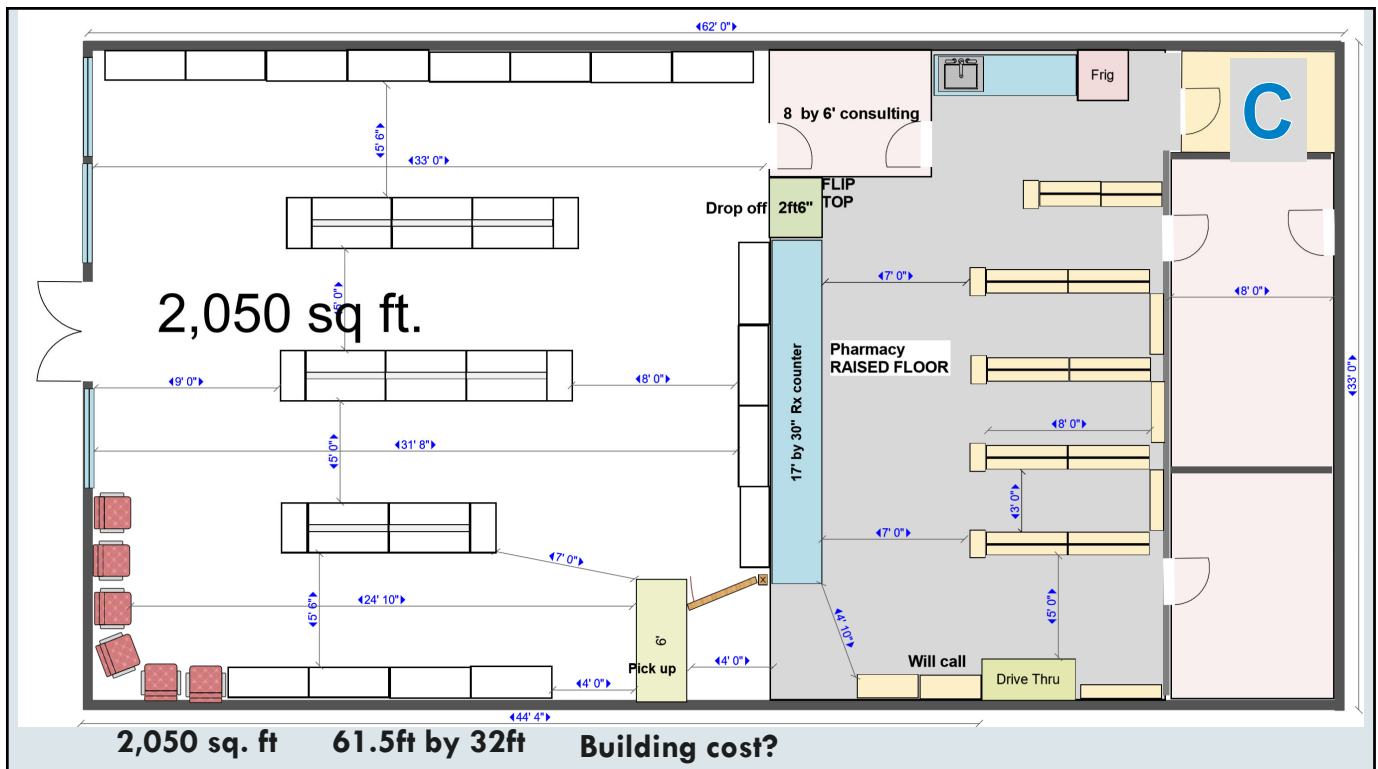
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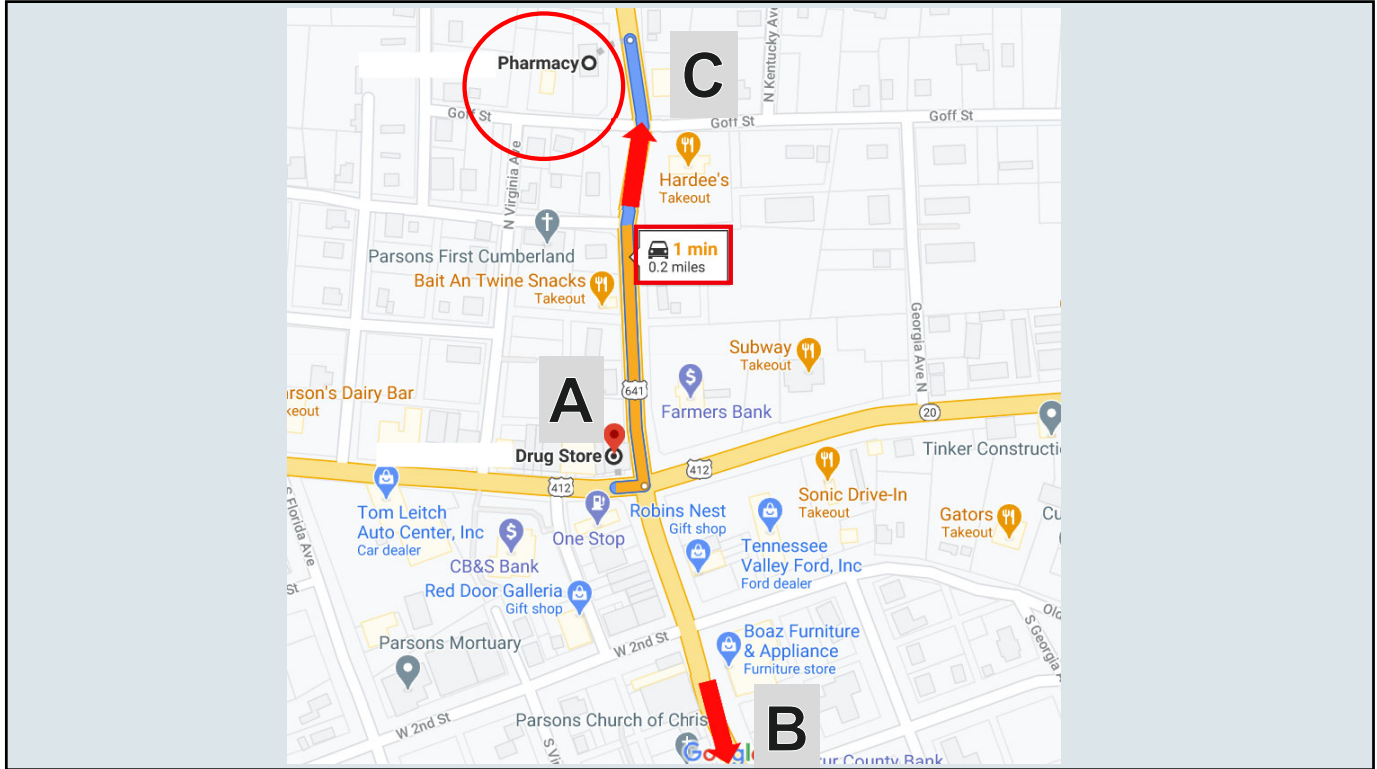
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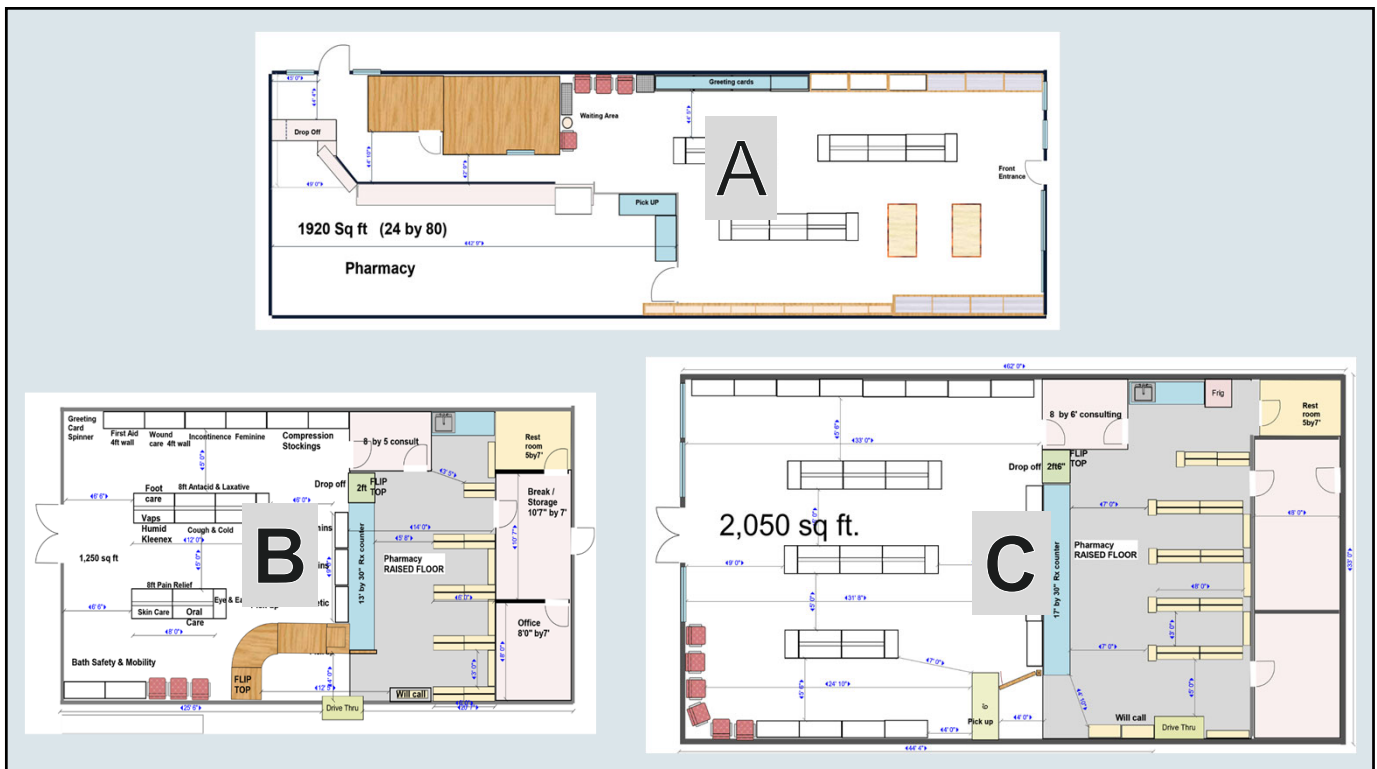
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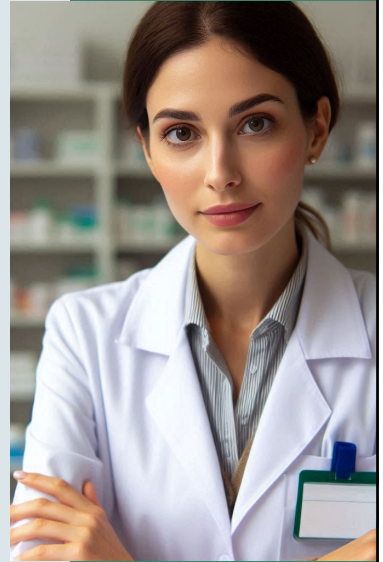


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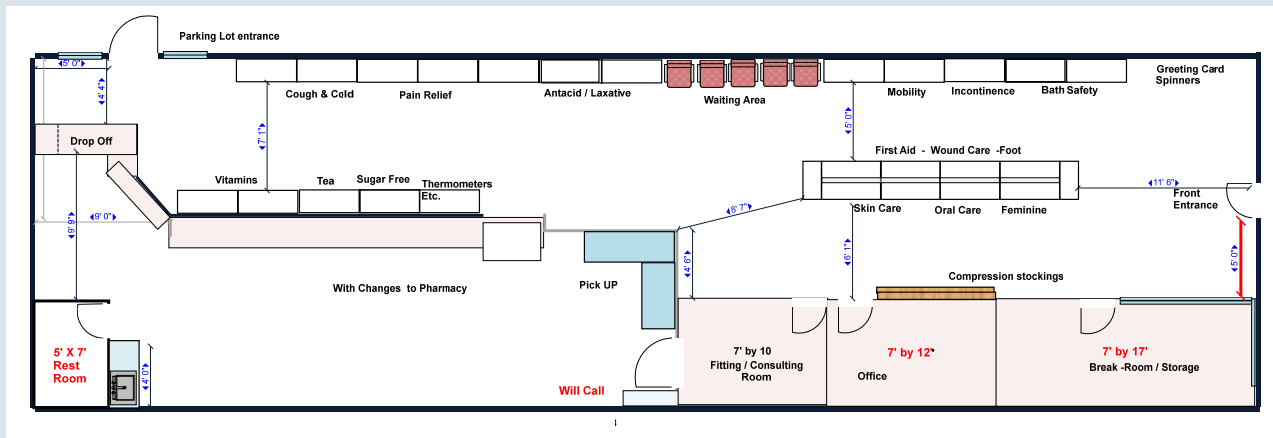


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- How many customers could you lose?
- How long is the lease going to be at that price?
- Who pays the taxes on the building?
- Will the landlord pay anything?
- What is the nearest business next to B store?
- What would the cost of a move be?
- Zoning issues?
- Cost of remodeling store B (Free)

