



The *voice* of the  
community  
pharmacist.

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# The Road to Pharmacy Ownership

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



## Program Faculty

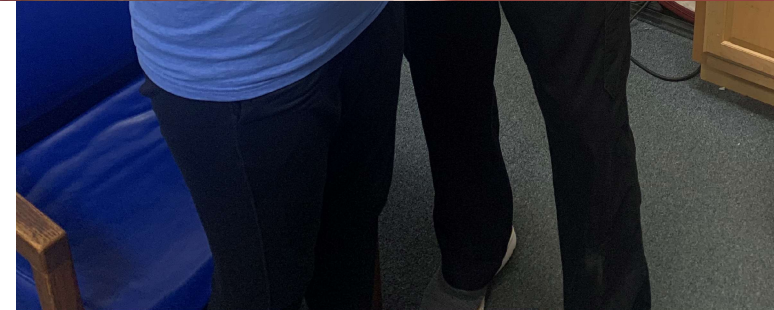
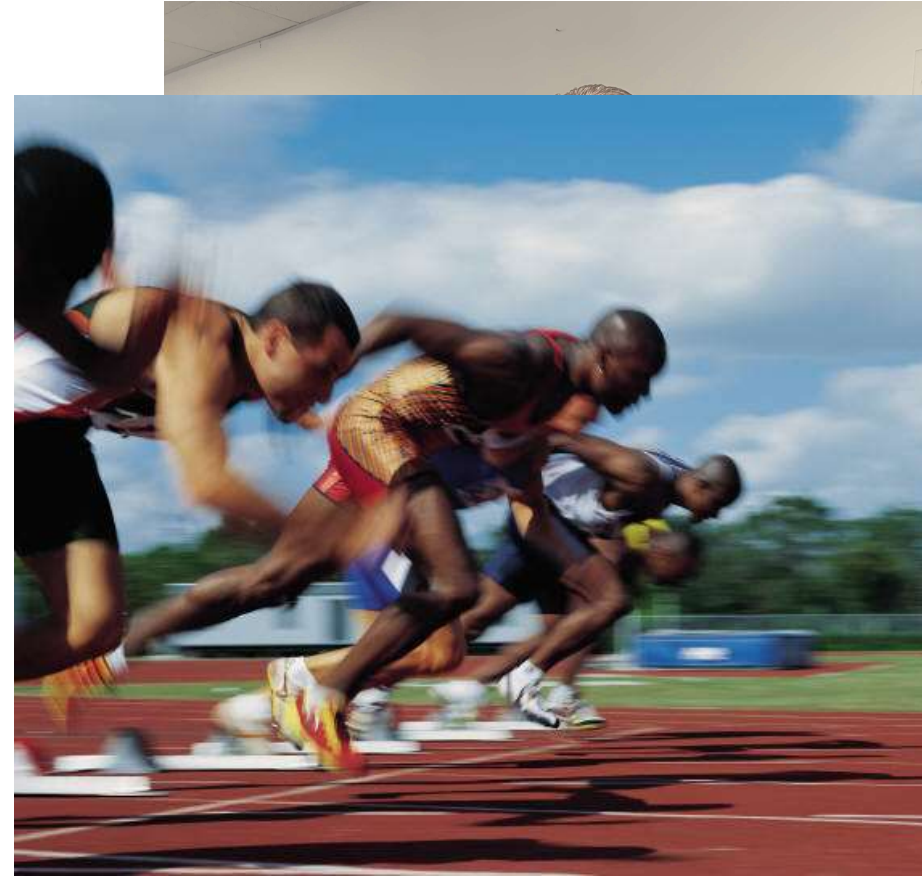
- Dr. Jonathan Marquess is Vice President of the Academy of Independent Pharmacy for the Georgia Pharmacy Association. In this role, he promotes economic viability and security for Independent Pharmacies. In addition, Marquess and his Pharmacist wife, Pam are the owners of Community and Long-Term Care Pharmacies in Georgia. Before assuming his current position, Dr. Marquess was Vice President of Clinical and Professional Affairs for APCI and a Clinical Professor of Pharmacy Practice at Mercer University School of Pharmacy in Atlanta.





# Great to Be Here

- Welcome
- Thank NCPA
- Stellar Faculty
- Who is tired of ZOOM meetings!!
- Track slide
- Anyone successful has stood on someone's shoulders





# Ground Rules

- 1. Ask Questions
- 2. Be Interactive
- 3. Think of your pharmacy (now or future)
- 4. Have some fun!!



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







# Learning Objectives

- Describe one pharmacist's challenges to pharmacy ownership and steps to overcome them.
- Outline 3 key strategies to assist with moving from pharmacy management into pharmacy ownership.
- Discuss how expansion into niche services can increase financial success of a new pharmacy.





# NCPA Ownership Academy

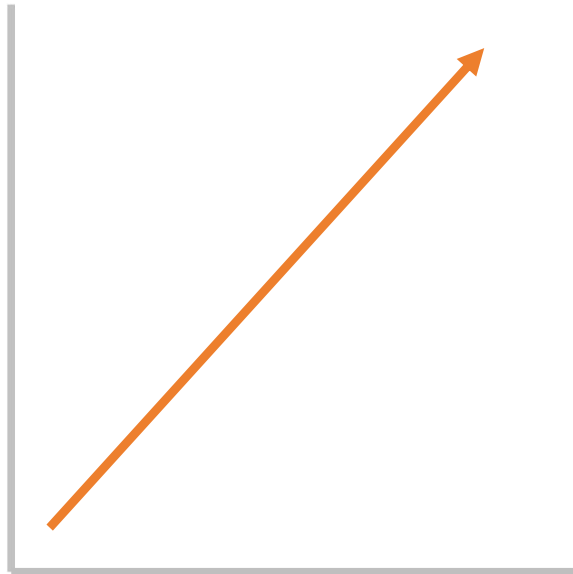
- It's wise to learn from experience, but its EVEN BETTER to learn from people (EXPERTS)
- One reason Bri and Gabe invited me was, I have made a bunch of mistakes (but I learned from them).

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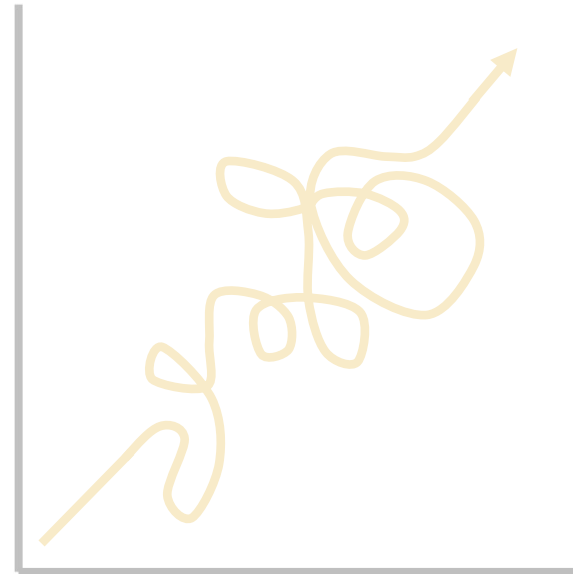
# What Does **Success** Look Like to You?

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# SUCCESS



What it looks like....



What it really looks like....



National Certification Board  
for Diabetes Educators



hereby certifies that

Jonathan G. Marquess

has met the requirements for board certification in diabetes education and merits the designation of

Certified Diabetes Educator®

Certification valid through December 31, 2023



Certificate No. 20310272

Certification Renewal Date: December 15, 2018

*Leonard P. Sanders*

Chair



# Certificate of Accreditation

DEAP  
DIABETES EDUCATION  
ACCREDITATION PROGRAM

**AADE** American Association  
of Diabetes Educators

CERTIFIES THAT

EAST MARIETTA DRUGS AND WOODSTOCK PHARMACY  
ID #198023

HAVING MET ALL APPLICABLE STANDARDS  
AND THE REQUIREMENTS OF THE ASSOCIATION  
IS GRANTED ACCREDITATION

5/22/2018 - 5/21/2022

*Chad Mark*

CHIEF EXECUTIVE OFFICER

*Jodi Lavin Tompkins*

DIRECTOR

Accreditation does not automatically transfer when a change in sponsorship occurs



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## Barriers to change





# 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
- Not much BB and Golf!







# The Beginning: Pharmacy Background



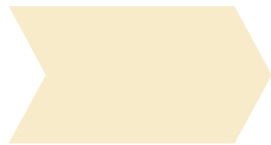
## Education

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 Workshop



# East Marietta Drugs - First Location 1993

- Large city (500k)
- Metro Atlanta
- 1 mile from Big Chicken
- Owner financed 2% and bank loan
- Filled 7 rx first day
- Now average 175/d
- DSME
- 30-50 compounds/d
- 20 deliveries/d
- 8 staff





# Pharmacy Funding

- Owner financing
- Local bank
- Regional bank
- Wholesaler
- Initial \$75,000 inventory financed through wholesaler line of credit at 0% for 12 months





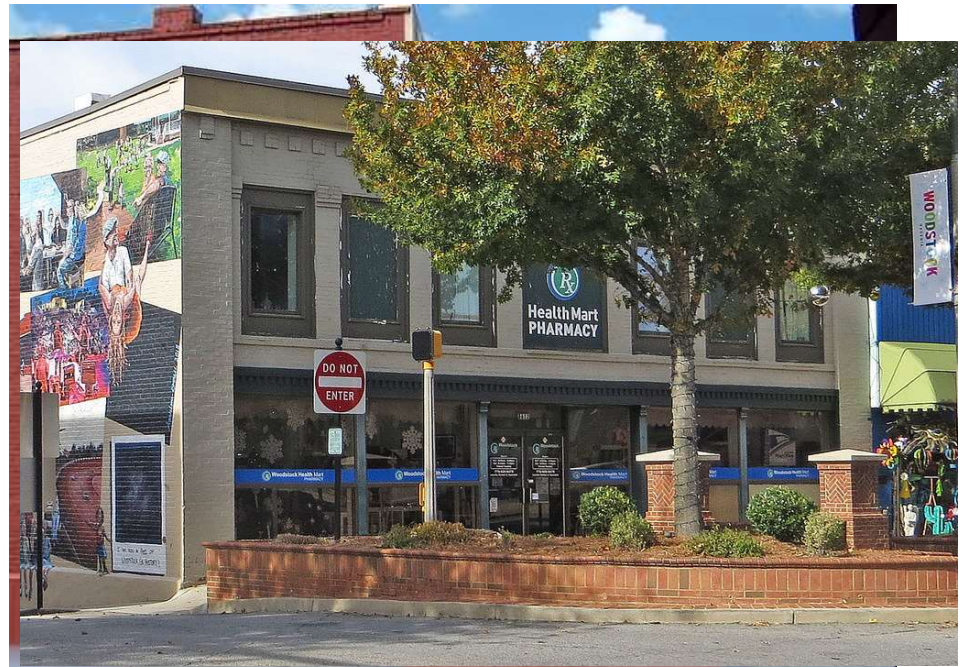
# Pharmacy - Start-up v. Buy - Expenses

- \$100k working capital (estimate) +
- \$5,000 marketing, signage
- \$20,000 fixtures
- \$20,000 software & hardware
- \$8,000 rent deposit & 1st month
- \$2,000 supplies (vials, bags, labels, etc.)
- \$2,400 FT technician during opening month
- \$2,000 licenses, fees, etc.



# Ownership Journey

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



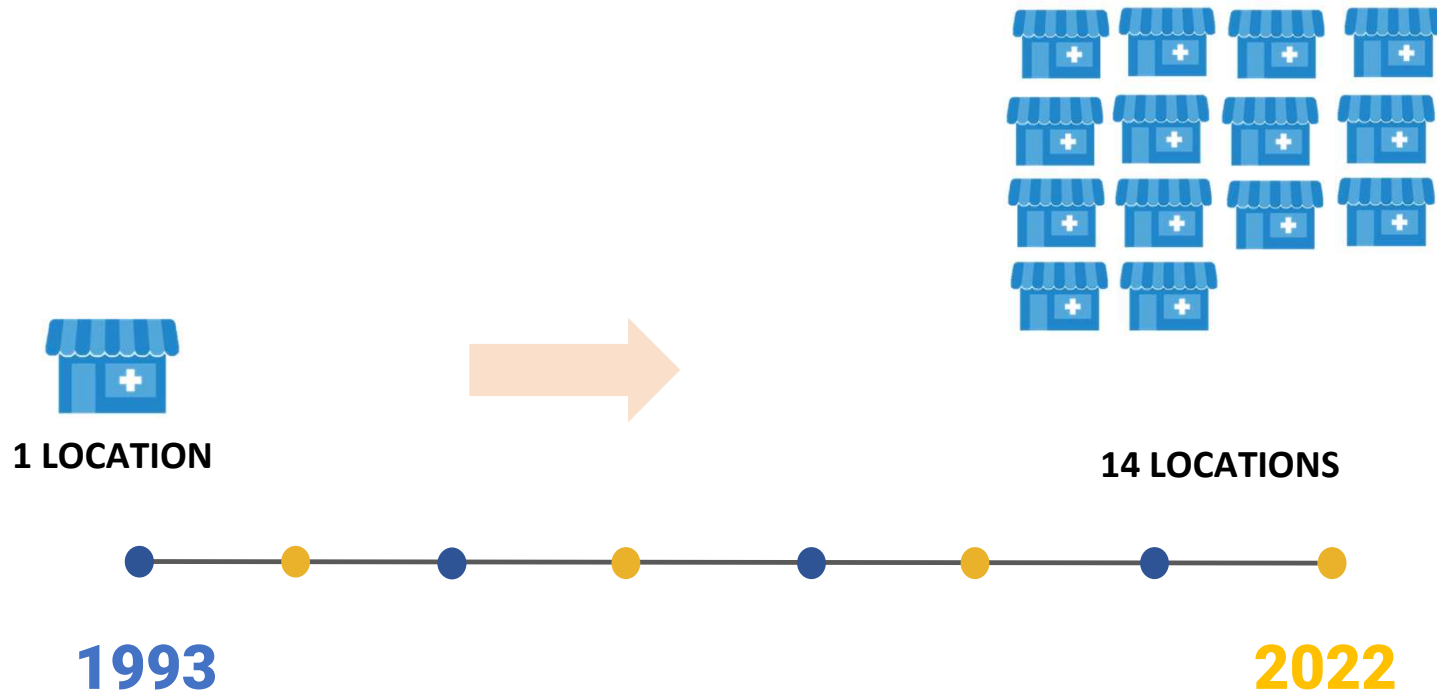


# Pharmacies





# Progression in 29 Years





# Niche Services



## Medication Therapy Management

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Get buy-in from  
technicians

Hire a motivated  
clinical pharmacist



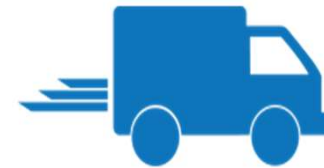
## Simplify My Meds®

### Simplify My Meds

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Medication  
synchronization

Increases customer  
satisfaction and  
loyalty



## Free Prescription Delivery

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5-mile radius  
(18 miles for Hospice)

8 Drivers

Mobile apps





# Niche Services



## Immunization

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Off-site clinics

Offer travel vaccines



## Compounding

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## Medication Disposal

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Dispose My Meds Program

Work with local law enforcement

All locations

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

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



# \_\_\_\_\_ the Past

- Learn from the past



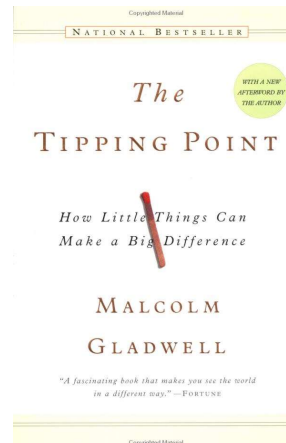
# Invalidate the Past

- Learn from the past
- “That’s never been done here before”
- “That can’t be done in this town”



# Pivot

- A **pivot** means fundamentally changing the direction of a **business** when you realize the current products or services aren't meeting the needs of the market.
- The main goal of a **pivot** is to help a **company** improve revenue or survive in the market, but the way you **pivot** your **business** can make all the difference.





# I \_\_\_\_\_ your goals

- Yogi Berra
- Wayne Gretsky
- Business Plan is a must



# Identify your goals

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

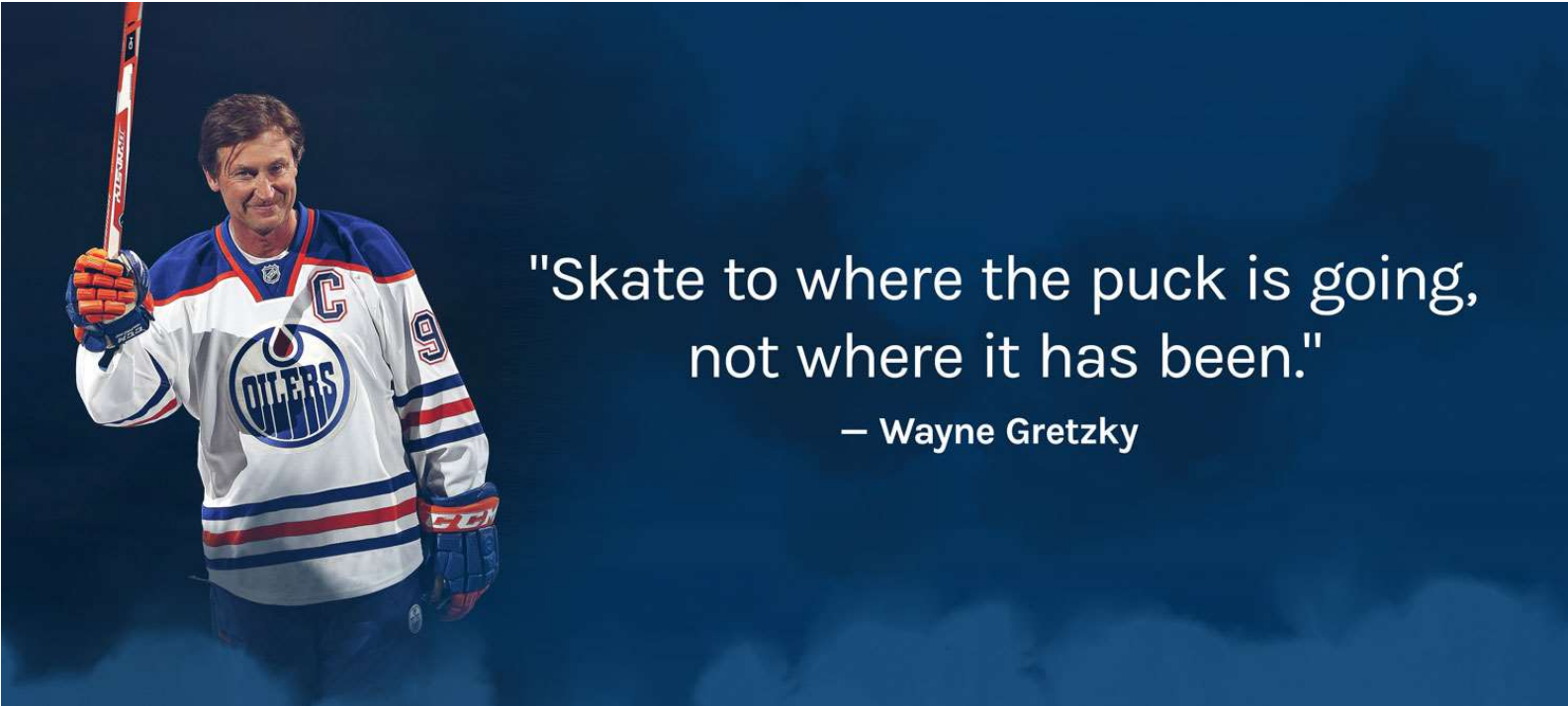


If you don't know where you are  
going, you might wind up someplace  
else.