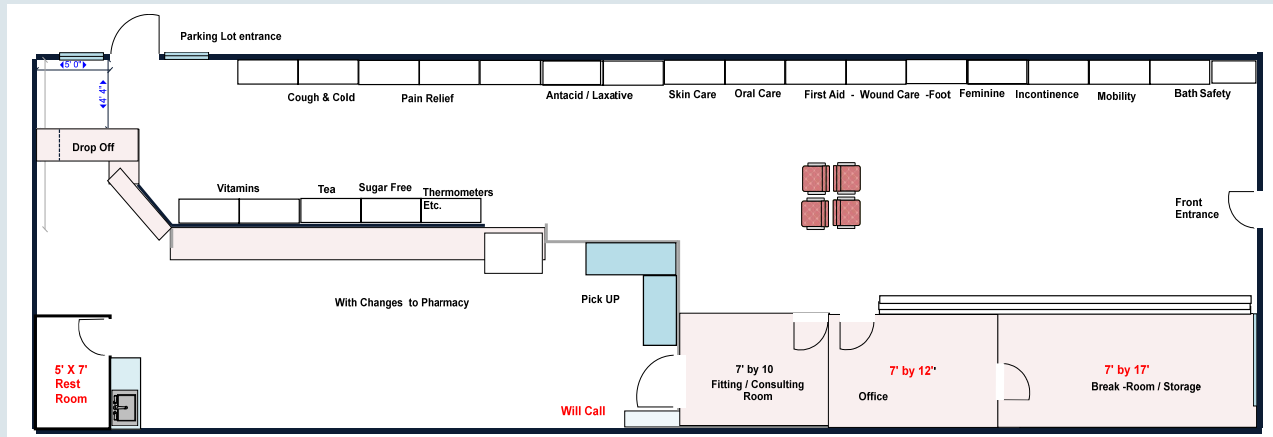


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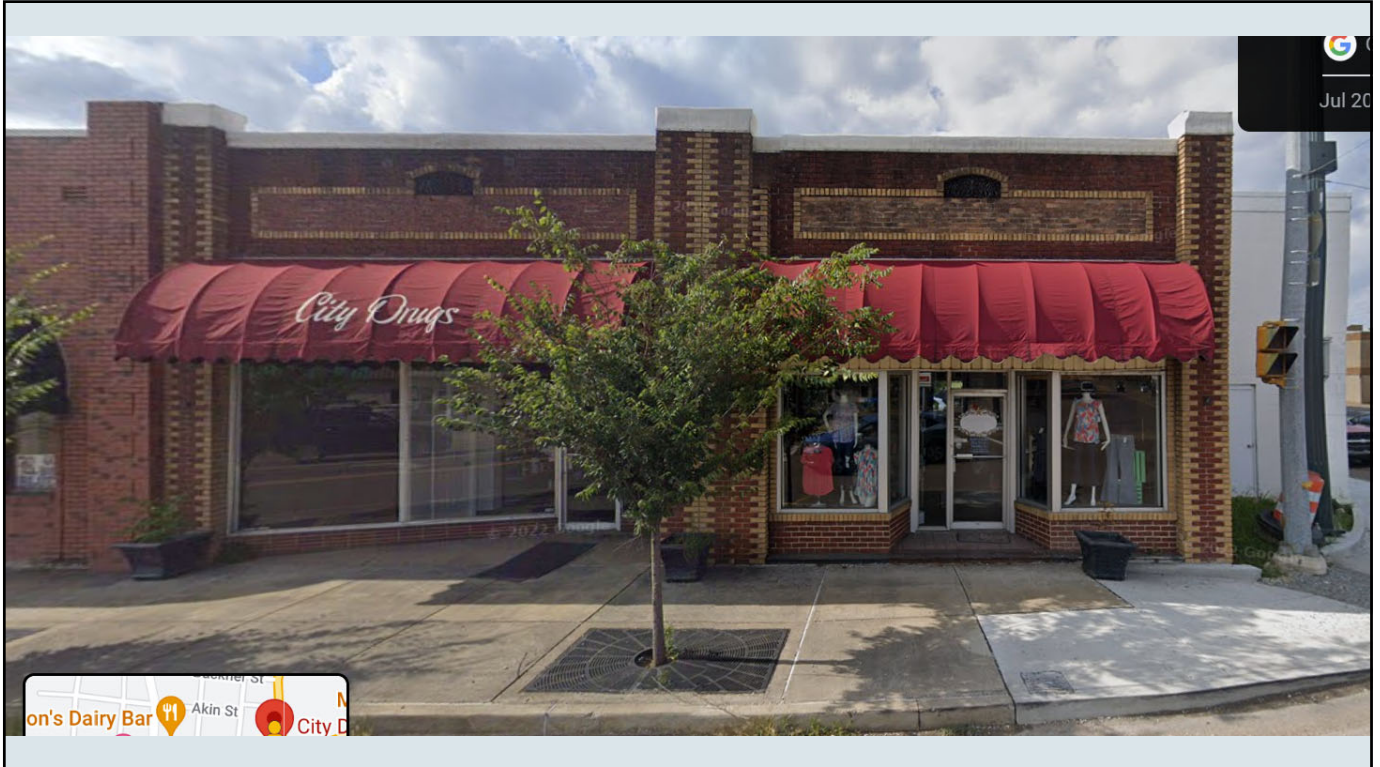
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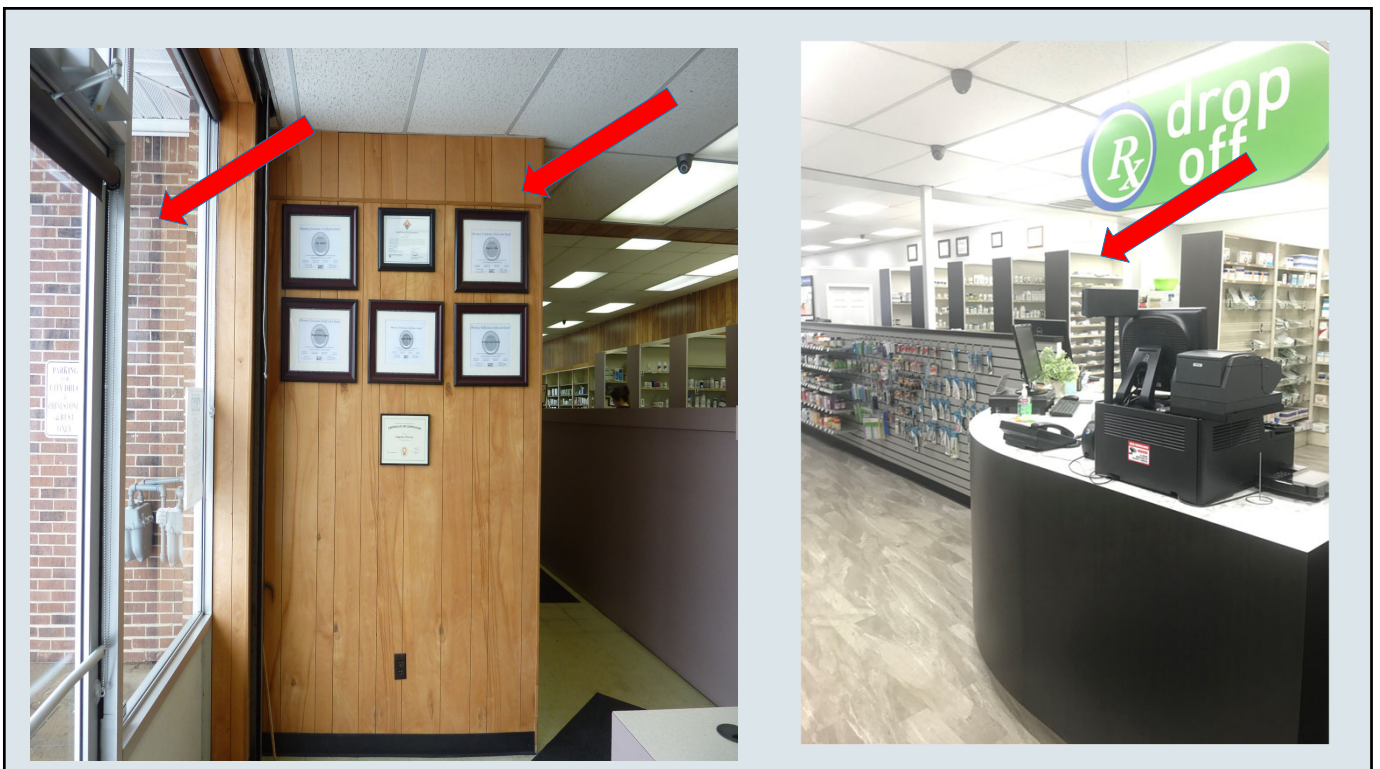
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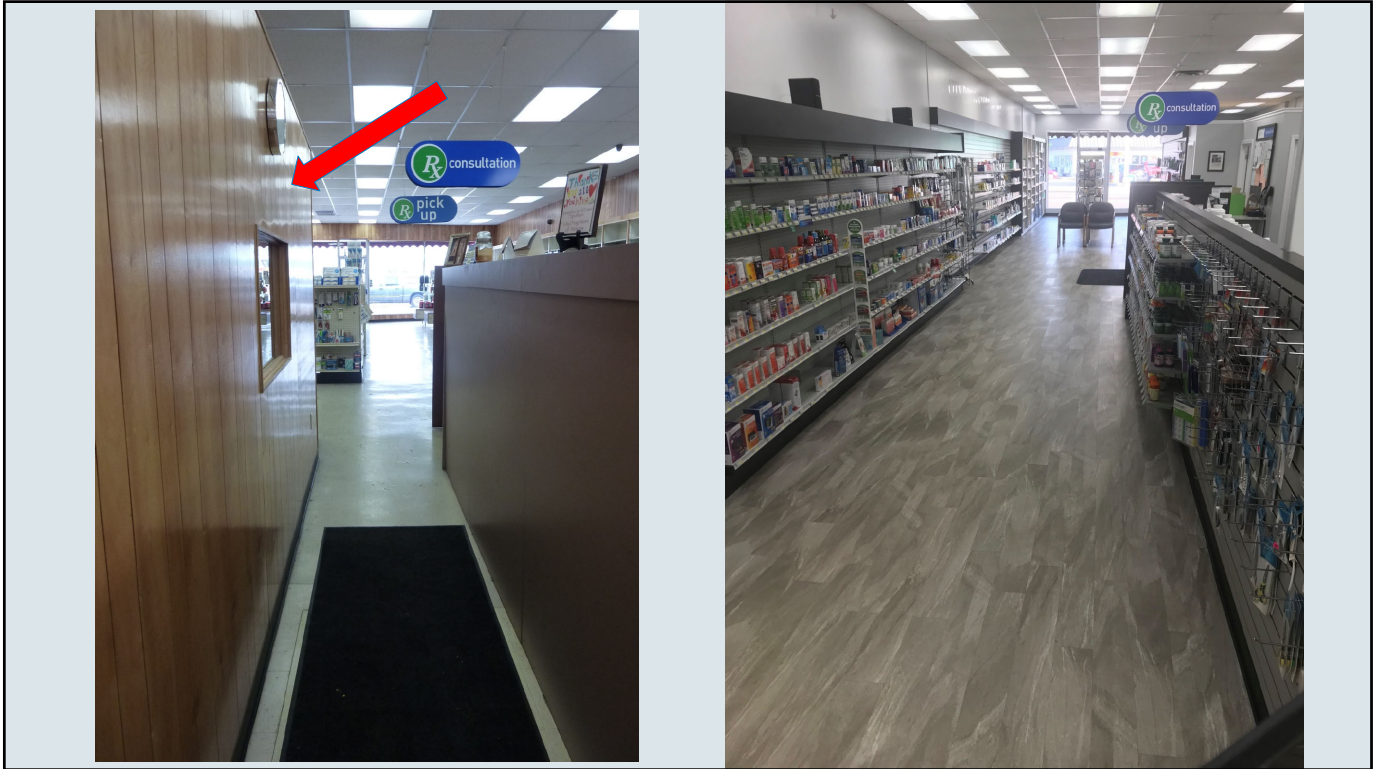
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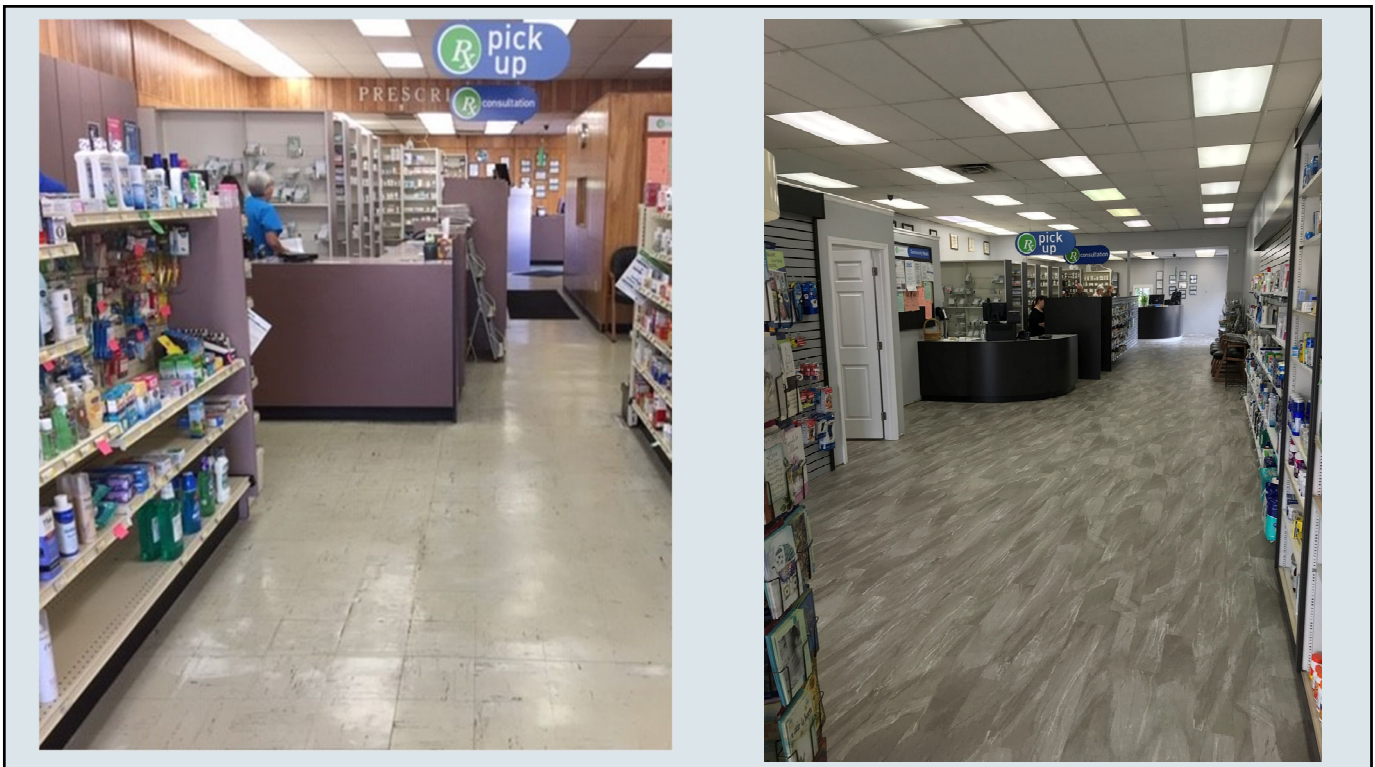
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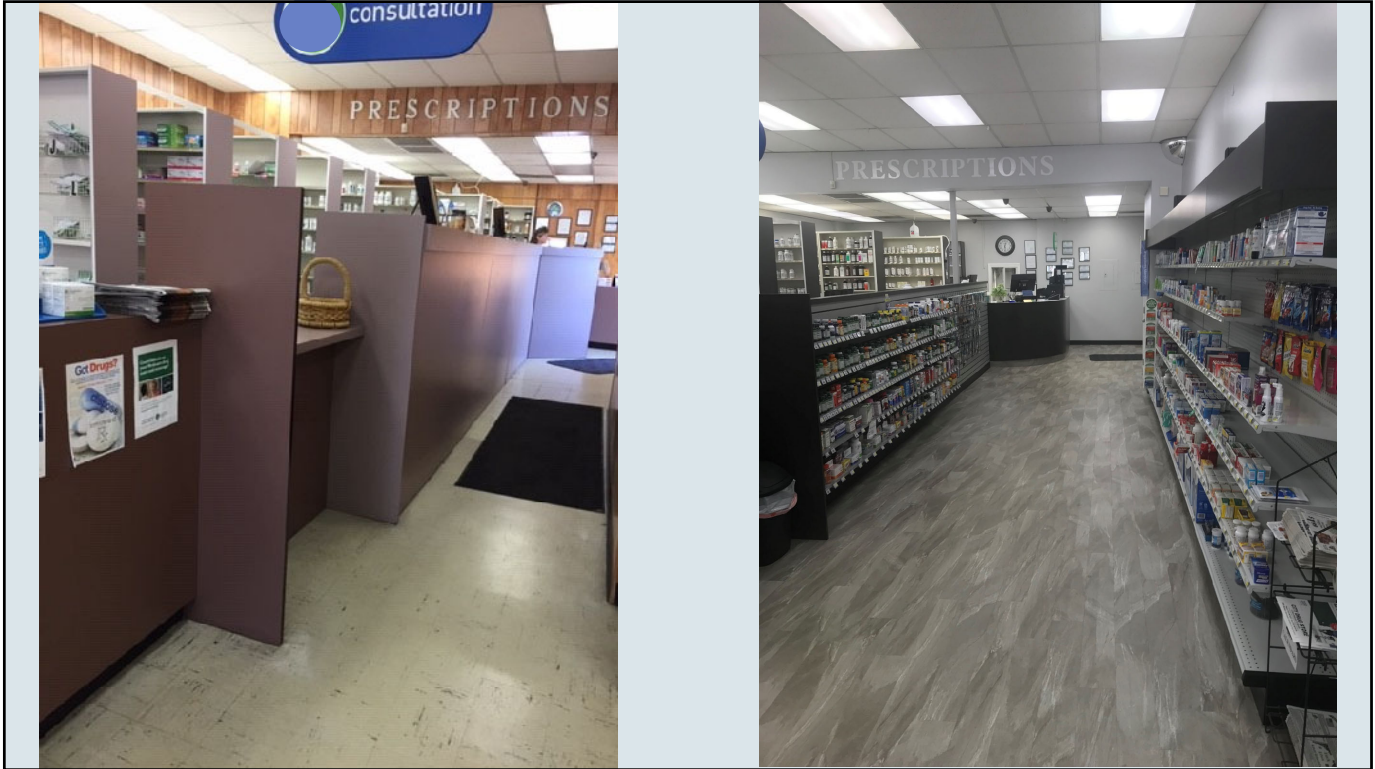
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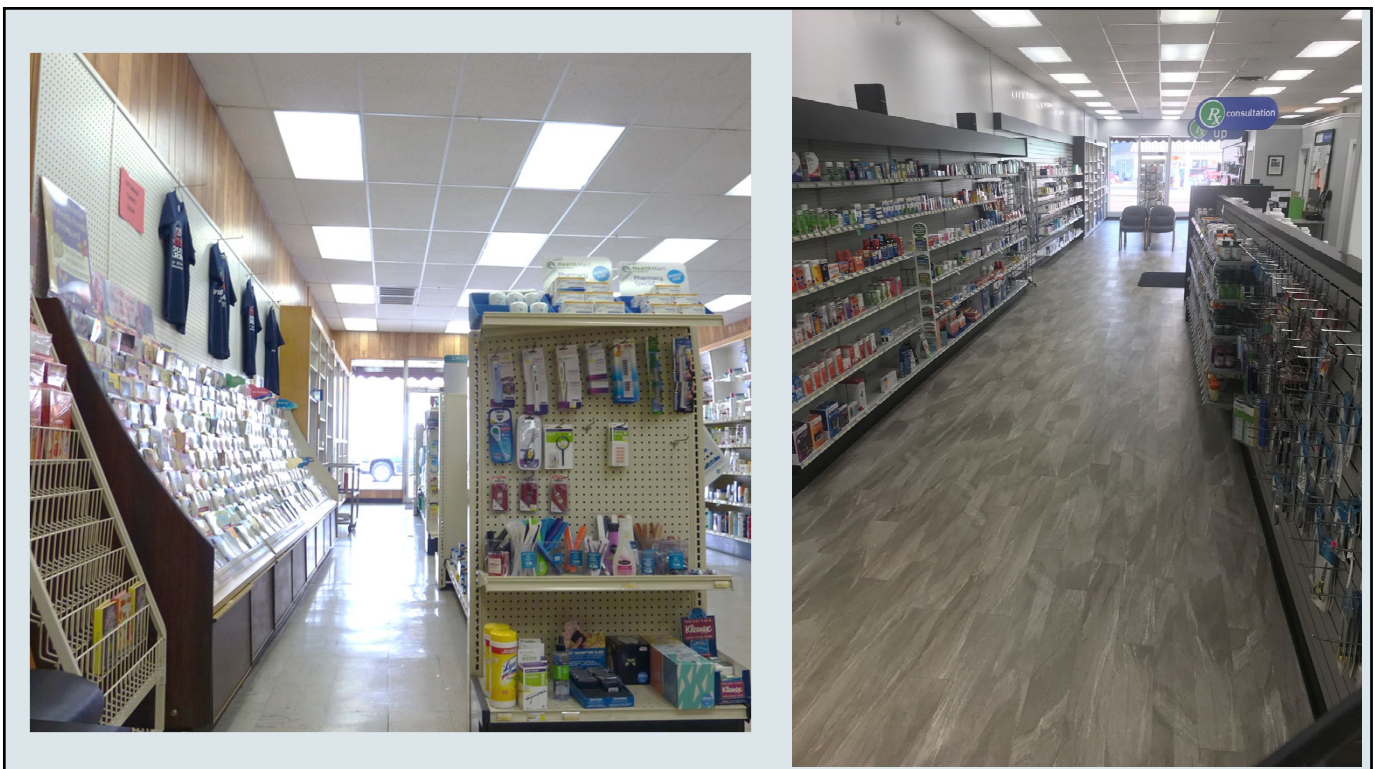
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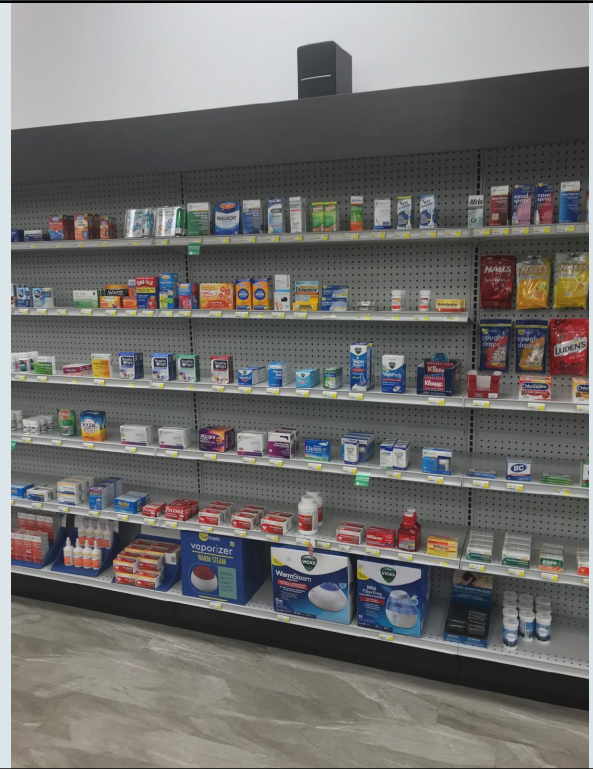
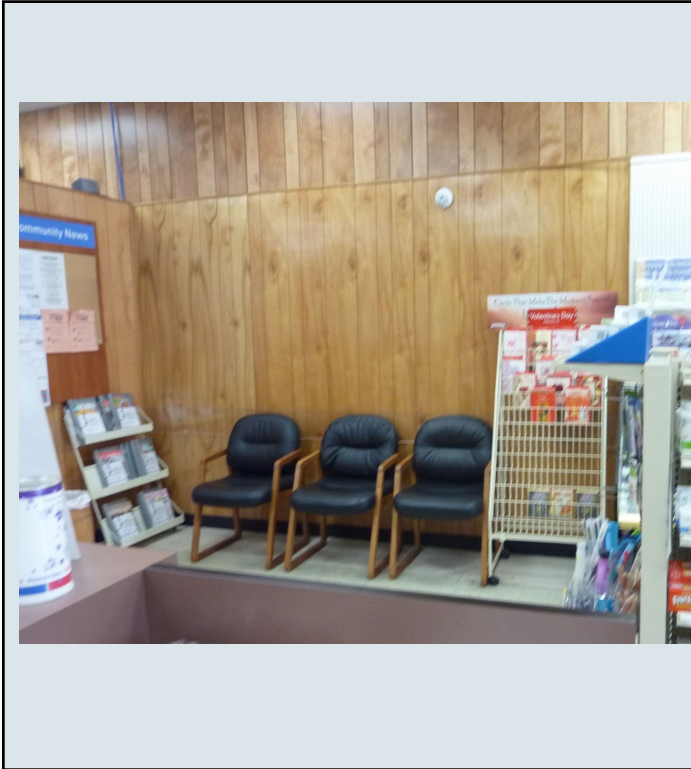
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111