— *Yogi Berra* —

AZ QUOTES





"Skate to where the puck is going,  
not where it has been."

— Wayne Gretzky

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



# Have a CLEAR Vision

- State the vision clearly
- Cast the vision creatively
- Repeat the vision constantly
- Celebrate the vision regularly
- Embrace the vision personally



# I \_\_\_\_\_ 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 have problems)
  - Get involved
  - Do you do this, do that, no, no, no



# 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



# I \_\_\_\_\_ your benefits

- Benefits must outweigh the obstacles



# Investigate Your Benefits

- Benefits must outweigh the obstacles



# I \_\_\_\_\_ Encouraging People

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





# Include Encouraging People

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



## T.E.A.M.

- Together EVERYONE achieves more
- Not understanding the importance and impact of the TEAM
- Be slow and prayerful before selecting a team member
- Don't hire for where you are, but where you want to be
- Hire people different from you



# You need CQI

- When the leader quits growing personally, you have problems
- Attend conferences and networking events



# Challenges to Ownership

## Hiring

- Who, how many, what role?
- Benefits?
- Wages?
- Employees are the biggest assets
- Motivation
- Bonus?



# Challenges to Ownership

## Mentality

- Switching from employee mentality to business owner mentality
- Negative comments from people
- Realize you will encounter naysayers



# Keep Priorities In Order

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



# Discussion

Comments ?



Questions ?

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# Thank You

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# Demographics: Identifying your Potential Patients, Competitors and Prescribers

McKesson, RxOwnership

Kacey Glinka

Regional Vice President, RxOwnership – East Region



# Disclosure Statement

Kacey Glinka is Regional Vice President, RxOwnership – East Region. The conflict of interest was resolved by peer review of the slide content.



# Learning Objectives

- Explain the importance of researching demographics and what information you need to obtain in that research.
- Discuss how demographics affect your OTC and niche options.
- Outline how to incorporate demographic information in your business plan.

# Location, location, location

Where you do business can make all the difference.

## Identify opportunities:

- Census/software with demographics
- Various stakeholders in the area
- Commercial Real Estate Broker
- Pharmacy Real Estate Specialist

## Do your research

- Online census data

## Customer analysis

## Prescriber analysis



## Location, location, location

- Drug wholesaler representative and/or Retail franchise
- Find a location nearest your retail customers **AND** prescribers
- Partner with trusted advisor skilled in opening pharmacies and ownership transfers
- Open a new pharmacy vs. buy a pharmacy – check for stores for sale in area





# Demographic Information - Competition

- Utilize census data and various software
- # of chain pharmacies
  - Distance from location
- # of Independent pharmacies
  - Distance from location
- Projected annual sales
- Identify competitor's strengths **and** weaknesses







# Demographic Information: Competition

- Total # of scripts in trading area
  - Break down by competitors share
- Who is most vulnerable competitor?
- How will I get my share of scripts?
- What are my differentiators?
- Conduct site visits





# Demographic Info: Prescriber

- # of physicians/script volume in area
- Who are they key prescribers?
- Who are the new prescribers?
- What are the prescribers specialties?
- Identify high opportunity prescribers and schedule in-person visits





# Demographic Info: Prescriber

- Mail flyers including your niche business services to local prescribers (compounding, diabetic supplies, immunization)
- Adherence/compliance technology
- Incorporate ideas into business plan
- Change patient behaviors



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# Kacey Glinka

Regional VP, RxOwnership – East Region

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# Accounting and Corporate Structure



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



**Bonnie Bond**  
CPA , MBA



# Pharmacy Entity Structures

- Sole Proprietorship
- Partnership
- Limited Liability Company (LLC)
- S Corporation
- C Corporation





# Sole Proprietorship

- Single owner, no formal legal structure
- NOT ideal structure for a pharmacy
- Requires owner to file Schedule C on personal 1040 tax return
- Not attractive for investors
- Owner cannot receive W2 income



# Sole Proprietorship

- Advantages include:
  - Simple
  - Control
  - Authority
  - Minimal costs to form



# Sole Proprietorship

- Disadvantages include:
  - Personal liability for debts & obligations
  - Risks from all forms of liability i.e., Employees
  - Single owner fully responsible
  - High IRS scrutiny



# Partnership

- More than one owner
- Complex tax structure
- Requires owners to file Form 1065
- Flow through entity structure
- Self Employment Tax



# Partnership

- Advantages include:
  - No required legal forms to setup
  - Don't have to register with state
  - No double taxation, flow through



# Partnership

- Disadvantages include:
  - Unlimited personal liability for general partners
  - Each general partner is “jointly & severally” liable for the partnership debts



# Partnership

- Disadvantages continued:
  - Partners are agents of the partnership and are liable for the actions by other partners
  - Pharmacy valuations can be expensive for this structure if partners leave or are added



# Limited Liability Company (LLC)

- Hybrid structure: combines pass-through taxation with limited liability of a corporation
- Easy to form and maintain
- Entity of choice for a pharmacy (in most cases)





# Limited Liability Company (LLC)

- Advantages include:
  - Personal liability protection for “members”
  - Pass-through profits/losses
  - Profits can be unequally distributed
  - Can be taxed in multiple ways



# Limited Liability Company (LLC)

- Advantages include:
  - No double taxation
  - Easy to setup and maintain
  - No statutory requirements for annual meetings



# Limited Liability Company (LLC)

- Disadvantages include:
  - Tax flexibility can backfire
  - Laws vary by state
  - Longevity of entity form is based upon life of its members



# S Corporation

- Personal liability
- Pass through taxation
- Advantages include:
  - Avoids double taxation
  - Ease of transfer of ownership



# S Corporation

- Advantages include:
  - Professionals are generally familiar with entity structure
  - Generally protects the personal assets of the shareholders



# S Corporation

- Disadvantages include:
  - Cannot distribute profits unequally (Payroll can be unequal)
  - Formation, maintenance & ongoing costs of administration
  - Stock ownership restrictions



## C Corporation

- Advantages include:
  - No stockholder limits
  - Significant liability protection
  - Fringe benefit options
  - Continuance of existence
  - Must be a C Corp to use Rainmaker Plan



## C Corporation

- Disadvantages include:
  - Shareholders cannot deduct losses of the corporation
  - Double taxation
  - Bureaucracy and admin costs





# Pharmacy Loan Package Components

- Executive summary
- Personal financial information
- Business financial information



# Executive Summary

- Proposal that explains what type of loan and why
- Contains enough information for the lender to understand your request and why



# Executive Summary

- Management résumés for key personnel
- Prescription count summary reports
- NOT your business plan



# Personal Financial Information

- Most will be required to personally guarantee their loans
- Personal financial statement for each owner/guarantor
- Personal tax returns for most recent 3 years for each owner/guarantor



# Business Financial Information

- Business tax returns – 3 years
- Profit & Loss – 3 years
- Profit & Loss – YTD interim
- Balance Sheet – 3 years
- Balance Sheet – YTD interim



# Business Financial Information

- Business Debt Schedule – Loan balances, payments (principal & interest <P&I>), rates, terms, security interests, etc.
- Pharmacy projections, location information and startup information

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# Buying and Selling, Marketing and Other Legal Instruments

Jeffrey S. Baird, Esq.  
Chairman, Health Care Group

Brown & Fortunato



# **BUILDING A WINNING TEAM**



# CONSULTANTS AND OTHER PROFESSIONALS

- Certified Public Accountant
- Attorney
- Banker
- Insurance Agent
- Buying Group
- Professional and Trade Organizations
- Other

# **MARKETING PROGRAMS, CONTRACTUAL ARRANGEMENTS AND JOINT VENTURES**

# LEGAL GUIDELINES - STATUTES

- Federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b) (“anti-kickback statute”)Attorney
- Beneficiary Inducement Statute (42 U.S.C. § 1320a-7a (a)) (“inducement statute”)
- Anti-Solicitation Statute (42 U.S.C. § 1395m(a)(17))Buying Group
- False Claims Act (31 U.S.C. § 3729)
- False, Fictitious or Fraudulent Claims (18 U.S.C. § 287)
- Stark Statute (42 U.S.C. § 1395nn)

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# SAFE HARBORS

- Safe Harbors
  - Small Investment Interests
  - Space Rental
  - Equipment Rental
  - Personal Services and Management Contracts
  - Employees



# STATE ANTI-KICKBACK STATUTES





# “60 DAY RULE”



# OIG GUIDANCE



## OIG SPECIAL FRAUD ALERTS AND SPECIAL ADVISORY BULLETINS

- Special Fraud Alert: Joint Venture Arrangements
- Special Fraud Alert: Routine Waiver of Copayments or Deductibles Under Medicare Part B
- OIG's April 2003 Special Advisory Bulletin: Contractual Joint Ventures
- Special Fraud Alert: Rental of Space in Physician Offices by Persons or Entities to Which Physicians Refer
- Offering Gifts and Other Inducements to Beneficiaries
- Telemarketing by Suppliers



# MARKETING

- Employee vs. Independent Contractor
- Marketing Company
- Media Advertising
- Mail-Outs
- Promotional Items to Customers and Potential Customers
- Health Fairs, Luncheons, Kiosks, and Open Houses
- Provisions of Discounts to Cash Customers
- Gifts to, and Payment of, Expenses for Physicians
- Data Mining



## JOINT VENTURE

- Physician Ownership in Pharmacy
- Joint Ownership of a new Pharmacy Operation by a Hospital or DME Supplier and an Existing Pharmacy



# CONTRACTUAL ARRANGEMENTS

- Pharmacy Staffing Services Agreement
- Operational Services
- Cooperative Marketing Program
- Administrative Services Agreement
- Preferred Provider Agreement
- Employee Liaison
- Medical Director Agreement
- Collaborative Practice Agreement
- Ownership/Management of Medical Clinic
- Provision of RPM Support Services



# CONTRACTUAL ARRANGEMENTS

- Loan/Consignment Closets
- Collaboration With Hospital to Prevent Readmission
- Purchase of Internet Leads
- Clinical Study
- Waiver of Copayments
- Telehealth Arrangement
- Paying for a Facility's EHR

# FRAUD AND ABUSE ISSUES



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# FRAUD AND ABUSE ISSUES

- Inappropriate billing practices
- Prescription drug shorting
- Bait and switch pricing
- Prescription forging or altering
- Dispensing expired or adulterated prescription drugs
- Prescription refill errors
- Illegal remuneration schemes
- TrOOP manipulation
- Failure to offer negotiated prices



# PHARMACEUTICAL DIVERSION



# PHARMACEUTICAL DIVERSION

- Pharmaceutical Diversion
- “Own Use” Contracts

# BUYING AND SELLING A PHARMACY

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# BUYING AND SELLING A PHARMACY

- What a Purchaser Looks for in Acquiring a Pharmacy
  - Product Mix
  - Provider and Supplier Number Issues
  - Payor Mix, Including PBM and Other Third Party Payor Contracts
  - Medicaid Issues
  - Employment and Independent Contractor Issues
  - Referral Source Issues

---

# BUYING AND SELLING A PHARMACY

- What a Purchaser Looks for in Acquiring a Pharmacy
  - Documentation Issues
  - Licensure and Sanction Issues
  - Litigation, Audits and Reviews
  - Legal
  - Financial
  - Understanding Day-to-Day Operations

---

# BUYING AND SELLING A PHARMACY

- How a Pharmacy Can Make Itself Attractive to a Purchaser
  - Financial Statements
  - Income Tax Returns
  - Billing Audit
  - Medicare Supplier Numbers
  - Medicaid Provider Numbers
  - Employees and Independent Contractors
  - Referral Sources

---

# BUYING AND SELLING A PHARMACY

- How a Pharmacy Can Make Itself Attractive to a Purchaser
  - Documentation
  - Licenses and Permits
  - Audits, Reviews and Investigations
  - Litigation
  - Customer Satisfaction



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# BUYING AND SELLING A PHARMACY

- Stock Versus Asset Acquisition
- Steps to Bring an Acquisition to Fruition



# COVID ISSUES



# COVID ISSUES

- Vaccinations
  - CMS Interim Final Rule
  - OSHA Emergency Temporary Standard
  - Court Decisions
  - State-Specific Mandatory Vaccine Requirements
  - Disability, Medical, and Religious Accommodations to Vaccine Mandates
  - Employer Decisions: Mandatory vs. Suggested Vaccination



## COVID ISSUES

- COVID Protocols
- Provider Relief Fund Deadlines and Reporting Requirements
- Telehealth

# HANDLING AN FDA INSPECTION

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# HANDING AN FDA INSPECTION

- Introduction
- Overview
- Inspection authority
- Proprietary information
- Information to which the FDA is not entitled
- Copying of documents
- Samples
- Photographs

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# HANDING AN FDA INSPECTION

- Signing official documents
- Establish an inspections file
- Gifts
- Meals
- FDA-483(List of Observations)
- Response letter to FDA Form 483
- FDA warning letter
- Response to FDA warning letter



# RESPONDING TO STATE BOARD OF PHARMACY COMPLAINT





# RESPONDING TO STATE BOARD OF PHARMACY COMPLAINT

- Receipt of initial complaint letter/visit by Board investigator
- Letter of investigation
- Notice of proposed disciplinary action
- State Board of Pharmacy investigators
- Pharmacy misconduct
- Prescription errors
- What happens to a complaint that is filed with the Board of Pharmacy?



# RESPONDING TO STATE BOARD OF PHARMACY COMPLAINT

- Informal complaint
- Notice of informal conference
- Informal conference
- Informal settlement
- Consent order
- Notice of proposed disciplinary action
- Reportable disciplinary action

# WORKING WITH PBMS

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# WORKING WITH PBMS

- Introduction
- PBM recredentialing
- Questions pertaining to mail order
- Questions pertaining to compounding
- Questions pertaining to marketing
- Questions pertaining to affiliated pharmacies
- Questions pertaining to disciplinary actions
- Questions pertaining to legal compliance

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# WORKING WITH PBMS

- Certification
- Goal of PBM audit
- Incorporation of outside documents
- Notice of audit
- Preparing for an audit
- Audit response protocol
- Responding to audit
- Responding to questionnaire
- Reasons for termination by PBM
- Response to PBM termination letter

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# Deal or No Deal!

Gabe Trahan

NCPA's Director of Store Operations & Marketing

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# Disclosure

Gabe Trahan is the Senior Director of Store Operations and Marketing with NCPA. The conflict of interest was resolved by peer review of the slide conflict.

# Learning Objectives

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

This presentation contains photos where the product name may be visible. This presentation is not meant to be an endorsement or advertisement of any particular product or product categories. Photos are utilized throughout the presentation to further explain a particular concept, or demonstrate merchandising techniques, etc.

# Deal or No Deal



# Advisory Team

- ✓ **CPA who understands pharmacy**
- ✓ **Attorney with healthcare experience & acquisitions**
- ✓ **Consultant with up-to-date knowledge (not in sales)**



Place a value on  
what will break  
the deal.



# Personnel

- Friends
- Relatives





# Personnel

- Payroll in line
- Number of employees
- Health Benefits
- Raise expectations
- Bonus history
- Schedule expected
- Promises



# Personnel



# Personnel



# Personnel

## Uncle, Partner and Bookkeeper



- 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.**

Who gets to  
tell him he is  
no longer  
needed?



$$\begin{array}{r} \$78,500.00 \\ \times 5 \\ \hline \$392,500.00 \end{array}$$

$$\begin{array}{r} \$78,500.00 \\ \times 10 \\ \hline \$785,000.00 \end{array}$$

Reduction in  
purchase price?



# What to pay for and consider not to pay for!

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

**\*Maintenance Fees**



# **Delivery Vehicles**



## Dated Gifts?

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



Look at each card as if they were dollar bills.



Check storage  
Envelopes or cards?  
Return policy?

*Chains generally do not pay for Gifts or Cards*



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 **while supplies last** and to wish