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113



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Landlord paid: \$12,000.00

- * new HVAC
- * new shingles
- * exterior paint
- * Repaired sidewalk

Store owner paid: \$60,000.00

- * New office
- * Wiring
- * Plumbing
- * Flooring
- * Sheetrock

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What Would You Do?

Start-Up
 Medical Building
 Ground Floor
 Minimum 4,000 sq. ft.
 Corner location
 No Drive Thru
 \$43.00 sq. ft.
 +1,500 common space
 On the 10th year rent will be \$100.00 sq. ft.

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Owner Finance No Financial Institution Involved



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Nobody has ever gone broke walking away from a deal. Plenty of people have gone broke as a result of closing a deal “just for the sake of closing the deal.”

Jeffrey S. Baird, Esq

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Questions?

Gabe Trahan

Former Senior Director, Store
Operations and Marketing, NCPA
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PHARMACY Ownership Workshop

UNLOCK THE FREEDOM OF OWNERSHIP

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Case Study: Buying Bonnie's Pharmacy

Ollin B. Sykes, CPA, CITP.CMA, President

Bonnie E. Bond, CPA, MBA, Transitions Director

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Speakers



Ollin B. Sykes, CPA, CITP.CMA

President
Sykes & Company, P.A.



Bonnie E. Bond, CPA, MBA

Transitions Director
Sykes & Company, P.A.

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Disclosure Statement

There are no relevant financial relationships with ACPE defined commercial interests for anyone who was in control of the content of the activity.

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Pharmacist and Technician Learning Objectives

1. Review key financial documents, metrics, and systematic approaches to evaluating business performance.
2. Interpret a balance sheets and profit & loss statements including their impact on operations and decision-making.
3. Compare and contrast transaction types and their associated financial and tax implications.

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Pharmacy Overview

Bonnie's Pharmacy is a 10-year-old independent pharmacy in a coastal North Carolina town.

Owner Bonnie, the sole pharmacist, is selling after winning the lottery and is open to flexible financing.

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Business Profile

- **Entity:** LLC Taxed as an S Corporation Since Inception
- **Operations:** Services Extended Across State Lines Through Delivery
- **Services Offered:**
 - Retail Prescriptions
 - LTC at Home
 - 340B Contract Participation
 - Non-sterile Compounding, Including Several Thousands Dollars in Veterinary Compounds
- **Unique Market Position:** No Other Compound Pharmacies in the Immediate Region
- **Management:** Bonnie handles all operations, bookkeeping, payroll, and compliance herself
- **CPA Involvement:** Annual Tax Filings Only (State and Federal)
- **Inventory:** Physical Count Conducted Every Few Years by Staff
- **Owner Compensation:**
 - \$60,000 Salary
 - \$100,000 in Tax-free Distributions Annually
 - Additional Distributions for Personal Expenses, Such as Vacations
- **Seller Notes:**
 - Open to Flexible Financing
 - Willing to Support the Buyer During Transition

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Buyer Objectives

- Understand Financial and Compliance Standing
- Compare Stock vs. Asset Purchase
- Identify Hidden Risks
- Prepare for Valuation and Negotiation

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Initial Evaluation

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Balance Sheet Evaluation – Assets

- First impressions?
- Any red flags?
- Growth potential?
- Stock vs. asset purchase impact?

	A	C	D	E	F
1	ACCRUAL REPORTS				
2		Jan - Dec 2021	Jan - Dec 2022	Jan - Dec 2023	Jan - Oct, 2024
3	ASSETS				
4	Current Assets				
5	Bank Accounts				
6	Checking	232,774.18	279,630.40	338,829.22	402,779.28
7	Savings	3,523.36	2,013.33	4,388.89	608.82
8	Cash on Hand	181.72	181.72	181.72	181.72
9	Checking Bank	1,154.00	1,392.22	1,229.96	1,339.80
10	Savings Bank	1,512.96	696.80	1,787.80	510.39
11	Total Bank Accounts	\$ 238,146.22	\$ 283,914.47	\$ 348,417.59	\$ 405,420.01
12	Other Current Assets				
13	Inventory	256,000.00	256,000.00	256,000.00	256,000.00
14	Accounts Receivable	0.00	0.00	0.00	0.00
15	Uncategorized Asset	0.00	0.00	23,150.00	23,150.00
16	Total Other Current Assets	\$ 256,000.00	\$ 256,000.00	\$ 279,150.00	\$ 279,150.00
17	Total Current Assets	\$ 495,146.22	\$ 539,914.47	\$ 625,567.59	\$ 684,570.01
18	Fixed Assets				
19	15000 Furniture and Equipment	366,631.64	366,631.64	366,631.64	366,631.64
20	A/D-Furniture & Equipment	-27,786.59	-27,786.59	-27,786.59	-27,786.59
21	Total Fixed Assets	\$ 338,845.05	\$ 338,845.05	\$ 338,845.05	\$ 338,845.05
22	TOTAL ASSETS	\$ 833,991.27	\$ 878,759.52	\$ 964,412.64	\$ 1,023,415.06
23	LIABILITIES AND EQUITY				
24	Liabilities				
25	Current Liabilities				
26	Accounts Payable				
27	20000 Accounts Payable	99,980.05	104,694.09	103,467.66	97,422.69
28	Total Accounts Payable	\$ 99,980.05	\$ 104,694.09	\$ 103,467.66	\$ 97,422.69

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Balance Sheet Evaluation – Liabilities

- First impressions?
- Any red flags?
- Growth potential?
- Stock vs. asset purchase impact?

	A	C	D	E	F
29	Credit Cards				
30	Bank 1	-327,336.16	-531,762.07	-760,089.14	-1,016,574.61
31	Bank 2	0.00	0.00	3,308.20	7,050.60
32	Bonnie 1	151,749.32	195,566.78	226,772.48	288,890.46
33	Bank 3	189,991.21	226,948.35	305,822.04	366,250.71
34	Total Credit cards payable	\$ 14,404.37	\$ 109,248.94	\$ 224,186.42	\$ 354,382.84
35	Total Credit Cards	\$ 14,404.37	\$ 109,248.94	\$ 224,186.42	\$ 354,382.84
36	Other Current Liabilities				
37	24000 Payroll Liabilities	4,199.55	4,199.55	4,199.55	4,199.55
38	Fed wfh	-2,236.00	-2,236.00	-2,236.00	-2,236.00
39	Federal Taxes (941/944)	0.00	0.00	-85.00	-85.00
40	Federal Unemployment (940)	104.11	200.32	201.62	203.50
41	NC Employment Taxes	-1,458.21	-1,407.16	-1,436.12	-1,435.97
42	SS/Med	-2,558.20	-2,558.20	-2,558.20	-2,558.20
43	Total 24000 Payroll Liabilities	\$ 1,948.75	\$ 1,801.51	\$ 1,914.15	\$ 1,912.12
44	25500 Sales Tax Payable	562.79	562.79	562.79	562.79
45	Direct Deposit Payable	0.00	3,950.00	3,950.00	3,950.00
46	LOC-Bank	268,632.07	2,615,532.07	4,237,532.07	5,763,232.07
47	N/P Local Bank	-339,733.92	-2,599,124.94	-4,186,946.31	-5,677,690.95
48	Total Other Current Liabilities	\$ 72,487.81	\$ 19,118.41	\$ 53,184.40	\$ 86,141.79
49	Total Current Liabilities	\$ 41,896.61	\$ 14,965.56	\$ 87,534.36	\$ 166,818.36
50	Long-Term Liabilities				
51	L/P Robot	187,630.66	153,456.82	119,282.98	90,804.78
52	N/P Bank 5	0.00	0.00	-559.97	-2,528.56
53	N/P Bank 3	0.00	0.00	0.00	88,400.97
54	N/P Shareholder	31,818.55	20,620.01	0.04	0.04
55	Total Long-Term Liabilities	\$ 219,449.21	\$ 174,076.83	\$ 118,723.05	\$ 176,677.23
56	Total Liabilities	\$ 261,345.82	\$ 188,642.39	\$ 51,188.69	\$ 7,858.87

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Balance Sheet Evaluation – Liabilities

57	Equity				
58	30000 Opening Balance Equity	-100.00	30,923.60	30,923.60	30,923.60
59	Distributions	-100,000.00	-250,000.00	-500,000.00	-650,000.00
60	32000 Retained Earnings	-26,624.12	322,645.45	559,093.53	1,032,200.35
61	Additional Paid in Capital	350,000.00	350,000.00	350,000.00	350,000.00
62	Commons Stock	100.00	100.00	100.00	100.00
63	Net Income	349,269.57	236,448.08	473,106.82	252,332.24
64	Total Equity	\$ 572,645.45	\$ 690,117.13	\$ 913,223.95	\$ 1,015,556.19
65	TOTAL LIABILITIES AND EQUITY	\$ 833,991.27	\$ 878,759.52	\$ 964,412.64	\$ 1,023,415.06

- First impressions?
- Any red flags?
- Growth potential?
- Stock vs. asset purchase impact?

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P&L Evaluation

- First impressions?
- Any red flags?
- Growth potential?
- Stock vs. asset purchase impact?

	A	B	C	D	E	F	G	H	I
1									
2		Jan - Dec 2021		Jan - Dec 2022		Jan - Dec 2023		Jan - Oct, 2024	
3		Current	% of Income	Current	% of Income	Current	% of Income	Current	% of Income
4	Income								
5	47300 Refunds	-557.00	-0.02%	0.00	0.00%	0.00	0.00%	0.00	0.00%
6	49900 Uncategorized Income	3,586,793.27	96.88%	4,185,320.73	96.19%	4,690,829.95	94.78%	3,813,251.99	97.15%
7	70200 Interest Income	1.15	0.00%	1.08	0.00%	3.66	0.00%	3.89	0.00%
8	Sales of Product Income	16,181.51	0.44%	65,845.29	1.51%	58,370.46	1.18%	11,907.84	0.30%
9	Total Income	\$3,702,418.93	100.00%	\$4,351,167.10	100.00%	\$4,949,204.07	100.00%	\$3,825,163.72	100.00%
10	Cost of Goods Sold								
11	50000 Cost of Goods Sold	-130,801.41	-3.53%	-459,351.10	-10.56%	-489,301.65	-9.89%	-624,269.45	-15.90%
12	Discount on purchases	-170,296.89	-4.60%	0.00	0.00%	0.00	0.00%	0.00	0.00%
13	Purchases for resale	3,244,305.10	87.63%	3,909,503.15	89.85%	4,281,286.86	86.50%	3,619,840.85	92.22%
14	Total Cost of Goods Sold	\$2,943,206.80	79.48%	\$3,450,152.05	79.29%	\$3,791,985.21	76.62%	\$2,995,571.40	76.32%
15	Gross Profit	\$ 759,212.13	20.51%	\$ 901,015.05	20.71%	\$1,157,218.86	23.38%	\$ 829,592.32	23.68%
16	Expenses								
17	60000 Advertising and Promotion	7,594.47	0.21%	10,978.03	0.25%	11,272.39	0.23%	8,137.80	0.21%
18	60200 Automobile Expense	0.00	0.00%	70.00	0.00%	0.00	0.00%	0.00	0.00%
19	60400 Bank Service Charges	11,299.58	0.31%	12,060.27	0.28%	14,728.49	0.30%	15,245.17	0.39%
20	60500 Billing Service Fees Paid	420.00	0.01%	60.00	0.00%	0.00	0.00%	0.00	0.00%
21	61000 Business Licenses and Permits	0.00	0.00%	75.00	0.00%	220.00	0.00%	0.00	0.00%
22	61700 Computer and Internet Expenses	16,813.44	0.45%	16,642.95	0.38%	18,661.13	0.38%	14,491.41	0.37%
23	62000 Continuing Education	1,287.11	0.03%	7,150.63	0.16%	7,500.00	0.15%	2,515.00	0.06%
24	62500 Dues and Subscriptions	26,909.96	0.73%	53,592.06	1.23%	27,585.19	0.56%	24,834.57	0.63%
25	63300 Insurance Expense	5,984.00	0.16%	12,944.00	0.30%	11,094.56	0.22%	6,024.03	0.15%
26	63310 General Liability Insurance	4,954.25	0.13%	0.00	0.00%	0.00	0.00%	0.00	0.00%
27	63360 Worker's Compensation	2,027.50	0.05%	0.00	0.00%	0.00	0.00%	0.00	0.00%
28	Total 63300 Insurance Expense	\$ 12,965.75	0.35%	\$ 12,944.00	0.30%	\$ 11,094.56	0.22%	\$ 6,024.03	0.15%
29	63400 Interest Expense	4,588.11	0.12%	6,950.30	0.16%	14,275.10	0.29%	19,496.84	0.50%

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P&L Evaluation

- First impressions?
- Any red flags?
- Growth potential?
- Stock vs. asset purchase impact?