**70% OFF**

# Unbiased Inventory Assessment





**We are the  
only ones  
that have  
them!**

**OMG!**

**I sold one  
yesterday!**

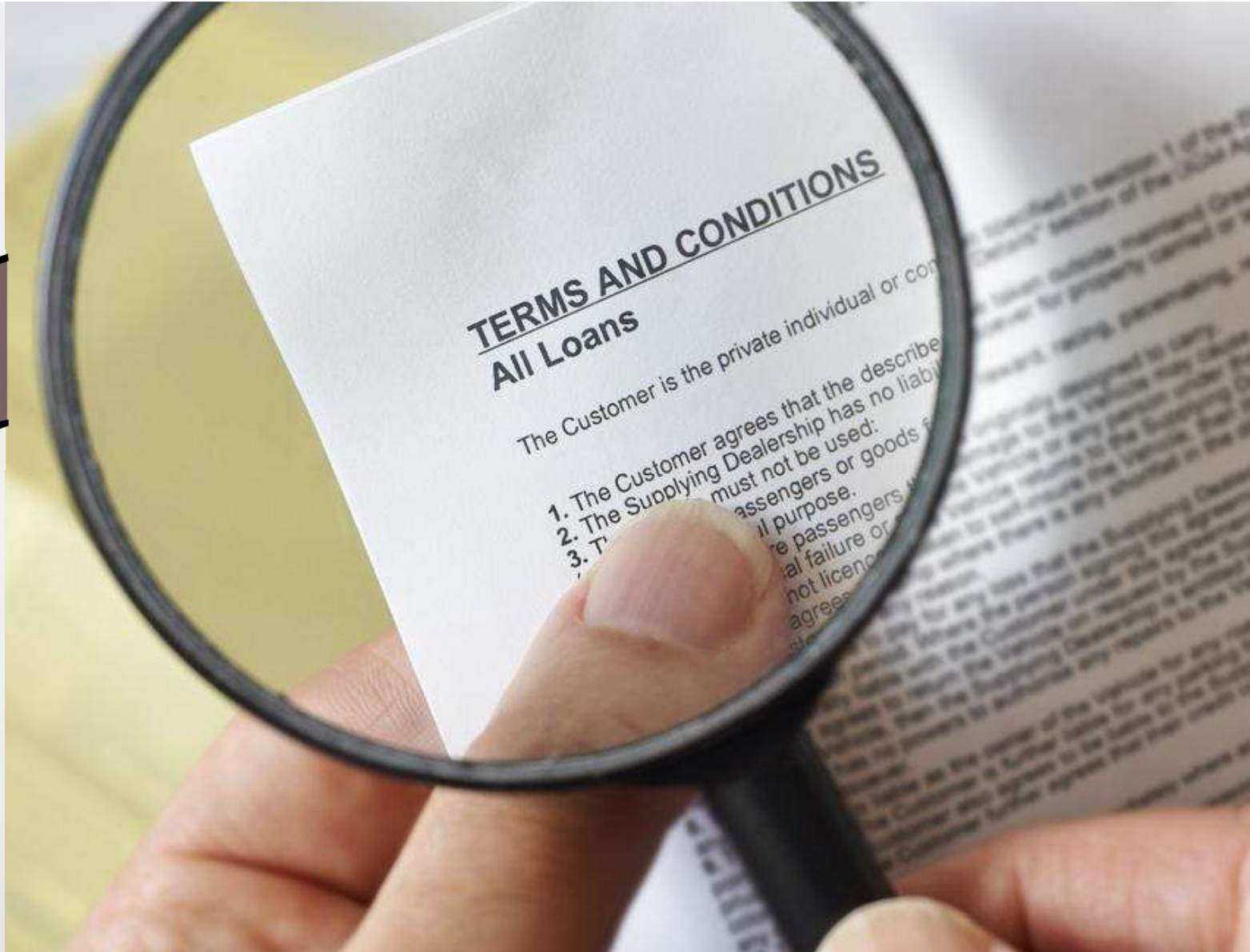
**Customers  
will stop  
coming here!**

**People  
LOVE  
them!**

# Pre-existing Contracts / Agreements



- **Greeting Card**



## TERMS AND CONDITIONS **All Loans**

The Customer is the private individual or company who is named in section 1 of the "Contract" section of the Loan Agreement.

1. The Customer agrees that the described vehicle may only be used for the purpose of the loan.
2. The Supplying Dealership has no liability for passengers or goods for any purpose.
3. The Customer agrees to indemnify the Supplying Dealership for any loss that the Supplying Dealership may incur as a result of the Customer's failure to comply with the terms of the loan agreement.

# Pre-existing Contracts / Agreements



- **Greeting Card**
- **Instore Music**
- **Advertising**
- **Vitamins**
- **Local Groups**
- **Churches**
- **Schools**
- **Doctors**
- **Relatives**



# Out of Balanced Inventory

Before you take ownership!

- **Return to manufacturer**
- **Return to wholesaler**
- **Remodeling sale**

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





**Length  
Of  
Lease**

**Jump Out  
Clauses**



# Pitfalls to Avoid

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

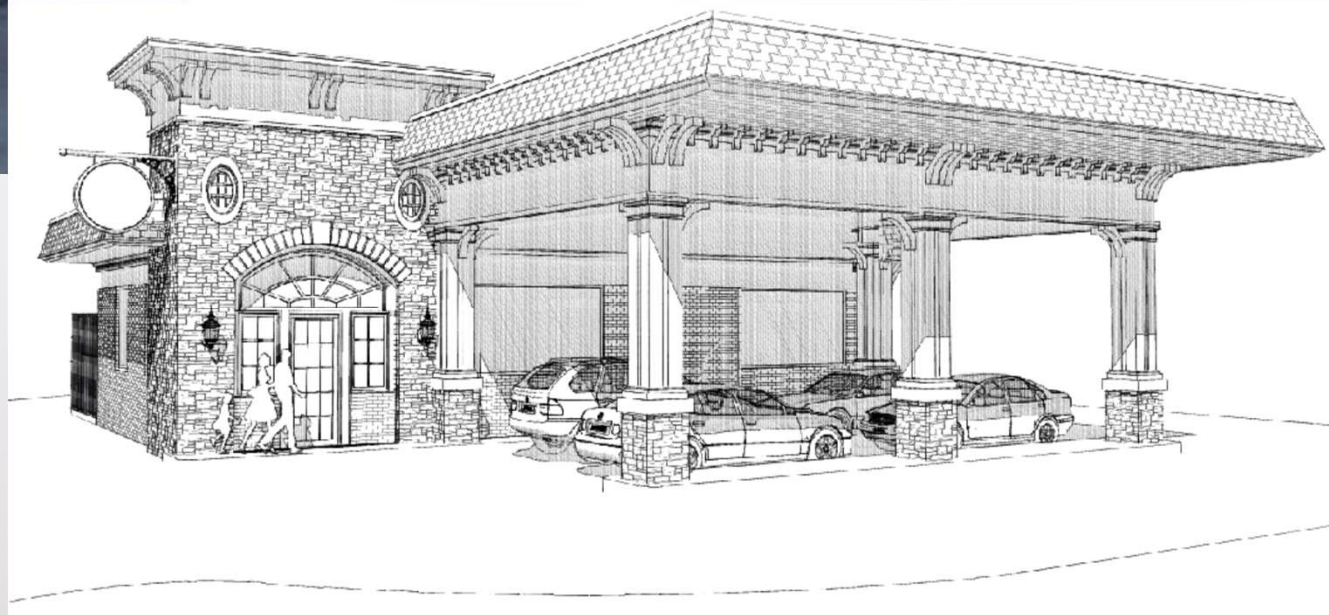


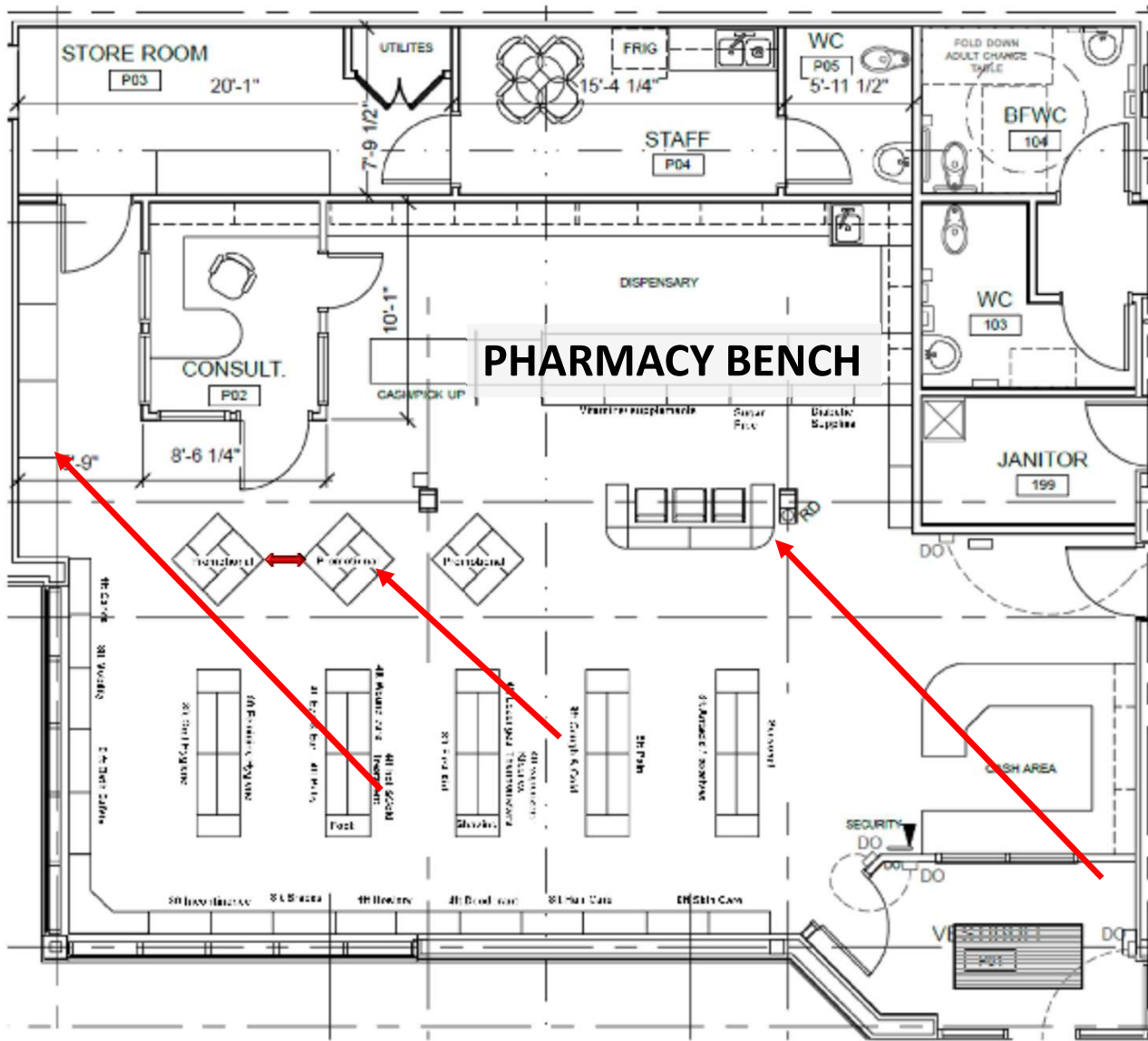
**Pre-Pandemic**

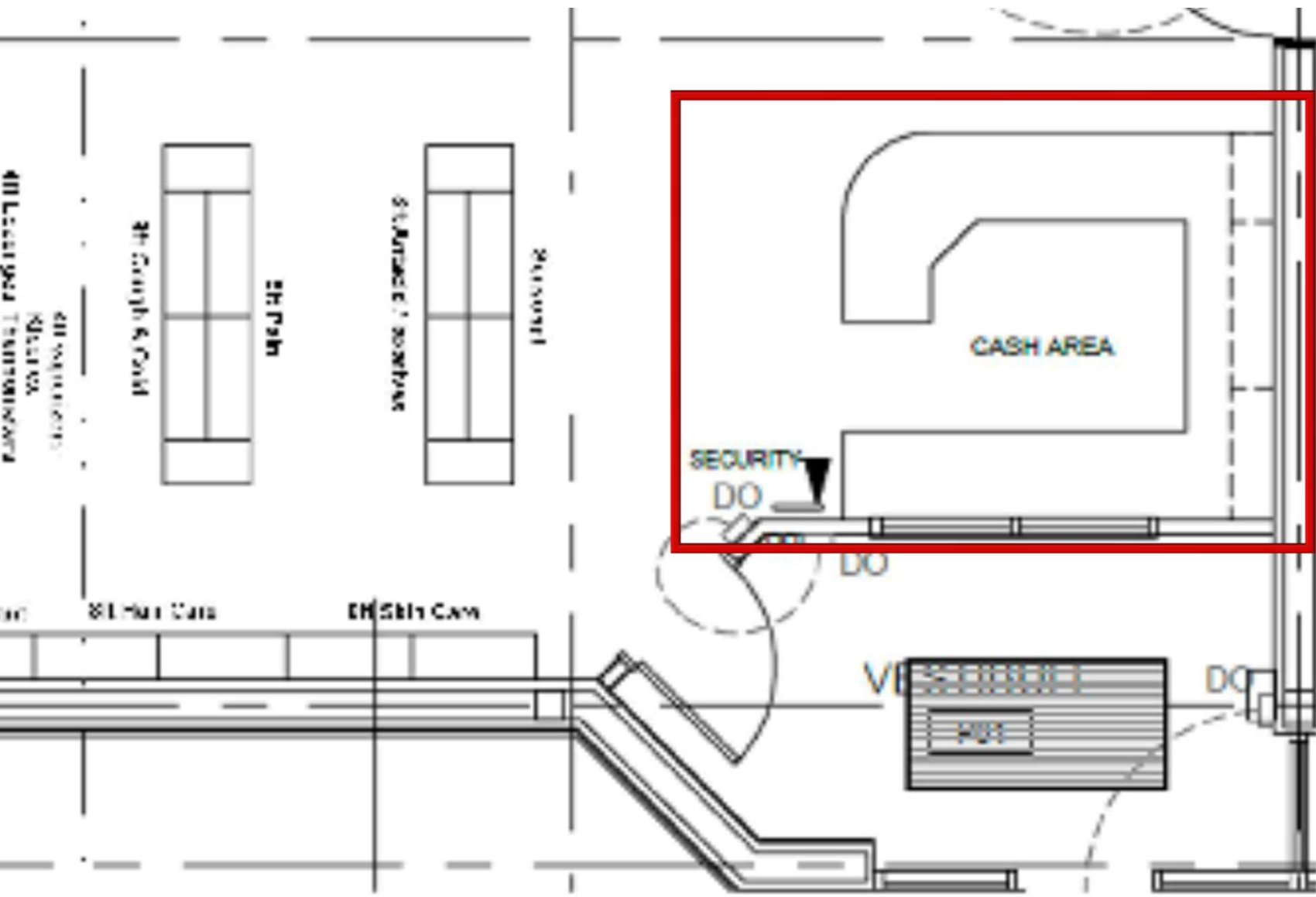


← **Reality**

**Their  
Vision**







## LEASING, BUILDING, or REMODELING YOUR PHARMACY

- Can you use your own contractor?
- Responsibility bring property up to code?
- Who pays for the roof leaking or the heating/cooling system breaking down?