	A	B	C	D	E	F	G	H	I
1									
2		Jan - Dec 2021		Jan - Dec 2022		Jan - Dec 2023		Jan - Oct, 2024	
3		Current	% of Income	Current	% of Income	Current	% of Income	Current	% of Income
30	63500 Janitorial Expense	80.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
31	64300 Meals and Entertainment	915.71	0.02%	2,325.10	0.05%	0.00	0.00%	0.00	0.00%
32	64700 Miscellaneous Expense	1,818.25	0.05%	3,730.42	0.09%	465.97	0.01%	232.14	0.01%
33	64900 Office Supplies	15,887.08	0.43%	16,734.57	0.38%	868.84	0.02%	0.00	0.00%
34	66000 Payroll Expenses	54,671.93	1.48%	0.00	0.00%	0.00	0.00%	0.00	0.00%
35	Company Contributions	0.00	0.00%	0.00	0.00%	9,584.09	0.19%	12,084.33	0.31%
36	Retirement	0.00	0.00%	0.00	0.00%	9,054.80	0.18%	13,413.09	0.34%
37	Total Company Contributions	\$ 0.00	0.00%	\$ 0.00	0.00%	\$ 18,638.89	0.38%	\$ 25,497.42	0.65%
38	Payroll Taxes	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
39	941ME	3,496.00	0.09%	0.00	0.00%	0.00	0.00%	0.00	0.00%
40	Form 940	254.18	0.01%	0.00	0.00%	0.00	0.00%	0.00	0.00%
41	Form 941	7,080.54	0.19%	0.00	0.00%	0.00	0.00%	0.00	0.00%
42	Form 941/C1-ME	1,616.49	0.04%	0.00	0.00%	0.00	0.00%	0.00	0.00%
43	Total Payroll Taxes	\$ 12,447.21	0.34%	\$ 0.00	0.00%	\$ 0.00	0.00%	\$ 0.00	0.00%
44	Taxes	19,817.57	0.54%	29,948.35	0.69%	32,833.72	0.66%	28,651.49	0.73%
45	Wages	246,334.80	6.65%	352,508.01	8.10%	392,595.96	7.93%	343,659.80	8.76%
46	Total 66000 Payroll Expenses	\$ 333,271.51	9.00%	\$ 382,456.36	8.79%	\$ 444,068.57	8.97%	\$ 397,808.71	10.13%
47	66500 Postage and Delivery	4,865.94	0.13%	4,090.87	0.09%	4,746.57	0.10%	3,984.66	0.10%
48	66700 Professional Fees	1,310.00	0.04%	850.00	0.02%	307.00	0.01%	1,385.00	0.04%
49	67100 Rent Expense	44,000.00	1.19%	45,000.00	1.10%	52,000.00	1.05%	36,000.00	0.92%
50	67200 Repairs and Maintenance	14,584.46	0.39%	33,828.90	0.78%	26,830.09	0.54%	9,820.34	0.25%
51	68100 Telephone Expense	6,071.41	0.16%	5,384.13	0.12%	6,114.13	0.12%	7,381.40	0.19%
52	68400 Travel Expense	1,874.66	0.05%	10,086.00	0.23%	5,699.22	0.12%	6,787.01	0.17%
53	68500 Uniforms	0.00	0.00%	422.11	0.01%	931.36	0.02%	0.00	0.00%
54	68600 Utilities	9,752.70	0.26%	10,831.61	0.25%	11,040.51	0.22%	9,442.12	0.24%
55	Heat	344.99	0.01%	751.52	0.02%	1,017.28	0.02%	1,694.36	0.04%

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Financial Due Diligence

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Balance Sheet Evaluation – Assets

- **Inventory:** Unchanged from 2021 – 2024
 - Is inventory not being tracked? Is it estimated not actual?
- **Accounts Receivable:** Unchanged (\$0.00 across 2021 – 2024)
 - Are being written off or not tracked?
- **Uncategorized Asset: Appears in 2023 and 2024**
 - Needs to be properly categorized or clarified
 - Was there a bookkeeping backlog? Is there a temporary holding entry?
- **Fixed Asset and Accumulated Depreciation:** Constant at \$366,631.64
 - Is depreciation being booked properly?

	A	C	D	E	F
1	ACCRUAL REPORTS				
2		Jan - Dec 2021	Jan - Dec 2022	Jan - Dec 2023	Jan - Oct, 2024
3	ASSETS				
4	Current Assets				
5	Bank Accounts				
6	Checking	232,774.18	279,630.40	338,829.22	402,779.28
7	Savings	3,523.36	2,013.33	4,388.89	608.82
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19	15000 Furniture and Equipment	366,631.64	366,631.64	366,631.64	366,631.64
20	Accumulated Depreciation	-37,786.59	-37,786.59	-37,786.59	-37,786.59
21	Total Fixed Assets	\$ 328,845.05	\$ 328,845.05	\$ 328,845.05	\$ 328,845.05
22	TOTAL ASSETS	\$ 823,991.27	\$ 868,759.52	\$ 954,412.64	\$ 1,013,415.06
23	LIABILITIES AND EQUITY				
24	Liabilities				
25	Current Liabilities				
26	Accounts Payable				
27	20000 Accounts Payable	99,900.05	104,694.09	103,467.66	97,422.69
28	Total Accounts Payable	\$ 99,900.05	\$ 104,694.09	\$ 103,467.66	\$ 97,422.69

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Balance Sheet Evaluation – Liabilities

• Sharp Growth in Credit Card Debt:

- Is Bonnie's Pharmacy heavily reliant on credit card financing?
- Is there liquidity stress of mismanaged short-term financing?

• LOC and Bank Notes Ballooning:

- Is there a new debt-financed growth strategy?

• Lack of Clarity on Notes Payable:

- Is there a misclassification between short – and long-term liabilities?
- Is there a lack of consistent accounting for new debt?

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56	Total Liabilities	\$ 261,345.82	\$ 188,642.39	\$ 51,188.69	\$ 7,858.87

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Balance Sheet Evaluation – Equity

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Line 58 – 30,000 Opening Balance Equity: Non-zero Value Across 3 Years

- Was there a potential setup oversight?
- Are the beginning balances not fully reconciled?

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P&L Evaluation

• Income:

- Growth 2021 – 2023...what about the 9 months of 2024? What's Missing?

• Gross Profit:

- How does the unchanged inventory in this period impact growth?

	A	B	C	D	E	F	G	H	I
1		Jan - Dec 2021		Jan - Dec 2022		Jan - Dec 2023		Jan - Oct, 2024	
2									
3		Current	% of Income	Current	% of Income	Current	% of Income	Current	% of Income
4	Income								
5	47300 Refunds	-557.00	-0.02%	0.00	0.00%	0.00	0.00%	0.00	0.00%
6	49900 Uncategorized Income	3,586,793.27	96.88%	4,185,320.73	96.19%	4,690,829.95	94.78%	3,813,251.99	97.15%
7	70200 Interest Income	1.15	0.00%	1.08	0.00%	3.66	0.00%	3.89	0.00%
8	Sales of Product Income	16,181.51	0.44%	65,845.29	1.51%	58,370.46	1.18%	11,907.84	0.30%
9	Total Income	\$3,702,418.93	100.00%	\$4,351,167.10	100.00%	\$4,949,204.07	100.00%	\$3,825,163.72	100.00%
10	Cost of Goods Sold								
11	50000 Cost of Goods Sold	-130,801.41	-3.53%	-459,351.10	-10.56%	-489,301.65	-9.89%	-624,269.45	-15.90%
12	Discount on purchases	-170,296.89	-4.60%	0.00	0.00%	0.00	0.00%	0.00	0.00%
13	Purchases for resale	3,244,305.10	87.63%	3,909,503.15	89.85%	4,281,286.86	86.50%	3,619,840.85	92.22%
14	Total Cost of Goods Sold	\$2,943,206.80	79.49%	\$3,450,152.05	79.29%	\$3,791,865.21	76.62%	\$2,995,571.40	76.32%
15	Gross Profit	\$ 759,212.13	20.51%	\$ 901,015.05	20.71%	\$ 1,157,218.86	23.38%	\$ 929,592.32	23.68%
16	Expenses								
17	60000 Advertising and Promotion	7,594.47	0.21%	10,978.03	0.25%	11,272.39	0.23%	8,137.80	0.21%
18	60200 Automobile Expense	0.00	0.00%	70.00	0.00%	0.00	0.00%	0.00	0.00%
19	60400 Bank Service Charges	11,299.58	0.31%	12,060.27	0.28%	14,728.49	0.30%	15,245.17	0.39%
20	60500 Billing Service Fees Paid	420.00	0.01%	60.00	0.00%	0.00	0.00%	0.00	0.00%
21	61000 Business Licenses and Permits	0.00	0.00%	75.00	0.00%	220.00	0.00%	0.00	0.00%
22	61700 Computer and Internet Expenses	16,813.44	0.45%	16,642.95	0.38%	18,661.13	0.38%	14,491.41	0.37%
23	62000 Continuing Education	1,287.11	0.03%	7,150.63	0.16%	7,500.00	0.15%	2,515.00	0.06%
24	62500 Dues and Subscriptions	26,909.96	0.73%	53,592.06	1.23%	27,585.19	0.56%	24,834.57	0.63%
25	63000 Insurance Expense	5,984.00	0.16%	12,944.00	0.30%	11,094.56	0.22%	6,024.03	0.15%
26	63310 General Liability Insurance	4,954.25	0.13%	0.00	0.00%	0.00	0.00%	0.00	0.00%
27	63360 Worker's Compensation	2,027.50	0.05%	0.00	0.00%	0.00	0.00%	0.00	0.00%
28	Total 63000 Insurance Expense	\$ 12,965.75	0.35%	\$ 12,944.00	0.30%	\$ 11,094.56	0.22%	\$ 6,024.03	0.15%
29	63400 Interest Expense	4,588.11	0.12%	6,950.30	0.16%	14,275.10	0.29%	19,496.84	0.50%

141

P&L Evaluation

• Wages:

- Growth 2021 – 2023...what about the 9 months of 2024? What's Missing?

• Payroll Taxes:

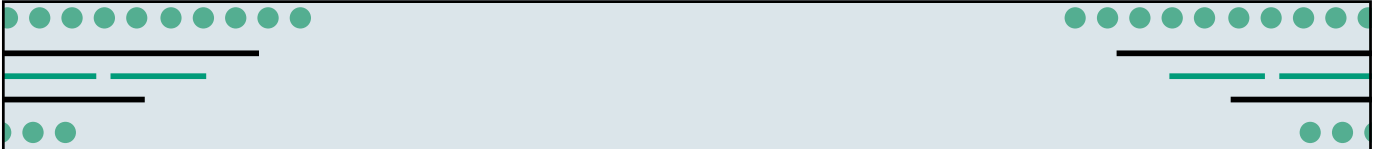
- No payroll taxes...misclassification?

• Rent:

- Rising from 2021 – 2023 then a significant drop-off in 2024...why?

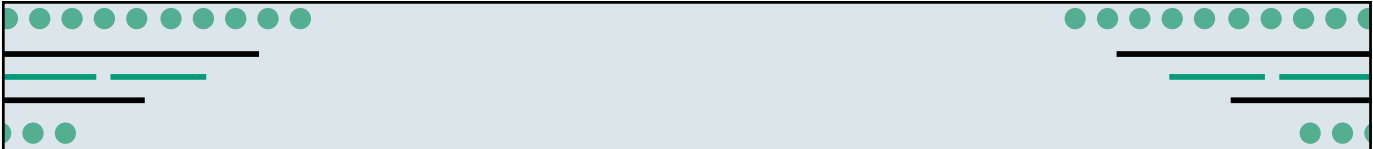
	A	B	C	D	E	F	G	H	I
1		Jan - Dec 2021		Jan - Dec 2022		Jan - Dec 2023		Jan - Oct, 2024	
2									
3		Current	% of Income	Current	% of Income	Current	% of Income	Current	% of Income
30	63500 Janitorial Expense	80.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
31	64300 Meals and Entertainment	915.71	0.02%	2,325.10	0.05%	0.00	0.00%	0.00	0.00%
32	64700 Miscellaneous Expense	1,818.25	0.05%	3,730.42	0.09%	465.97	0.01%	232.14	0.01%
33	64900 Office Supplies	15,887.08	0.43%	16,734.57	0.38%	868.84	0.02%	0.00	0.00%
34	66000 Payroll Expenses	54,671.93	1.48%	0.00	0.00%	0.00	0.00%	0.00	0.00%
35	Company Contributions	0.00	0.00%	0.00	0.00%	9,584.09	0.19%	12,084.33	0.31%
36	Retirement	0.00	0.00%	0.00	0.00%	9,054.80	0.18%	13,413.09	0.34%
37	Total Company Contributions	\$ 0.00	0.00%	\$ 0.00	0.00%	\$ 18,638.89	0.38%	\$ 25,497.42	0.65%
38	Payroll Taxes	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
39	941ME	3,496.00	0.09%	0.00	0.00%	0.00	0.00%	0.00	0.00%
40	Form 940	254.18	0.01%	0.00	0.00%	0.00	0.00%	0.00	0.00%
41	Form 941	7,080.54	0.19%	0.00	0.00%	0.00	0.00%	0.00	0.00%
42	Form 941/CI-ME	1,616.49	0.04%	0.00	0.00%	0.00	0.00%	0.00	0.00%
43	Total Payroll Taxes	\$ 12,447.21	0.34%	\$ 0.00	0.00%	\$ 0.00	0.00%	\$ 0.00	0.00%
44	Taxes	19,817.57	0.54%	29,948.35	0.69%	32,833.72	0.66%	28,651.49	0.73%
45	Wages	246,334.89	6.65%	352,508.01	8.10%	392,595.96	7.90%	343,659.80	8.76%
46	Total 66000 Payroll Expenses	\$ 333,271.51	9.00%	\$ 382,456.36	8.79%	\$ 444,068.57	8.97%	\$ 397,808.71	10.13%
47	66500 Postage and Delivery	4,865.94	0.13%	4,090.87	0.09%	4,746.57	0.10%	3,984.66	0.10%
48	66700 Professional Fees	1,310.00	0.04%	850.00	0.02%	307.00	0.01%	1,385.00	0.04%
49	67100 Rent Expense	44,000.00	1.19%	43,000.00	1.10%	52,000.00	1.05%	36,000.00	0.92%
50	67200 Repairs and Maintenance	14,584.46	0.39%	33,828.90	0.78%	26,830.09	0.54%	9,820.34	0.25%
51	68100 Telephone Expense	6,071.41	0.16%	5,384.13	0.12%	6,114.13	0.12%	7,381.40	0.19%
52	68400 Travel Expense	1,874.66	0.05%	10,086.00	0.23%	5,699.22	0.12%	6,787.01	0.17%
53	68500 Uniforms	0.00	0.00%	422.11	0.01%	931.36	0.02%	0.00	0.00%
54	68600 Utilities	9,752.70	0.26%	10,831.61	0.25%	11,040.51	0.22%	9,442.12	0.24%
55	Heat	344.99	0.01%	751.52	0.02%	1,017.28	0.02%	1,694.36	0.04%

142



Stock Vs. Asset Purchase

143



Valuation Methods

144

Valuation Methods

- **EBITDA x Multiple:** (Adjusted for Owner Compensation)
- **Per Script Value:** Based on Script Volume and Margins

145

Other Considerations

146

Other Considerations

- Adjust for Heavy Owner Involvement
- Local Goodwill
- Multi-State Risk
- Determine When EBITDA vs. Per-Script Method is More Appropriate
- **Sales Tax Applicability:**
 - Are sales taxes applicable to the deal structure? How about for veterinary compounds?
- **Transition Plan:**
 - Will Bonnie stay? If so, how long?
- **Technology:**
 - What pharmacy management, billing and EHR systems are in place?
- **Delivery Operations:**
 - Are there compliance concerns with interstate delivery?
- **Employees/Staff:**
 - Are there key staff? Any likely departures?

147

Buyer Action Plan

148

Buyer Action Plan

- ☐ Build Advisory Team (CPA, Healthcare Attorney, Lender)
- ☐ Begin Formal Due Diligence
- ☐ Draft LOI with Specific Contingencies
- ☐ Address License Transfers and Payer Credentialing Processes

149

Questions?

Ollin Sykes, CPA, CITP.CMA
President, Sykes & Company, P.A.
Ollin@Sykes-CPA.Com

Bonnie Bond, CPA, MBA
Transitions Director, Sykes &
Company, P.A.
Bonnie@Sykes-CPA.Com

150

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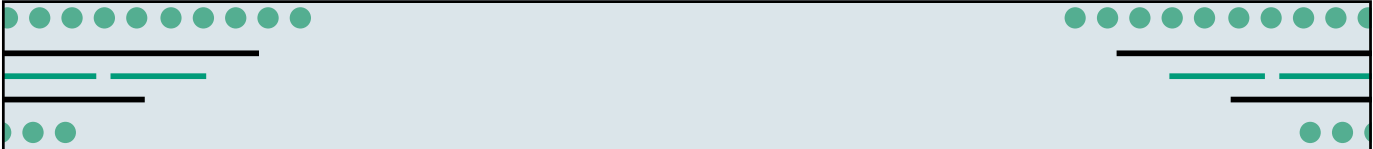
151

Industry Showcase

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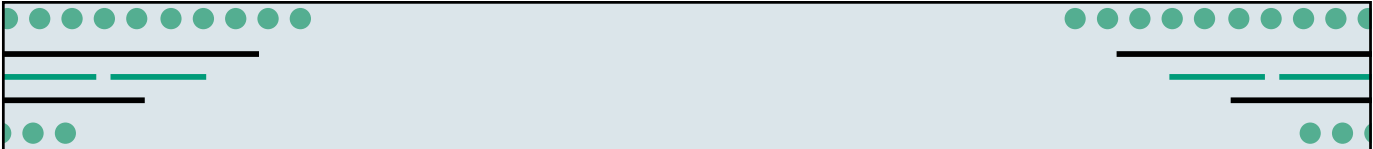
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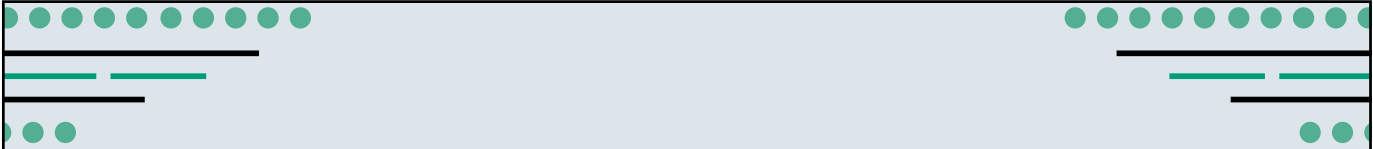
Byline Bank

153



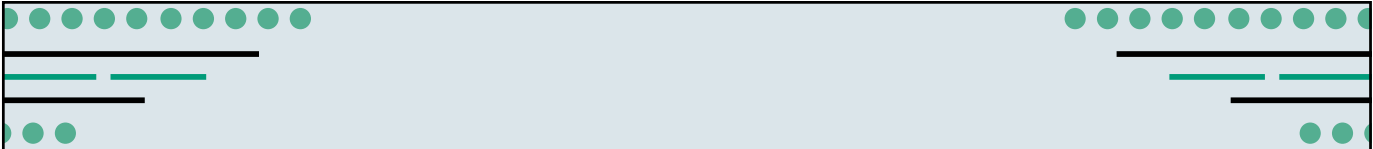
First Financial Bank

154



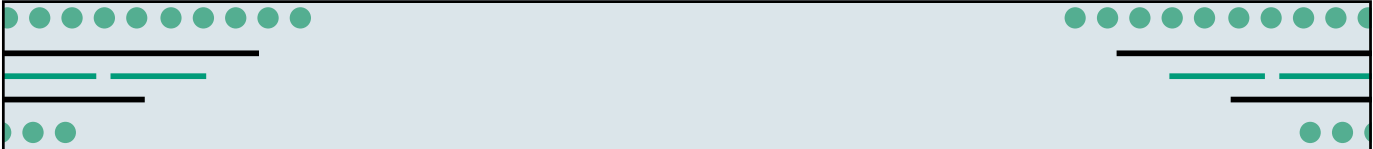
Health Mart

155



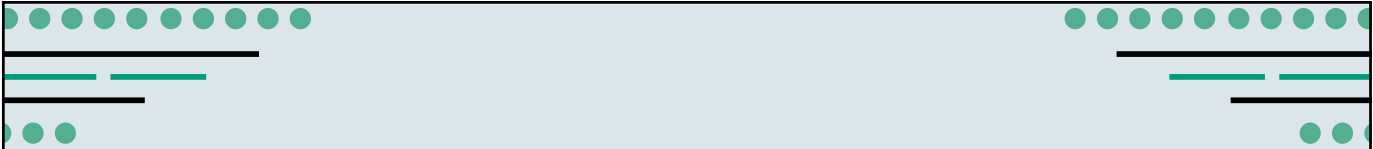
Independent Rx Consulting

156



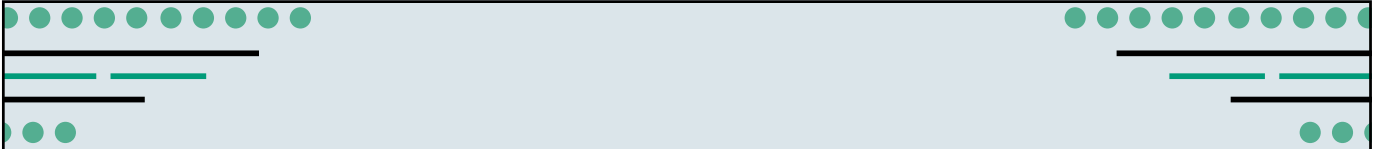
Independent Pharmacy Cooperative

157



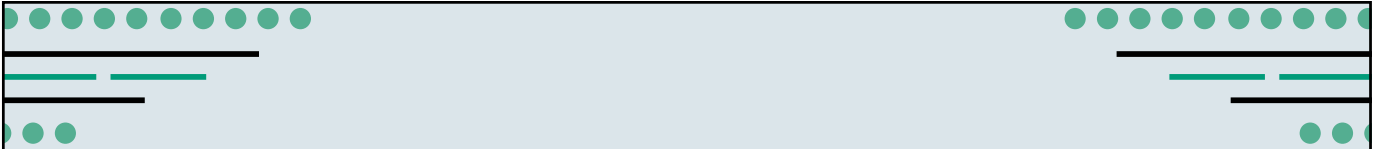
Live Oak Bank

159



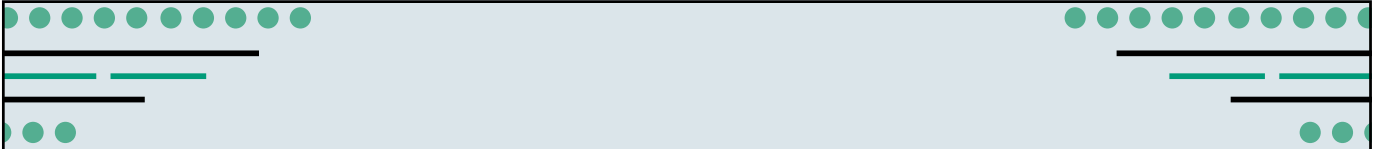
Liberty Software

160



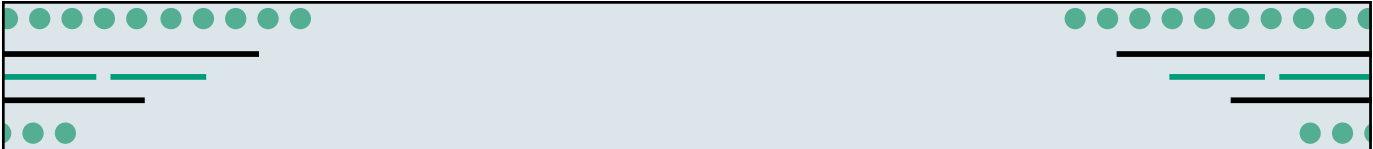
PCCA

161



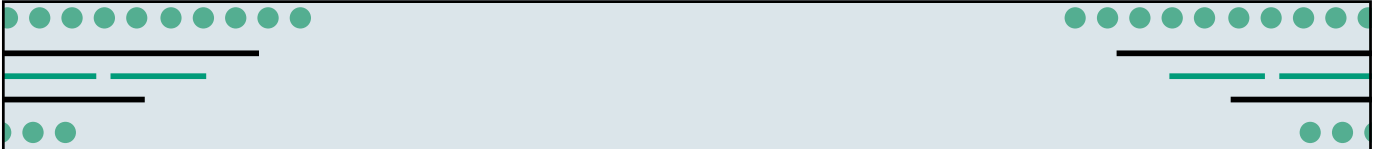
Pharmacists Mutual Insurance Company

162



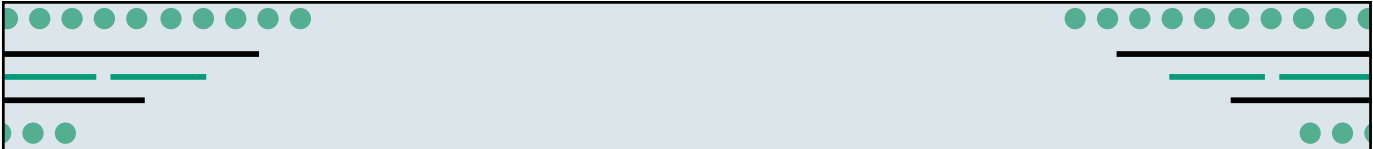
PrimeRx

163



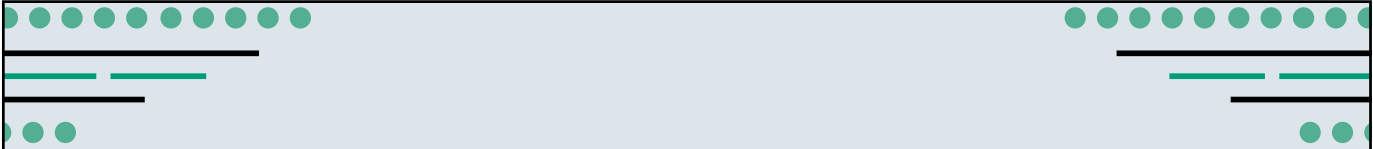
PRS Pharmacy Services

164



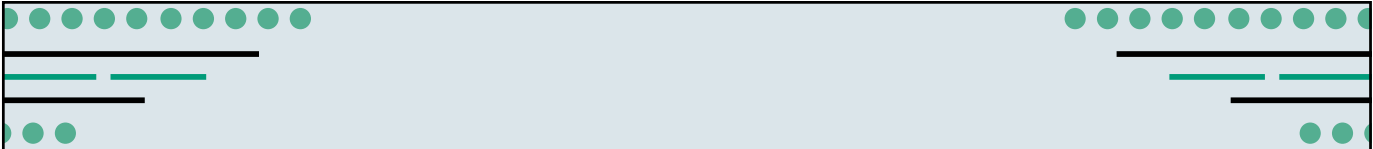
RedSail Technologies

165



Sykes and Company P.A.

166



RxOwnership

167

MCKESSON

RxOwnership®

NCPA Ownership Workshop

May 2025

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168

Your Partner in Financial Review for Independent Pharmacies



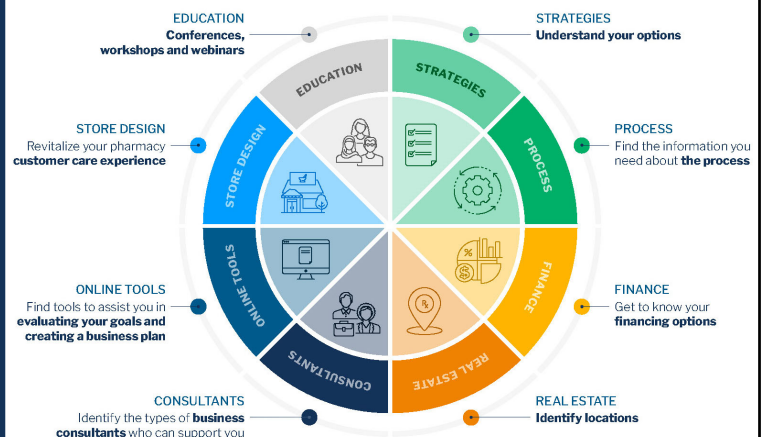
IN-DEPTH FINANCIAL ANALYSIS

Gain insights into your pharmacy's profitability and sustainability. Our **no-fee**, no-contract services are designed to help you understand the financial intricacies of your business.



MARKET DEMOGRAPHIC INSIGHTS

Access resources to analyze the economic landscape of your market area and position your pharmacy advantageously.



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MCKESSON

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Visit the **RxOwnership booth**
during the NCPA Ownership
workshop



9,000+

Deals completed



4,000+

Ownership transfers



4,900+

Start up pharmacies assisted

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RxOwnership®

Since launching in
2008, we have we
have been **a trusted
partner** for
pharmacies, providing
comprehensive
support through the
**buying, starting, and
selling processes.**



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McKESSON

Thank You

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Making the Most of Your Exhibit Hall Experience

172

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173

Technology to Improve Your Workflow

Hashim Zaibak, PharmD, Owner, Hayat Pharmacy
Jonathan G. Marquess, PharmD, CDCES, FAPhA,
President/CEO, The Marquess Group

PHARMACY
Ownership
Workshop

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Speaker



Jonathan G. Marquess, PharmD, CDCES, FAPhA
President & CEO
The Marquess Group

175

Agenda

- Discuss the different areas where pharmacy technology can improve efficiency of pharmacy operations.
- Outline budgeting needs for the incorporation of pharmacy technology systems into your business plans.
- Discuss how to phase in technology as the business grows.

176

Why Technology Matters



Evolving patient expectations



Competitive marketplace: technology gives you an edge



Increasing administrative burden



Need for clinical service expansion

177

Technology to Consider When Starting a Pharmacy

- Pharmacy Management System
- Point of Sale
- Phone System
- Security Cameras and Alarms
- Accounting Software with Cloud Backup



178

Technology to Consider at a Later Time

- Telepharmacy
- Communication Tools
- Inventory Management
- Compliance



179

Optional Technology

- Pill Counters
- Prescription Dispensing Systems
 - Parata
 - ScriptPro
 - RxSafe



180

Optional Technology

- E-commerce and Delivery Platforms
- Remote Patient Monitoring
- Digital Payment Solutions
 - Nimble



181

Medication Synchronization

- Increases workflow efficiency
- Better inventory control
- Improves adherence
- Pick a pharmacy management system with a good synchronization module
- Paper-based



182

Pharmacy Management System Solution

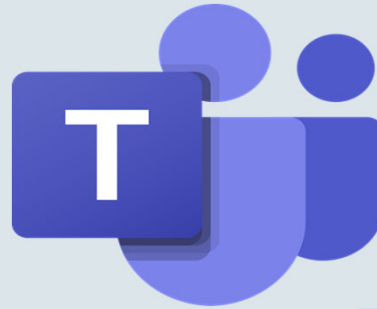
Synchronization is Internal and Part of the Package

- PioneerRx
- PrimeRX
- Liberty
- Rx30

183

Employee Communication

- Project Management
- Chat Application
- Document Management



184

Project Management

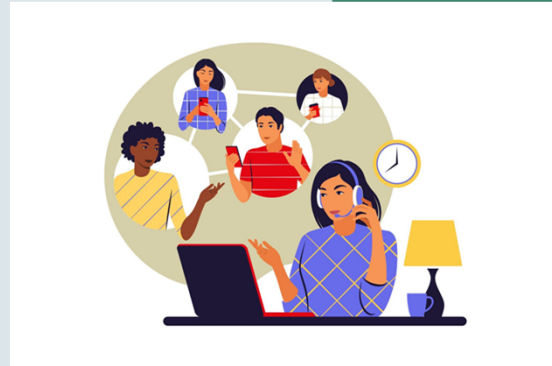
- Delegate tasks to teams and individuals
- Members can comment on tasks
- Tracking deadlines



185

Chat Application

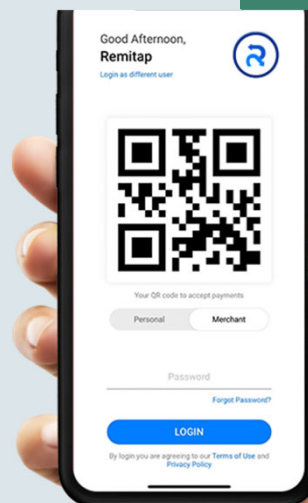
- Mobile and desktop friendly
- HIPAA compliant



186

Mobile Applications

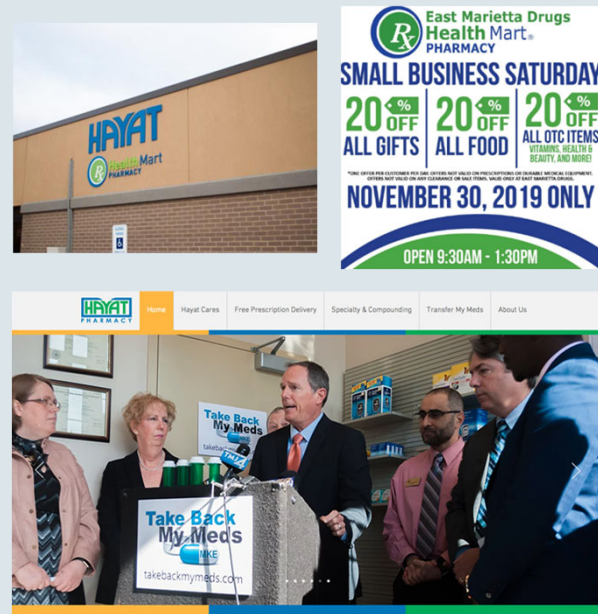
- Patient Rx refill
- Delivery mobile applications



187

Marketing

- Website
- Social Media
- Google Business Profile



188

Budgeting for Technology

- Cash is king
- Many vendors provide lease options
- Ask about maintenance fees
- Consult an accountant before finalizing a deal
- Read the fine print



189

Other Technologies

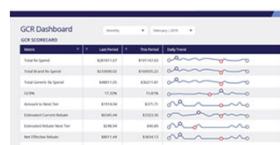
- LTC
- eMAR
- EHR
- Compounding
- Remote Patient Monitoring



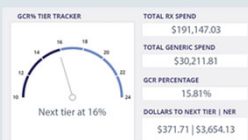
190



Tools like AdvantEdge Portal, Can help you track your generic compliance ratios (GCR), on a daily basis



Use technology to track your **generic compliance ratios regularly**



191

“In business you don’t get what you deserve, you get what you negotiate.”

Crucial Conversations by Kerry Patterson, Joseph Grenny, Ron McMillan, and Al Switzler

192

Discover New Technology

- Trade shows offer new tools and ideas
- See the latest tech in action
- Gain ideas to work smarter



193

Don't Overdo It with Technology

- Balance is key
- Avoid unused subscriptions
- Stay focused, avoid tech overload

194



Questions?

**Jonathan G. Marquess, PharmD,
CDCES, FAPhA**

President & CEO, The Marquess Group
jmarquess@gpha.org

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196

Planning Your Next Step!