# 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



# 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





# Storefront Treatment

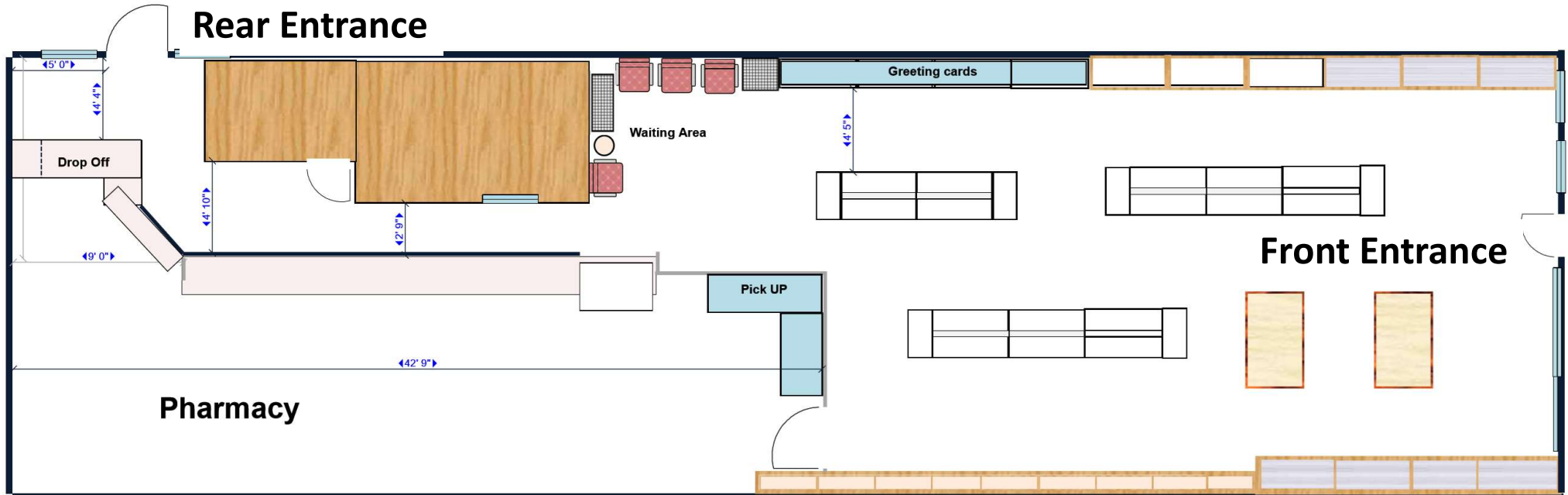


**\$1,500  
lease**

**250 RX a day**

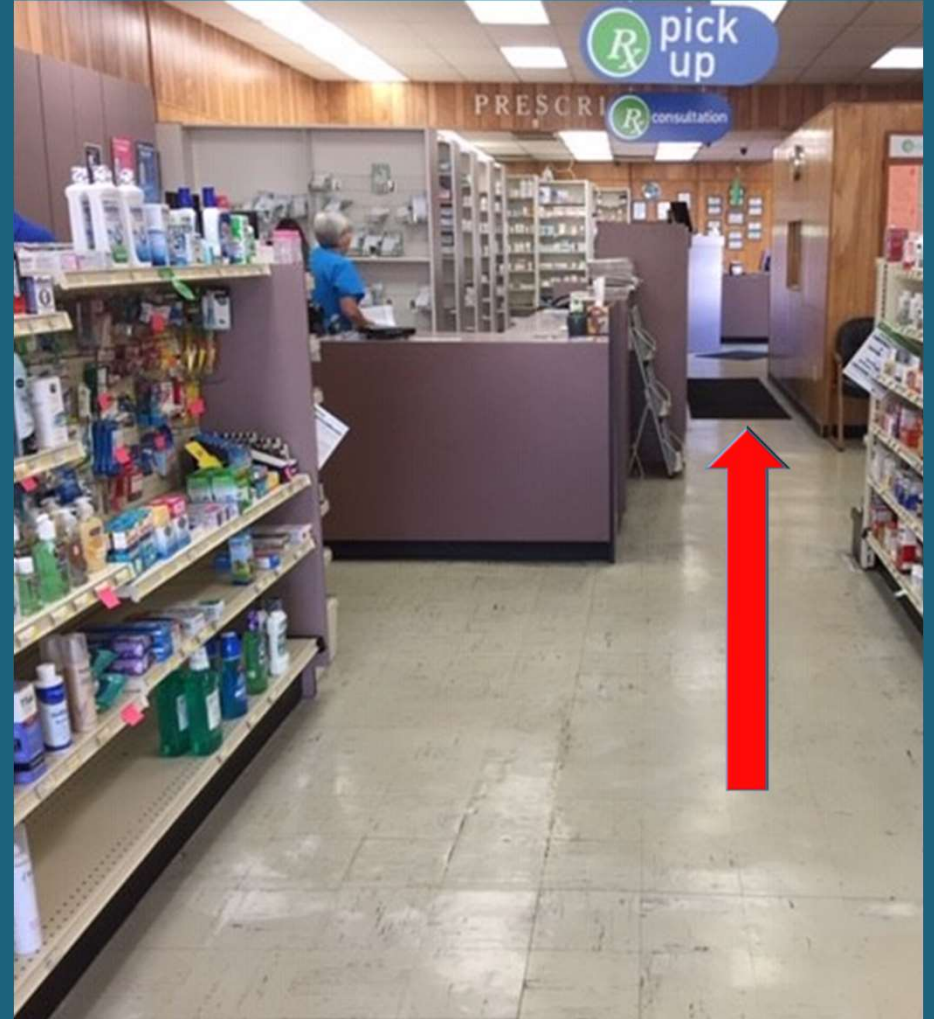
**Main Street**

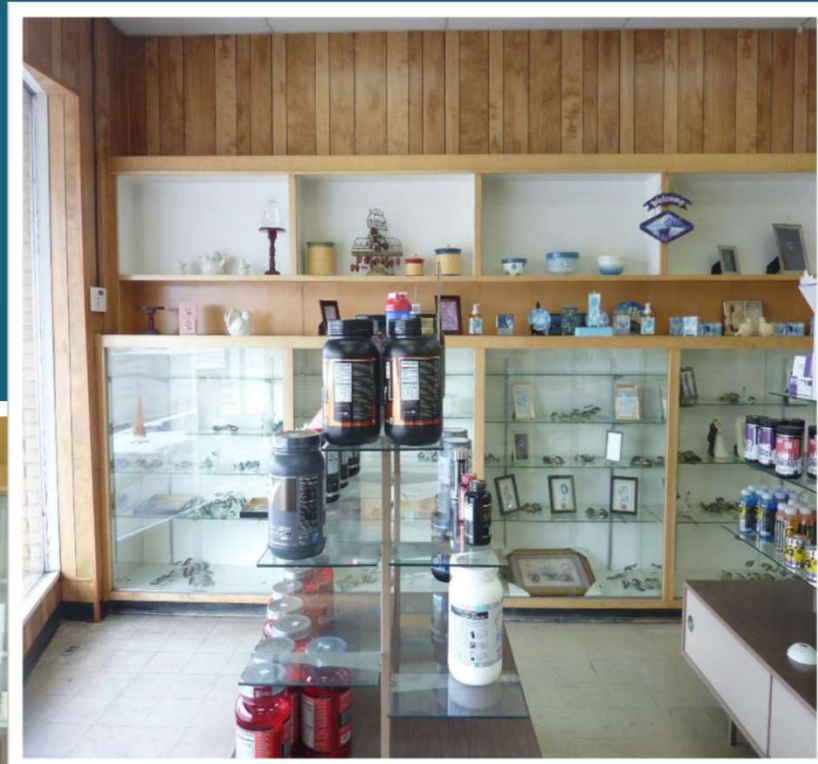
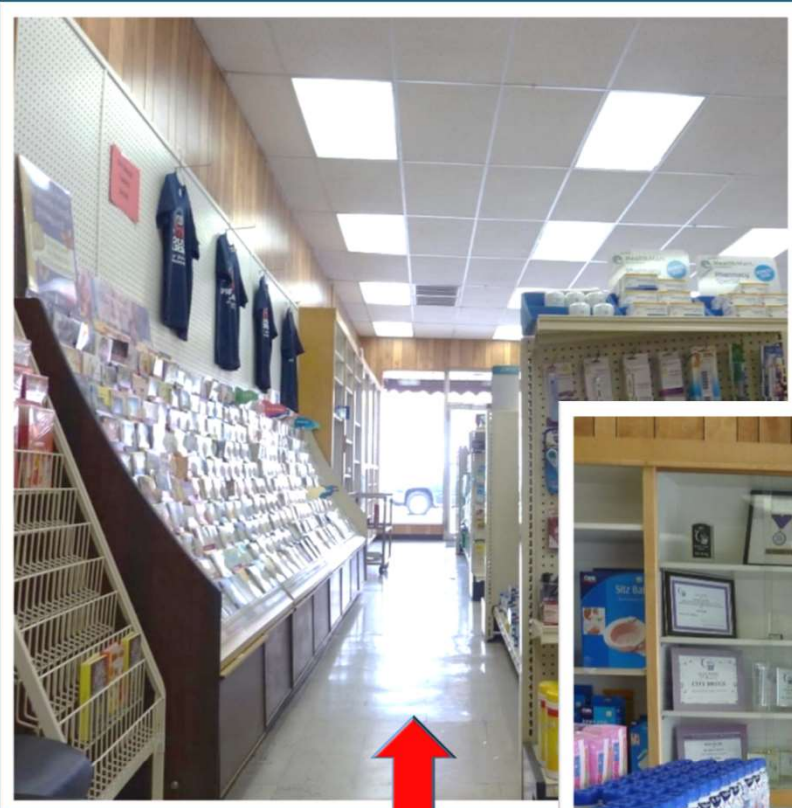
**A**