A look at building, leasing and remodeling

Gabe Trahan, Former Senior Director, Store Operations and Marketing, NCPA (Retired)



197

Speaker



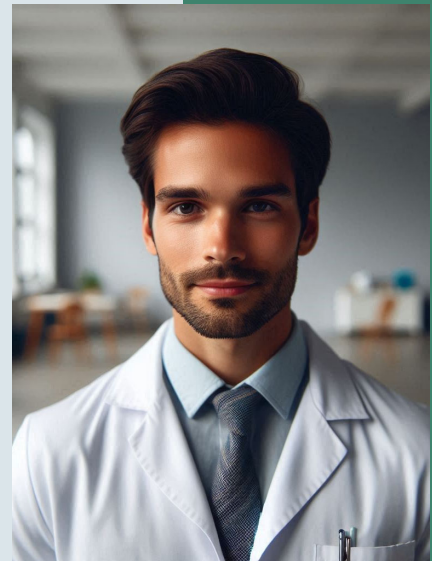
Gabe Trahan

Former Senior Director, Store Operations and Marketing
NCPA

198

SCRATCH

RX Platform
Dedicated Line
Small Refrigerator
Outlets
Molding
Music – Security – Electrical for Signage
Ceiling Tiles
Dishwasher
Flooring



199

List of rooms needed

Pharmacy size

Pharmacy size - work station

Utilities - restrooms

Drive up

List of categories

Size of categories

Space from RX to OTC fixture

Space from entrance to first fixture

Number of fixtures needed



200

Remodel **\$73,000.00** or **\$25,000.00?**

108 Oak Park Drive Upfit BUDGET --

\$73,000

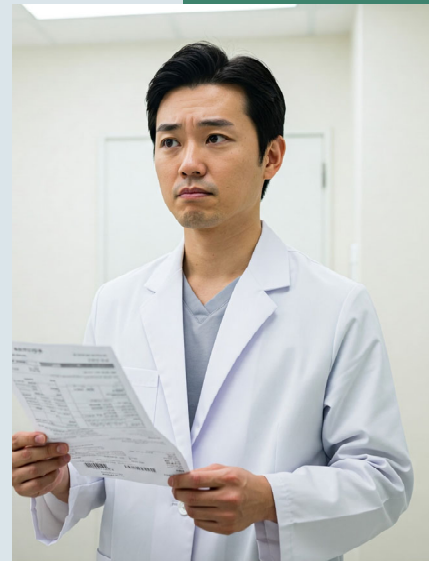
- Demo interior walls, minus front office, reception area, restrooms, and IT Closet.
- Build new wall at reception for relocated double doors.
- Build new wall in rear with relocated door for designated breakroom space.
- Extend all walls at reception up to bottom of roof deck and install mesh screening for security.
- Demo and replace all flooring. Minus restrooms and IT Closet. We include a \$6.00 per square foot Allowance for material and install of LVT. Install new vinyl base throughout.
- Replace PLAM countertop at Breakroom with new PLAM countertop.
- \$7,500 Allowance for reworking electrical and new electrical.
- Install security film on all exterior windows.
- Paint all walls new and old.
- Install ADA vertical grab bars in restrooms.
- Relocate Built-in Bookcase
- Replace damaged or dirt

Estimated Cost of \$25,000.00 to do the following work:

1. Tear out walls as discussed
2. Repaint walls
3. New LVP floor covering
4. Permits
5. Dumpster
6. Electrical

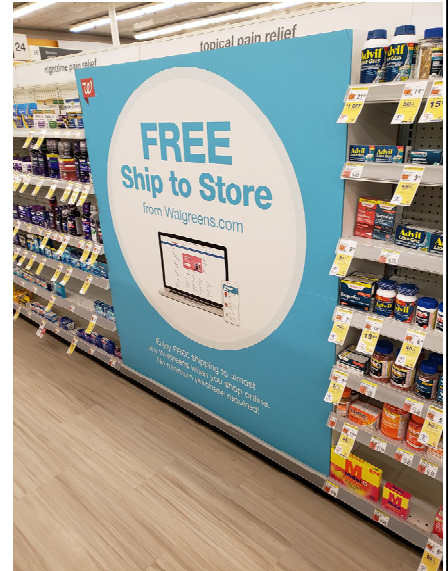
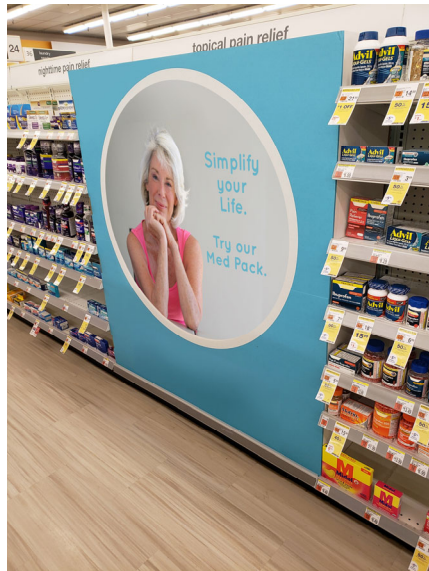
Thank you again for selecting M:
to be performed during normal b
don't hesitate to contact me.

Sincerely,



201

- Entrance
- Front of RX
- Between fixtures
- Between end-caps
- Pain and Cough & cold aisles
- Digestive and vitamins aisles
- Display assembled DME
- Lift Chairs (cash)
- Waiting area
- Consulting / vaccine rooms



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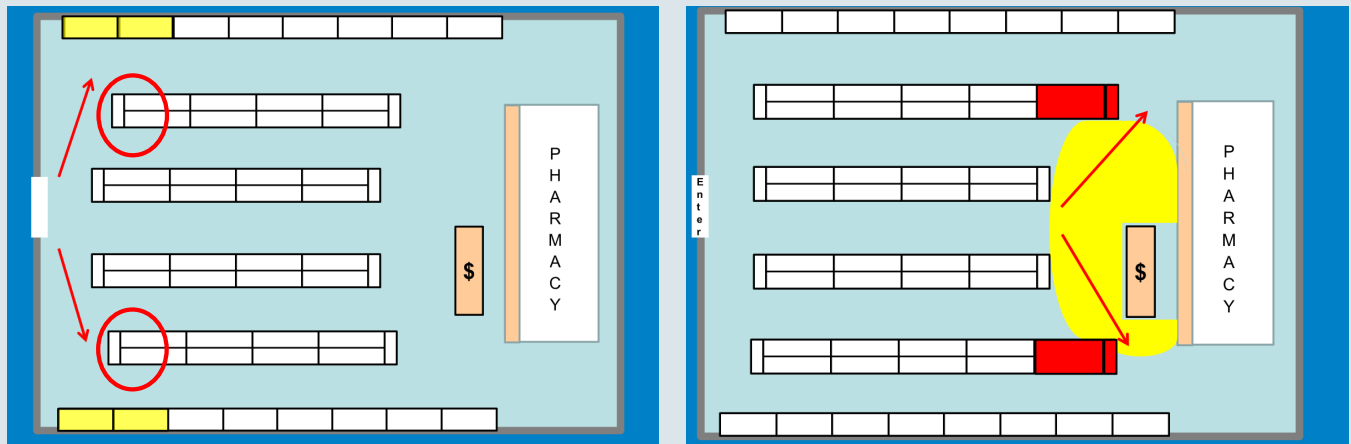
Open/ Remodel your store with space!



203



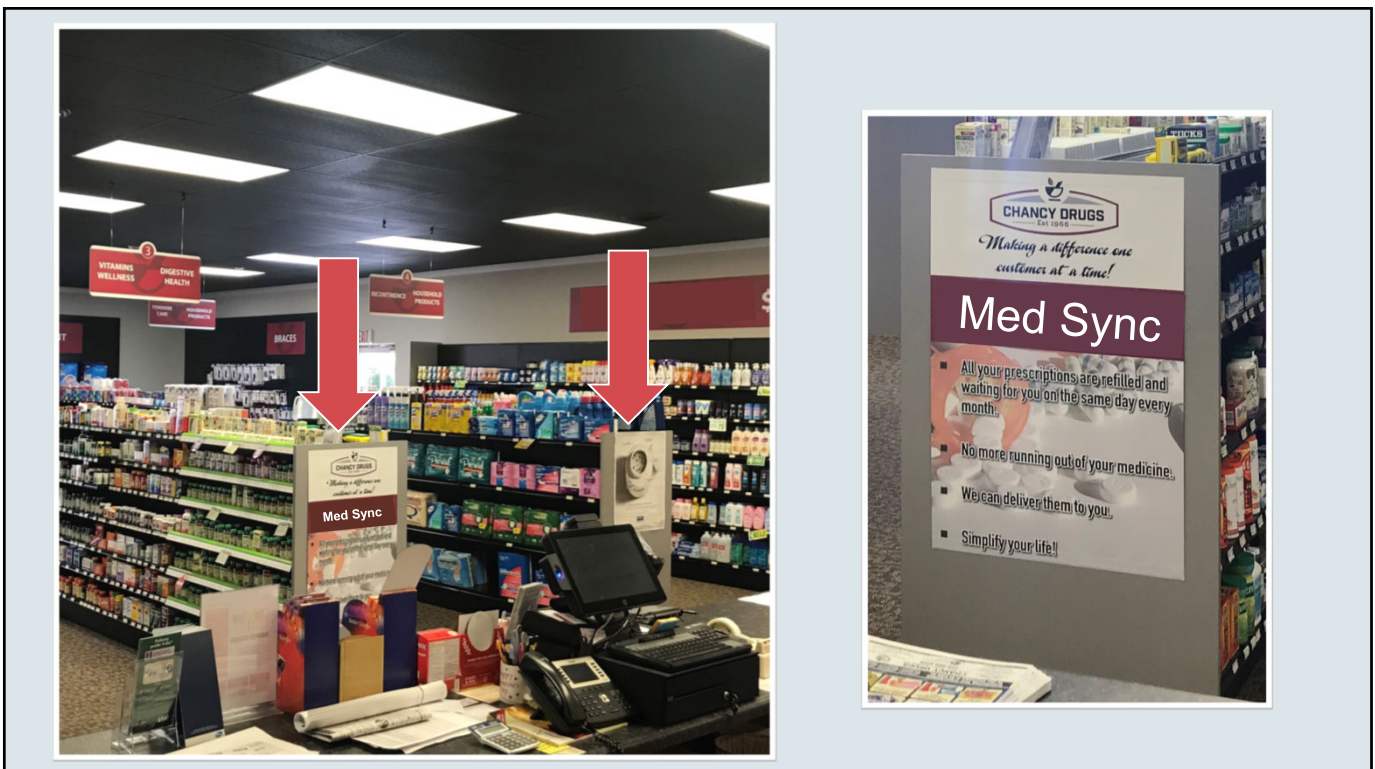
204



205

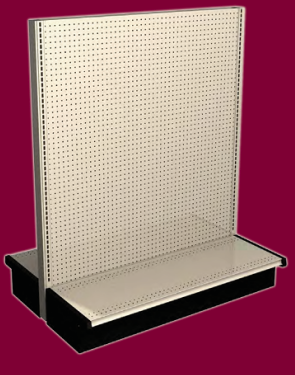


206



207

Island Section Back Options





Pegboard (P)
• For pricing see section 100, pg 1-8



Maneck® (M)
• For pricing see section 100, pg 1-8



Econo Maneck® (ME)
• For pricing see section 100, pg 1-8



Woodgrain (W)
• For pricing see section 100, pg 9-16



Slotwall (S)
• Painted or laminate
• For pricing see section 100, 17-24



Slotwall w/Aluminum Inserts (SI)
• Painted or laminate
• For pricing see section 100, pg 17-24



Peg Woodgrain (PW)
• For pricing see section 100, pg 9-16



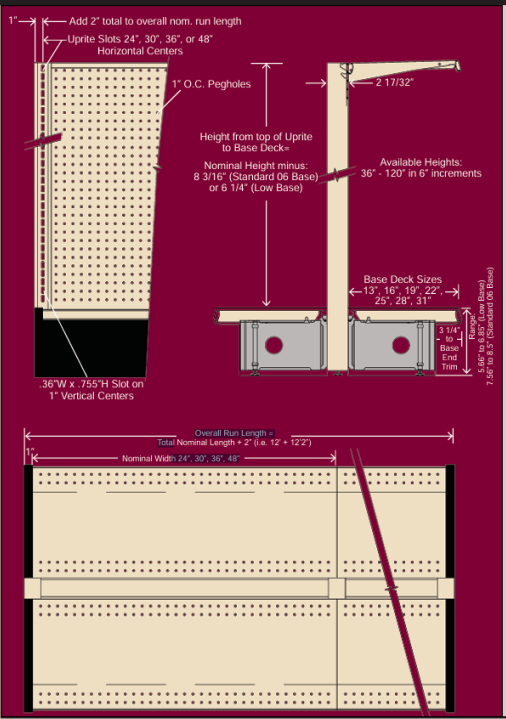
Peg Mirror (PM)
• For pricing see section 100, pg 9-16



Wiregrid (WG)
• For pricing see section 100, pg 9-16



Open (FO)
• For pricing see section 100, pg 9-16



Technical Diagram Details:

- Upright Slots: 24", 30", 36", or 48" Horizontal Centers
- 1" O.C. Pegholes
- Height from top of Upright to Base Deck = Nominal Height minus: 8 3/16" (Standard O6 Base) or 6 1/4" (Low Base)
- Available Heights: 36" - 120" in 6" increments
- Base Deck Sizes: 13", 16", 19", 22", 25", 28", 31"
- Base Deck Thickness: 5/8" to 6/8" (Low Base) or 7/8" to 8/8" (Standard O6 Base)
- Overall Run Length: Total Nominal Length + 2" (i.e. 12" + 12" = 24")
- Nominal Width: 24", 30", 36", 48"
- 36"W x .755"H Slot on 1" Vertical Centers

13"
16"
19"
22"
25"
28"

208

Things to ask:

- What is your OTC cost at?
- What retail price zone is your OTC at?
- Is the OTC inventory I see today typical of what you normally carry?
- How often and how do you implement price changes and how often?



209

Wellness Center

Healthy Aging

Anxiety

Stress

Sleep

Energy

Independence

Weight Control

Natural

Nootropics

Memory

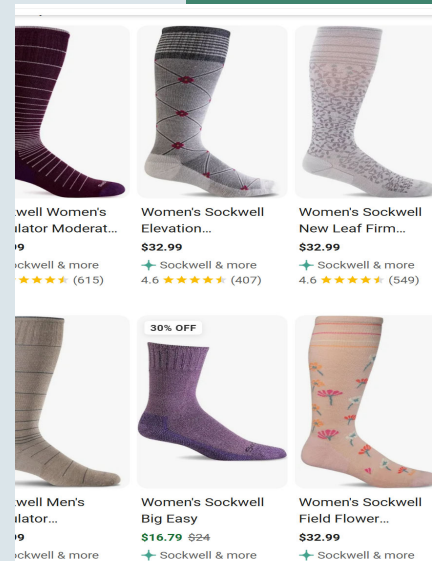
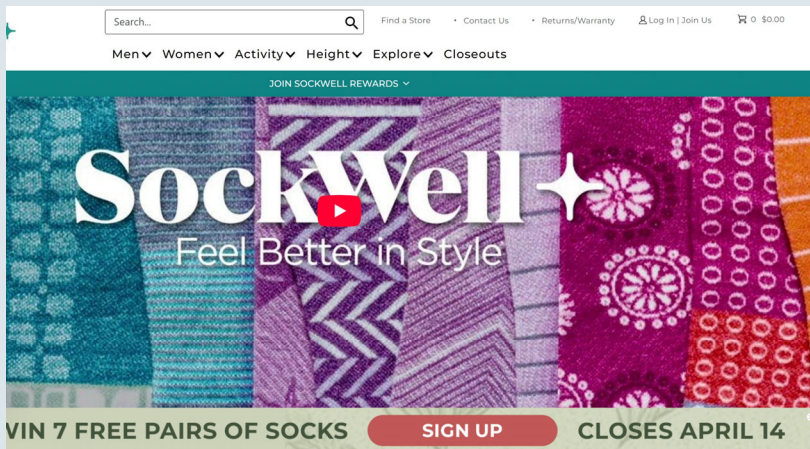


210



211

<https://sockwellusa.com>



212

<https://vimvigr.com>



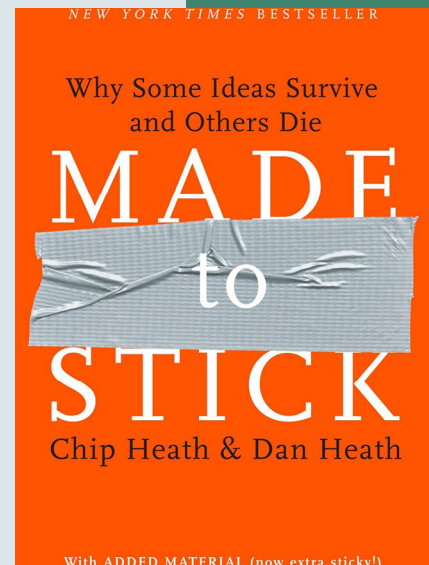
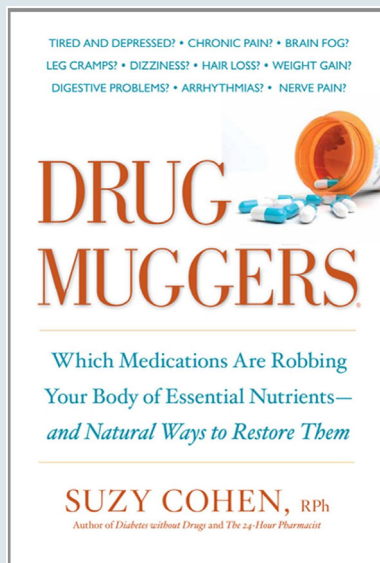
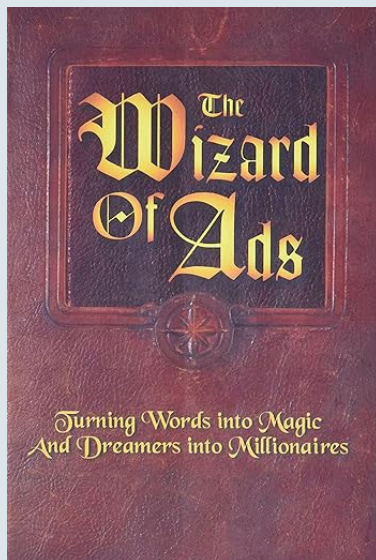
213

Emerson ecologics a Fullscript Company

The screenshot shows the Emerson ecologics website, which is a Fullscript company. The header includes a search bar with the text "Find what you're looking for", a green bar with "Access Virtual Dispensing", and navigation links for SHOP, BRANDS, EDUCATION, and QUALITY. There are also icons for Support, Login, and Cart, along with a Sign Up button. The main banner features a product image of a jar of Ancient Nutrition Multi Collagen Protein, the text "ANCIENT NUTRITION Harness history's most powerful superfoods and provide them in forms that are easy to include in a modern lifestyle.", and a "Learn More" button. Below the banner, a search result section shows "0 results" and a "FILTER YOUR RESULTS" button. A dropdown menu for "Popularity" is also visible.

214

Resources



215

<https://wizardacademy.org>

Learn ▾ About ▾ Campus ▾ Shop ▾ Donate ▾ Contact

Non-Traditional Non-Profit
Non-Boring Business School

Online and In-Person Learning for Business Owners
and Entrepreneurs

Upcoming Classes

2025 May: Applied	2025 May: Magical	2025 June: The "Plaid"

216

Wizard of Ads <editor@wizardofads.org>

Home Articles & Advice Find an Expert Good Fit? What We Do Contact

Our income rises only when yours does.

We're not paid according to how much you **spend**.
We're paid according to how much you **grow**.

You're good at what you do. So are we.

FIND A PARTNER

Knowledge is Profit.

READ THE LATEST

How Hilton grew despite a bad economy

Bold Consistency

How to Handle Bad News in Business

How To Sell Brown Liquor

<https://wizardofads.org>

Bet the House, Hit the Road – A Barber's Belief in UNO

At 60 years old he mortgages his home and it's not selling.

[Keep Reading](#)

Drifters, Surfers, Drowners, and Sailors

There are four kinds of people you meet when you're sailing the water of life. Only one finds success.

[Keep Reading](#)

The Art of Storytelling and Whiskey Tasting with Paul Boomer

The way you share things and the settings that you provide make all the difference.

217

The Marketing Trap Every Small Business Falls For

A recent report describes the "damage, not deliverance" that results from over-reliance on digital advertising.

Nike fell for it and flopped hard. Here's what to know.

[Keep Reading](#)

Public Service Advertising Done Right

It's really hard to educate the consumer, but they made a dull subject sparkle.

[Keep Reading](#)



How to Handle Bad News in Business

Just because your door is open, doesn't mean you're approachable.

[Keep Reading](#)



You never forget your first real coach

They'll either help you grow or reinforce the belief that coaching is just a fancy word for pressure.

[Keep Reading](#)



How To Sell Brown Liquor

How does Nick, a non-marketer, get people making road trips to line up before the store opens?

[Keep Reading](#)

Bold Consistency

Both birth feeders and ad campaigns will typically fail to attract their intended targets for similar reasons.

[Keep Reading](#)



218

The Monday Morning Memo

Sales Activation within a Relational Ad Campaign

Last week I spent 11 hours with 4 people who came to Austin. One of them owned a large company. The other 3 were his key people. They told Jacob, the president of Wizard of Ads, that they have long admired the 1-800-GOT-JUNK ad campaign, so they decided they would "track down the writer who so wonderfully captured the spirit of Brian Scudamore." *They asked Jacob* what it would take to meet with me for a day.

Obviously, I was flattered.

Jacob was careful to make sure that they were not Brian's competitors, then he set them up with a day to meet with us.

It was a very pleasant day.

A number of you commented about the little chunklets of 1-800-GOT-JUNK ads that I used as examples of Magical Thinking and Magical Realism in the audio version of the Monday Morning Memo *two weeks ago*. So I decided to give you a sneak peek of 4 new ads that you will be hearing on the radio across the U.S., Canada, and Australia several weeks from now. – RHW



EMAIL NEWSLETTER

Sign up to receive the Monday Morning Memo in your inbox!

SUBSCRIBE

Download the PDF "Dictionary of the Cognoscenti of Wizard Academy"

RANDOM QUOTE:

"Intensity of effort is the seed of passion."

– Roy H. Williams

THE WIZARD TRILOGY

219

[HOME](#)
[MEMO](#)
[ROY H. WILLIAMS](#)
[WIZARD OF ADS PARTNERS](#)
[ARCHIVES](#)
[MORE...](#)

SEARCH THE SITE ...

LATEST MEMO



The Creation & Extraction of Value

"If we train our children only to harvest, who will plant the seed?" I wrote those words after contemplating the short-sightedness of so-called, "performance marketing," on March 11, 2010. "Performance marketing" is the new name for direct response advertising. It works best when it extracts the value from a well-known

EMAIL NEWSLETTER

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Your Email Address

SUBSCRIBE

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RANDOM QUOTE:

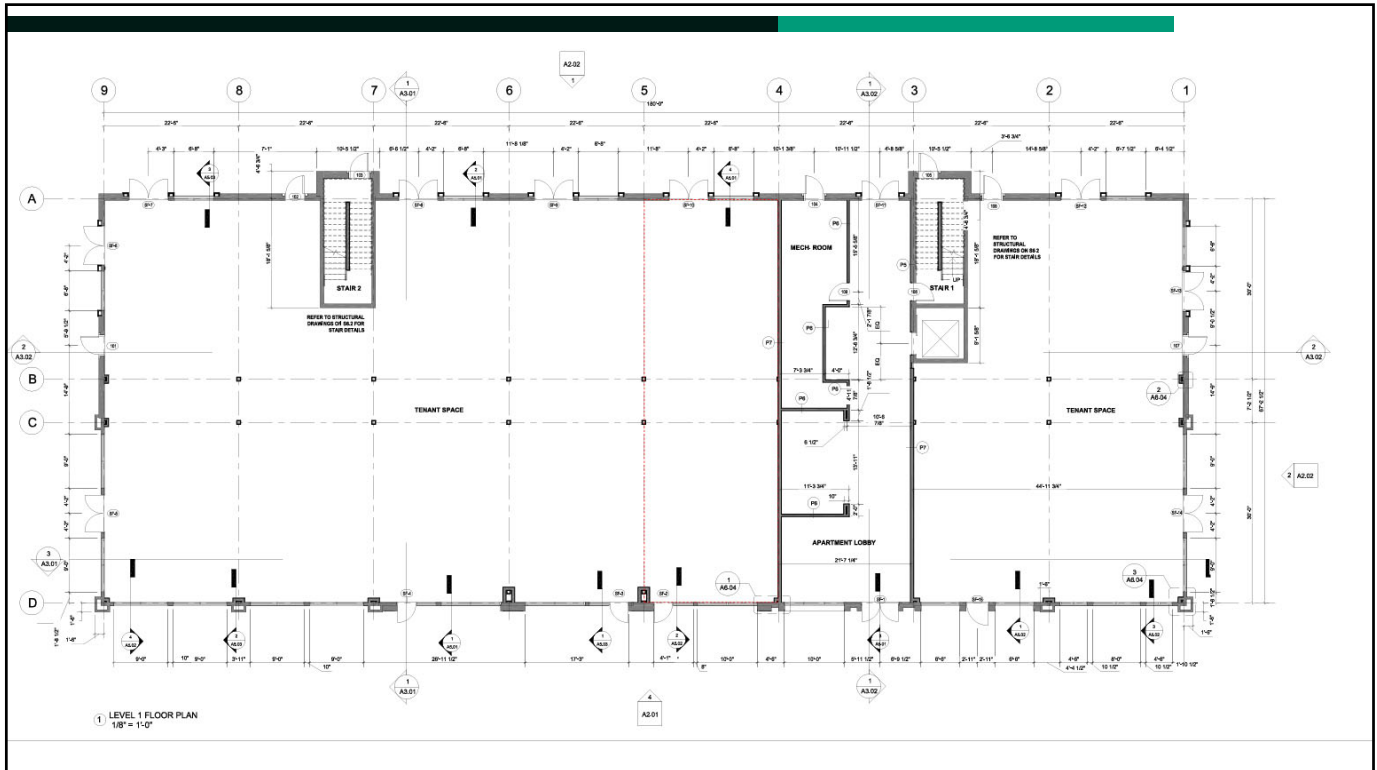
"You are about to begin reading Italo Calvino's new novel, *If on a winter's night a traveler*."

- Italo Calvino, opening line of *If on a winter's night*

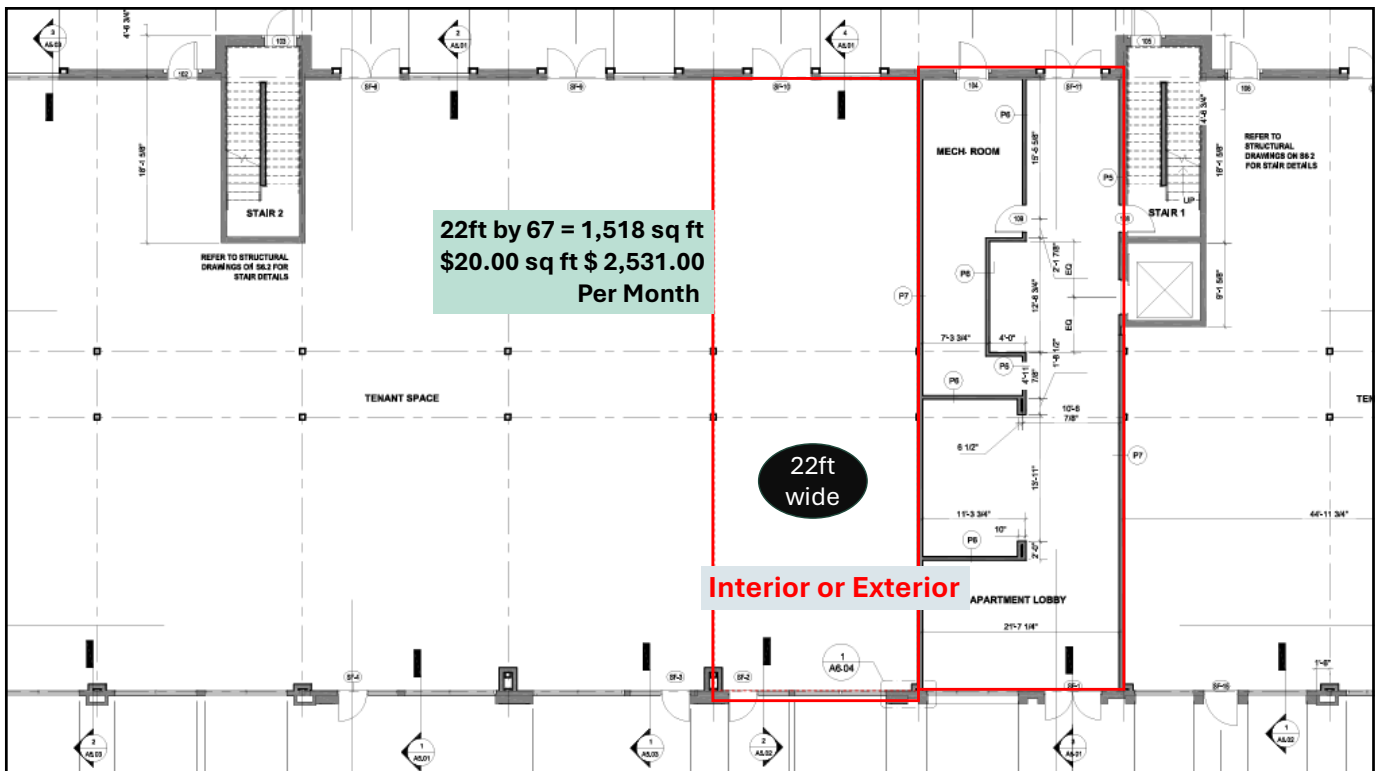
220

What are you looking at?

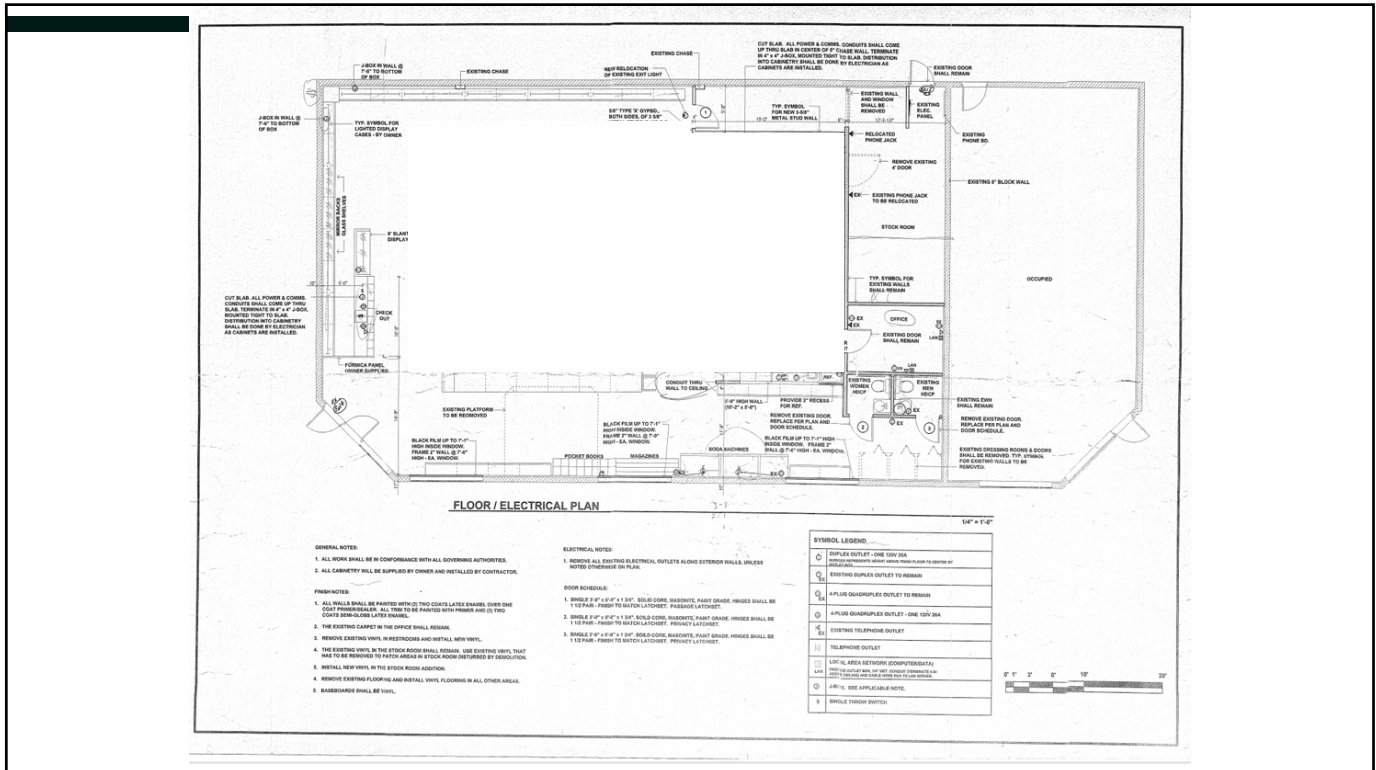
221



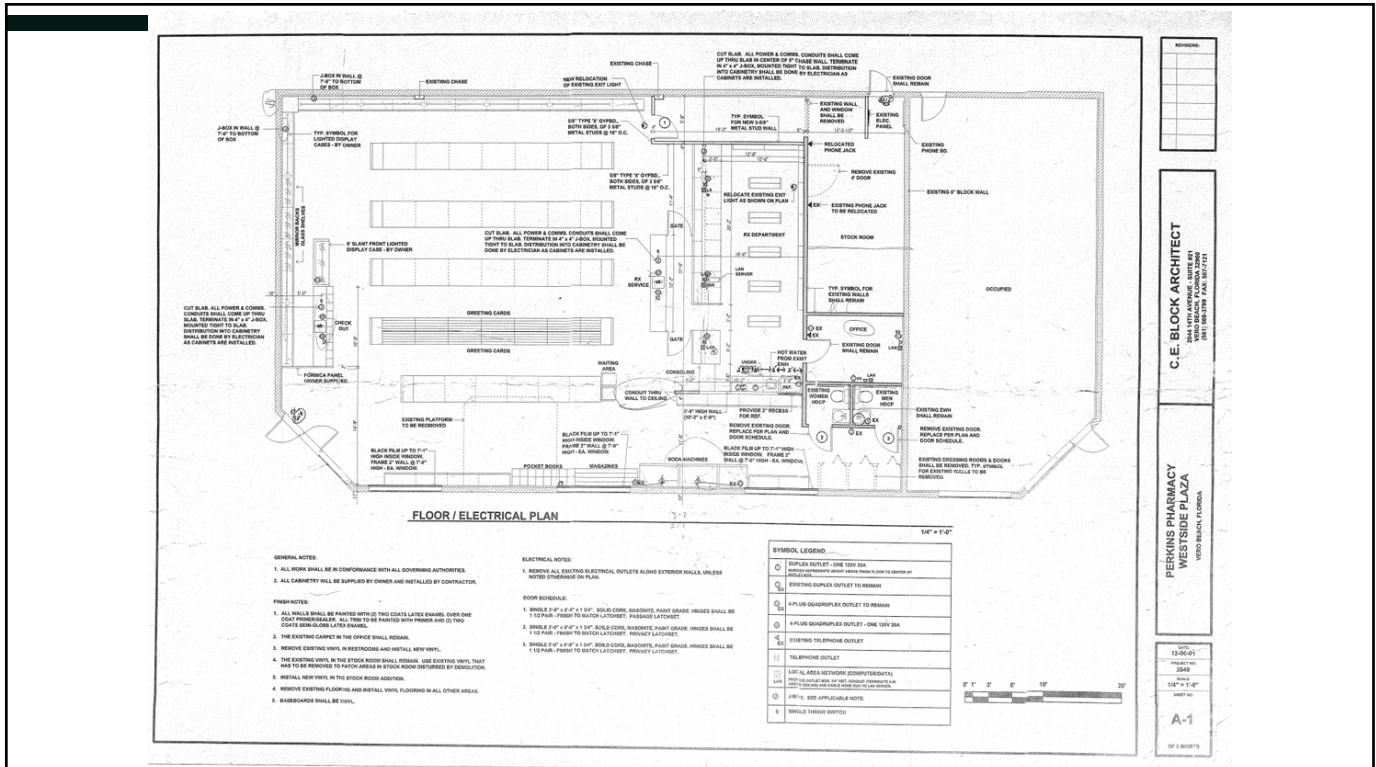
222



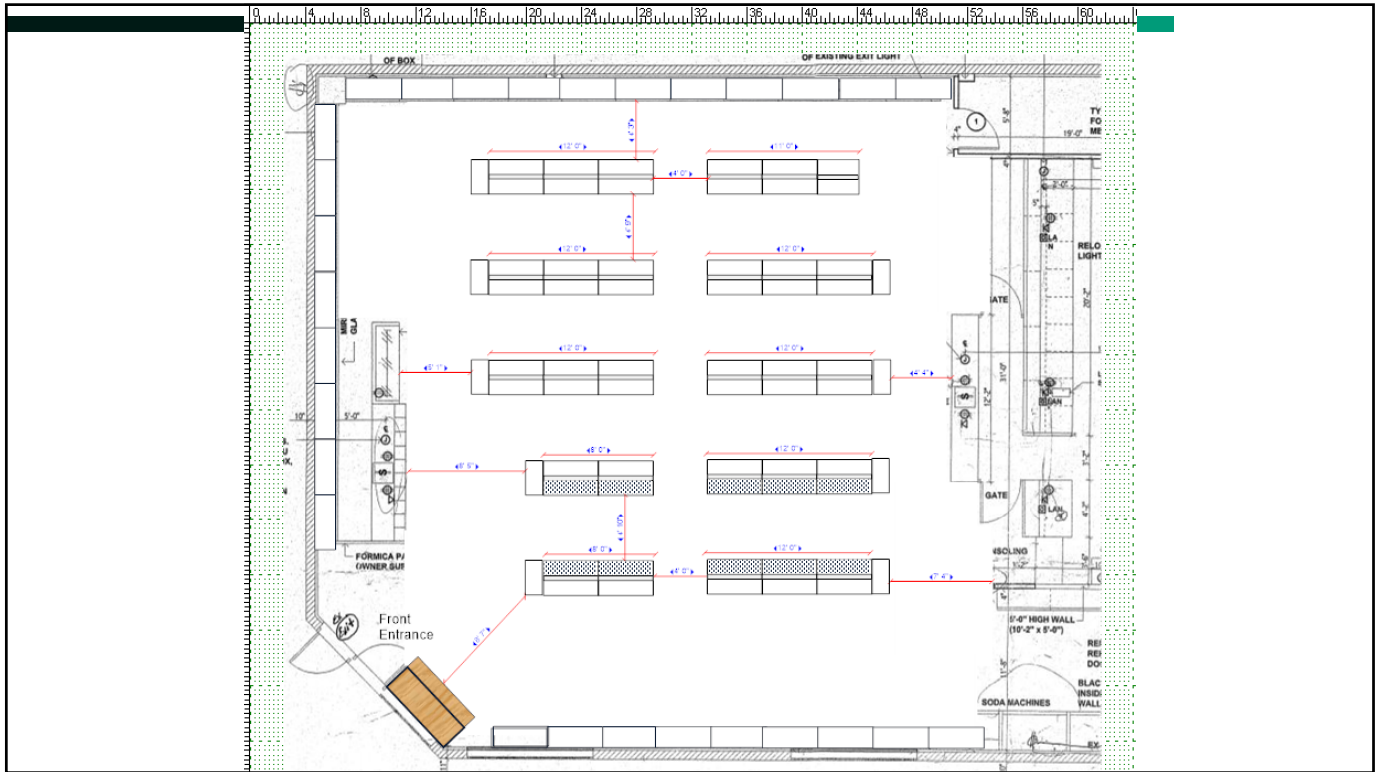
223



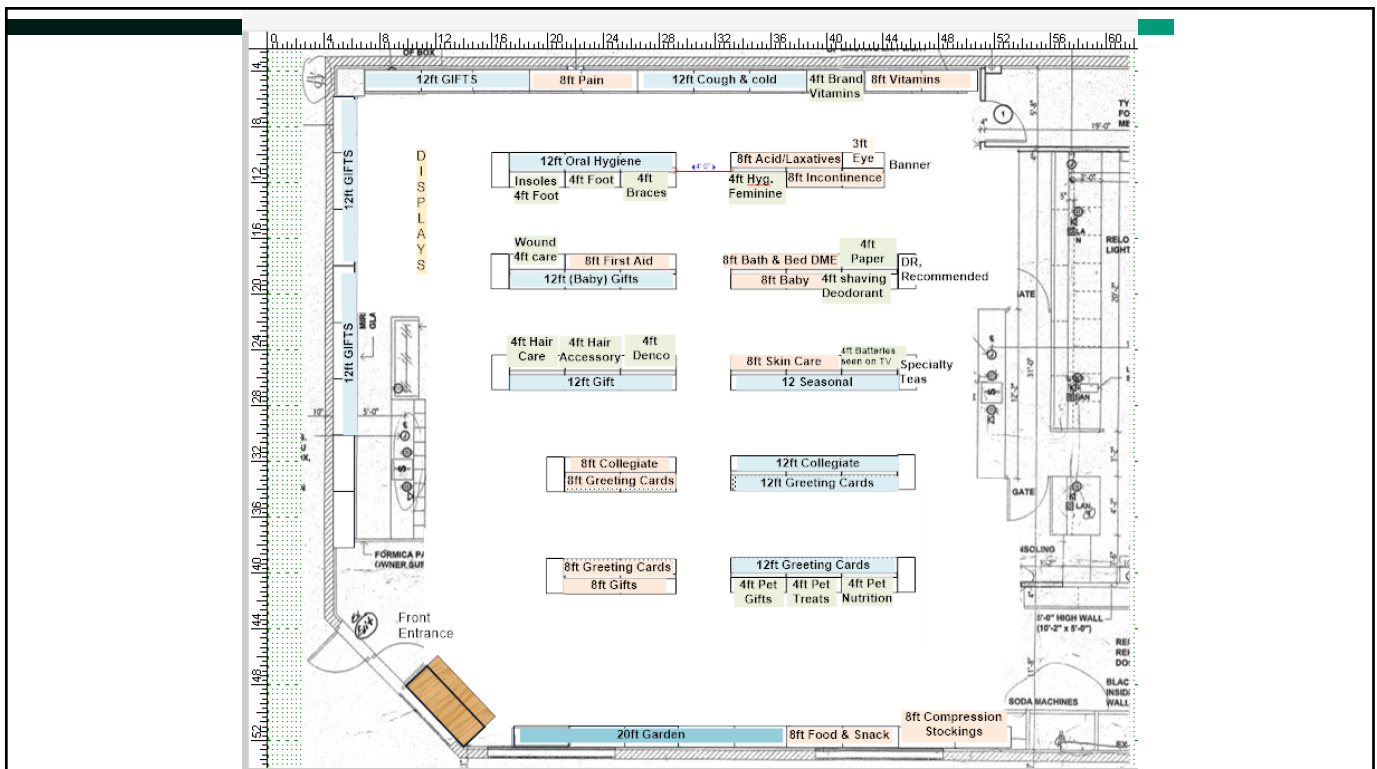
224



225



226



227

www.madixinc.com

Maxi Line Installation Video (English)



<https://www.lozier.com/>

NCPA Discount?

**Flex RX
cognizant of
shelf size!**



228

<https://www.uniwebinc.com/>



229



230

Uni Web



231



232

Island Section & Ends

Island Section:

- Island Section widths: 2', 3', or 4'
- Island Sections can be combined for any length runs
- Shelving Run consists of Island Sections combined with 1 End Unit.

(Ex. 20' run consists of 5 - 48" Long Island Sections and 1 Island End Unit)

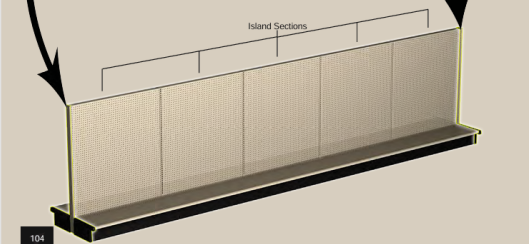


Island Section Include:

- 1 Upright
- 2 Base Brackets
- 2 Base Decks
- 2 Closed Base Fronts
- 1 Top Rail
- 1 Center Rail (2 on 96"-120"H)
- 1 Bottom Rail
- 1 Splicer Rail (78"-120"H)
- Back Material as specified

Island End Include:

- 1 Upright
- 2 Base Brackets
- 2 Pair Base End Trim
- 2 Upright End Trims



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Island End Include:

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- 2 Upright End Trims

Tip! A complete section can be 1" to 2" longer!

233

Island Section Back Options

Pegboard (P)
• For pricing see section 100, pg 1-8

Marneck® (M)
• For pricing see section 100, pg 1-8

Econo Marneck® (ME)
• For pricing see section 100, pg 1-8

Woodgrain (W)
• For pricing see section 100, pg 9-16

Slotwall (S)
• Painted or laminate
• For pricing see section 100, 17-24

Slotwall w/Aluminum Inserts (SI)
• Painted or laminate
• For pricing see section 100, pg 17-24

Peg Woodgrain (PW)
• For pricing see section 100, pg 9-16

Peg Mirror (PM)
• For pricing see section 100, pg 9-16

Wiregrid (WG)
• For pricing see section 100, pg 9-16

Open (FO)
• For pricing see section 100, pg 9-16

Island Section Dimensions

1" Add 2" total to overall nom. run length

Uprite Slots 24", 30", 36", or 48" Horizontal Centers

1" O.C. Pegholes

Height from top of Uprite to Base Deck =
Nominal Height minus:
8 3/16" (Standard 06 Base)
or 6 1/4" (Low Base)

Available Heights:
36" - 120" in 6" increments

Base Deck Sizes:
13", 16", 19", 22",
25", 28", 31"

36"W x 755"H Slot on 1" Vertical Centers

Overall Run Length =
Total Nominal Length + 2" (i.e. 12" + 12")

Nominal Width 24", 30", 36", 48"

3 1/4" to Base End Trim

7 5/8" to 8 5/8" (Standard 06 Base)

13"
16"
19"
22"
25"
28"

234

Wall Section Exploded

Components:

A = Back	G = Base Deck
B = Uprite	H = Top Rail
C = Uprite End Trim	I = Center Rail
D = Base Brackets	J = Splicer Rail
E = Base End Trim	K = Bottom Rail
F = Closed Base Front	

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DL and TL

235



236

“We have noticed that the store looks a lot brighter and larger in size!!”



237



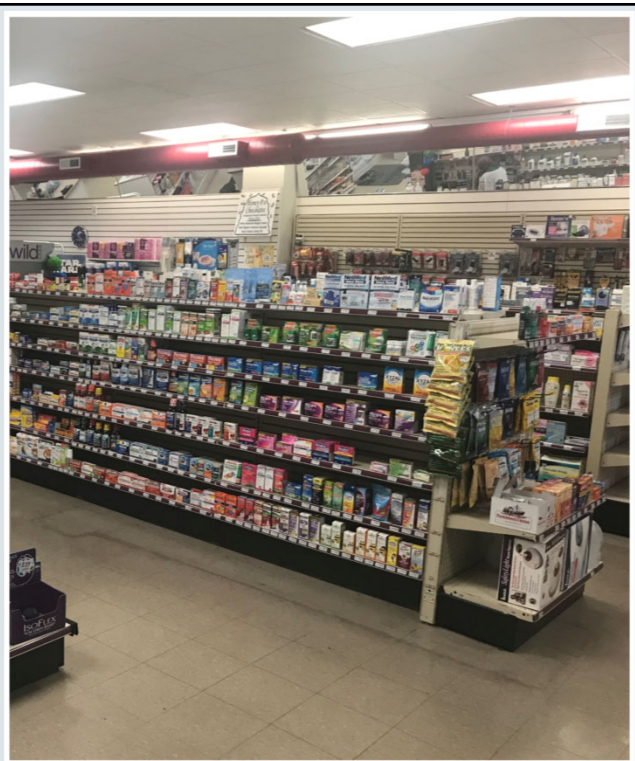
238



239



240



241



242



RX UNDERCOUNTER UNITS

- 24"W x 24"D x 38"H
- Welded steel construction
- Recessed black plastic door and drawer pulls
- All have electrical access knockouts and 3"H recessed base
- Rx Countertops are fastened to cabinets from underside, order separately
- Finished Undercounter Unit is 39"H

243

VIBE

Planning your next step On Site Business Evaluation

Physical Environment

Evaluate the first impression of the pharmacy.
Check the cleanliness of the entrance and overall store.
Assess the lighting inside the store.
Observe the atmosphere or "vibe" of the space.
Eyeball the width of aisles and look for any items blocking them.
Note empty shelves and/or racks with sparse inventory.
Count the number of "SALE" or discount signs found on the sales floor.
Examine if there are any retail items in storage areas.

Staff and Service

Determine the physical position of staff within the store. (Anyone on the sales floor)
Review staff dress code and professionalism.
Confirm if it's apparent who the pharmacist is.
Take note of whether customers are greeted or acknowledged upon entry.
Observe if customers are asked to accept partial [fill](#) for prescriptions.

Customer Experience

Document the estimated number of customers in line waiting for prescriptions.
Count the number of customers waiting in the designated waiting area.
Analyze what customers are purchasing other than prescriptions.
Check if OTC ([over-the-counter](#)) items are scanned at registers.

Operations and Inventory

Investigate promotion of private label products.
Assess OTC stock levels: Are items inventorying more than one each?
Review OTC retail margin average and cost of goods, (if possible)

Verify wholesale delivery time. Late afternoon?

Assess the efficiency of the pharmacy's workflow.

Concerned

- ☐ Note if anyone appears to be following or watching you closely.
(When evaluating business practices during a store visit, pay attention to any staff member who seems to be watching you closely or acting overly attentive. This behavior may sometimes indicate issues like theft or the deliberate concealment of excessive inventory.)
- ☐ Ask staff about any recurring complaints.

Additional Considerations

- ☐ Look for signs of promotions of special services offered.
- ☐ Check if competitive pharmacies can be visited on the same day for comparison.



244

Beware!

Our customers don't ...

Like that we are open on Sunday.

Our customers don't buy that kind of stuff.

I think Patricia is stealing.

Jim doesn't like you.

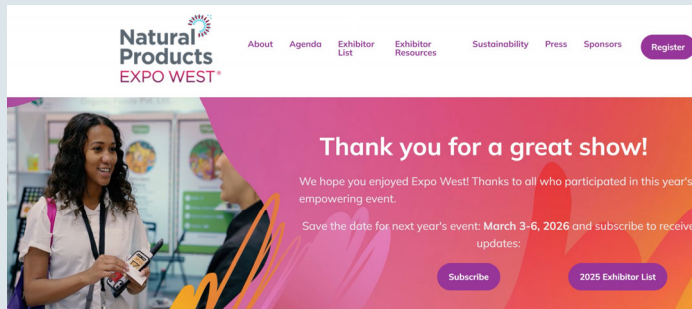
I don't mind coming in before the store is open to do some cleaning. You don't have to be here.

Would you mind if I take charge of taking out the trash?
Too many people are doing it wrong?



245

Not Everyone Gets to Go!



246

Becoming an informed buyer!

- Is Freight Free only for an opening order?
- Is the free display being shipped freight free?
- What is the minimum order to qualify for free freight?
- If a portion of my order is on your backorder list, does my adjusted order ship for free?
- Free racks or displays are never really Free!
- Is the cost of free freight being offset by free goods at wholesale or retail?
- Is the Discount only for opening order?
- Do you have a "MAP" policy, if so, do you enforce it? (Minimum Advertised Price)
- Please give me your contact information along with company headquarters.
- MSRP can be deceiving . (Manufacturers Suggested Retail Price.)
- What is your return policy?
- Who sells the most of this product and how?
- Do you retail on the web, and if so, what kind of deals are you offering?
- If you are promoting a buy one get one free retail deal, is the 2nd one at no cost to me?
- Will you help in dealing with slow moving or outdated product?

REMEMBER THERE IS NO SUCH THING AS FREE PRODUCT IF IT SITS ON YOUR SHELF!

247



Questions?

Gabe Trahan

Former Senior Director, Store
Operations and Marketing, NCPA
gabetrahan@gmail.com