**No Drive-Thru**

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







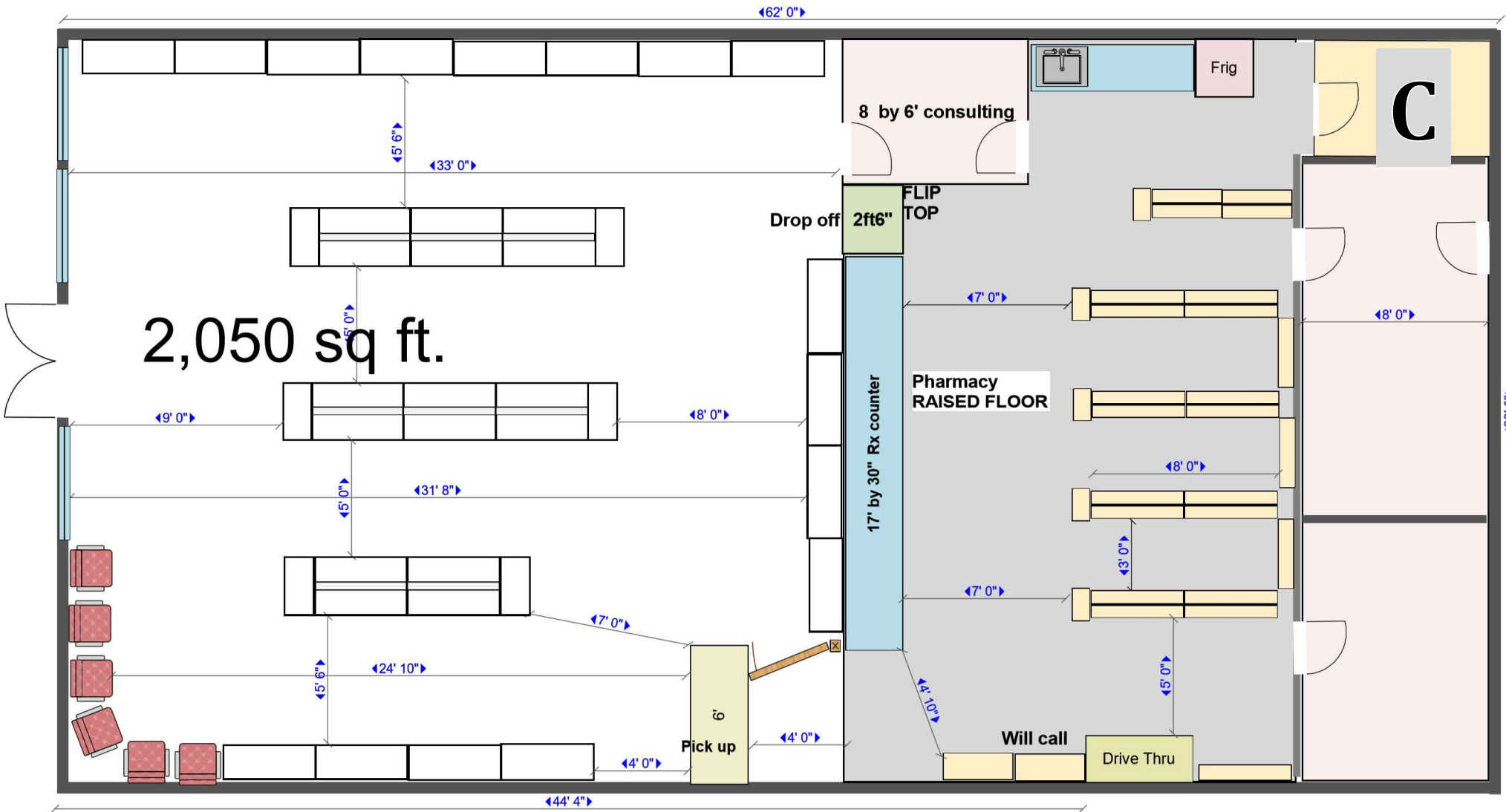








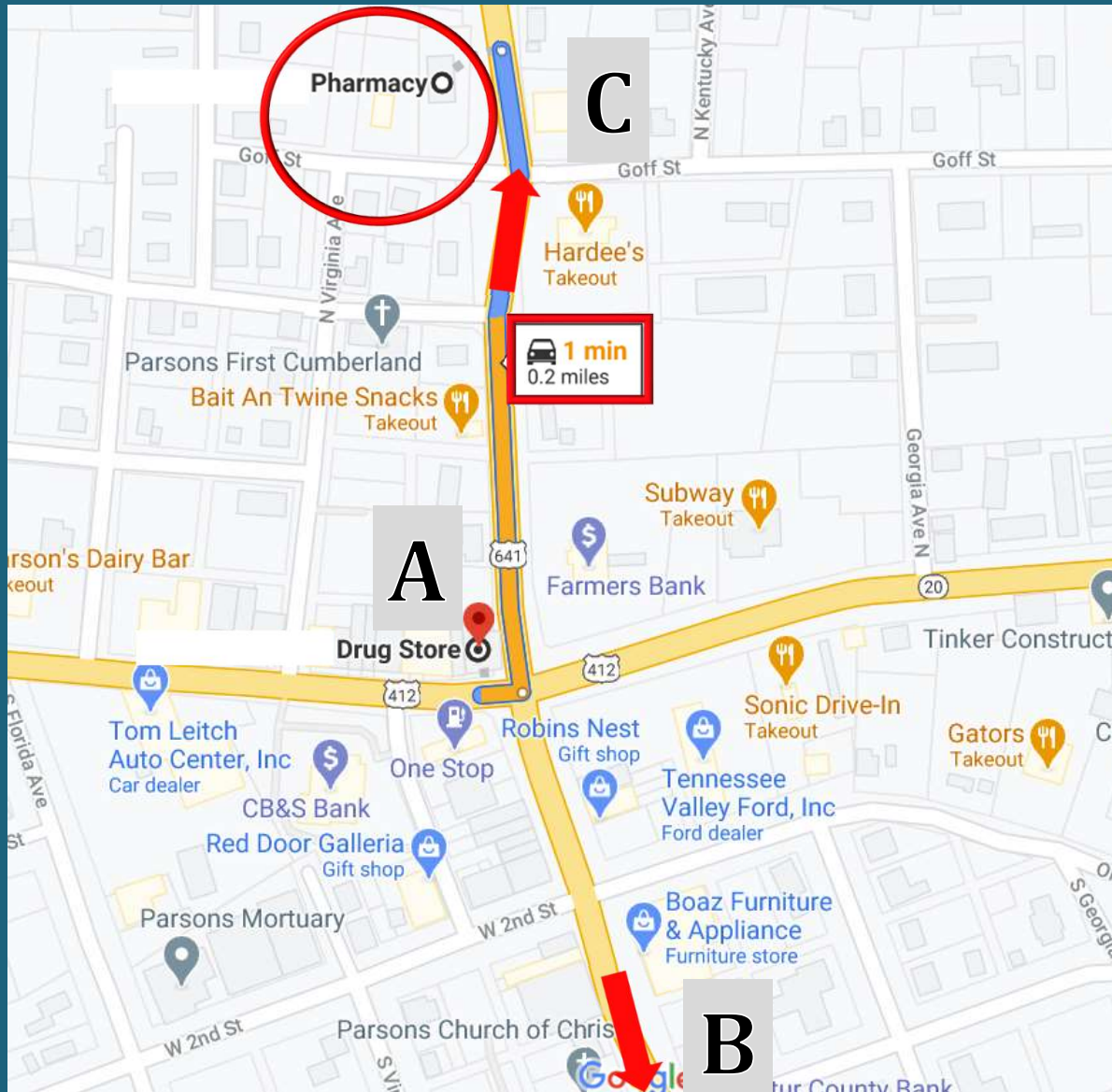
2,050 sq ft.

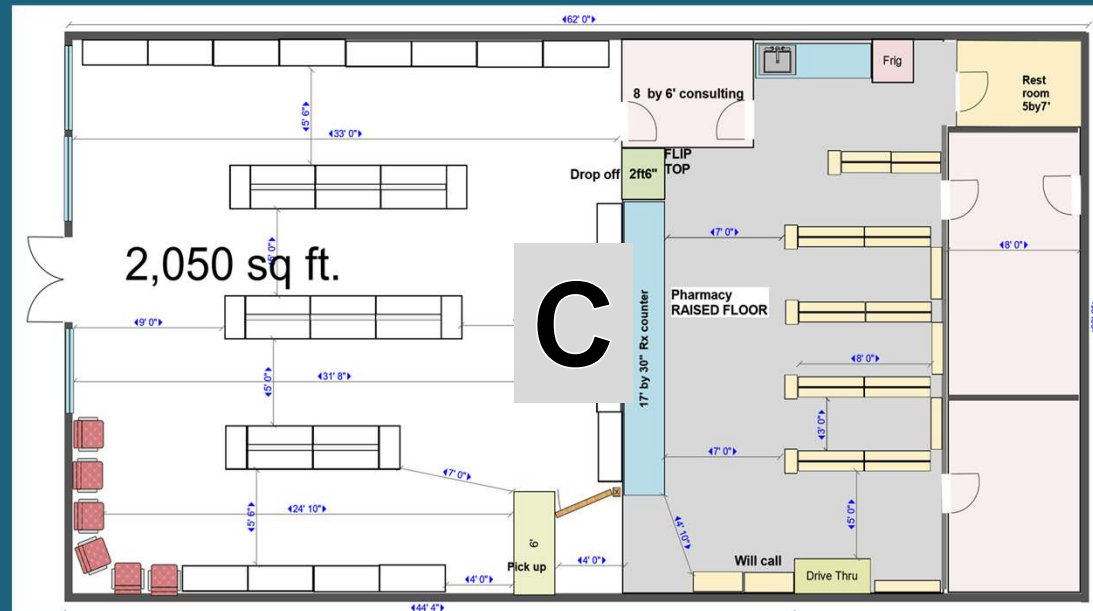
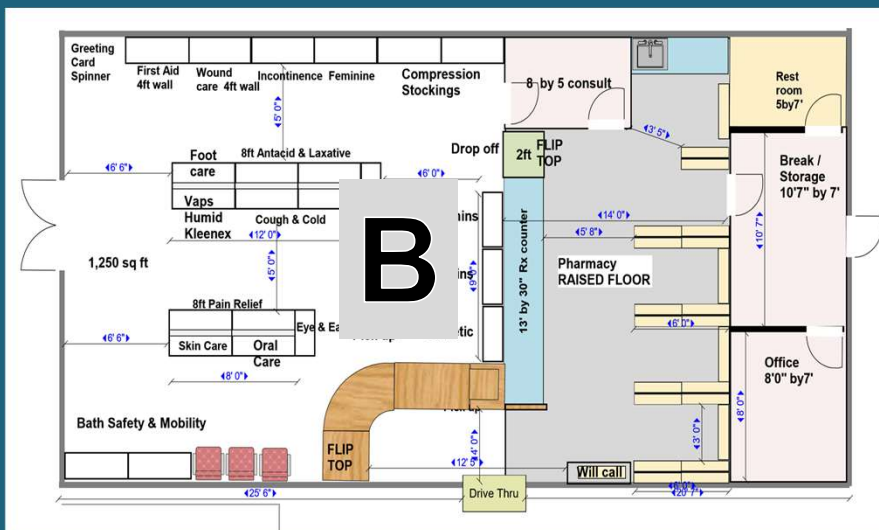
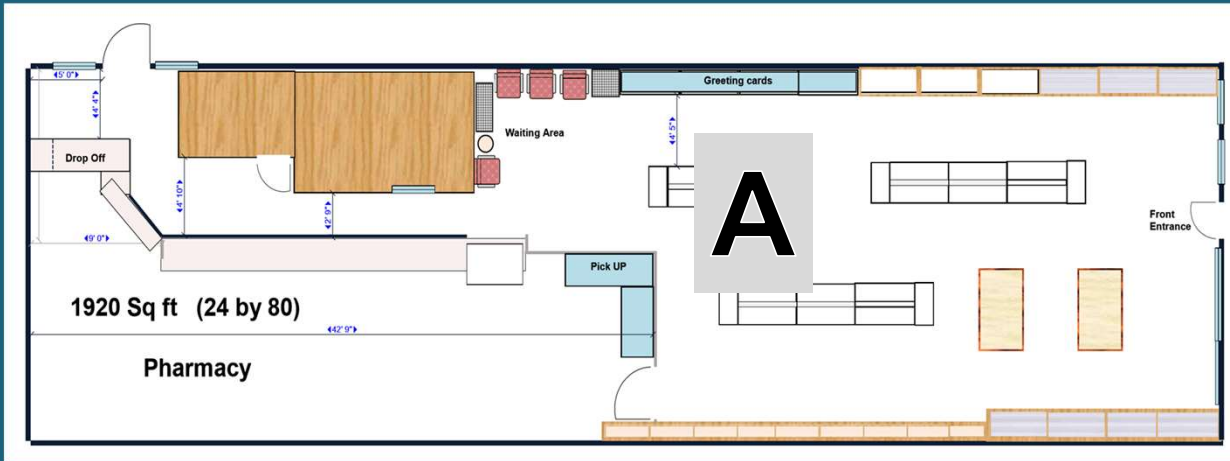


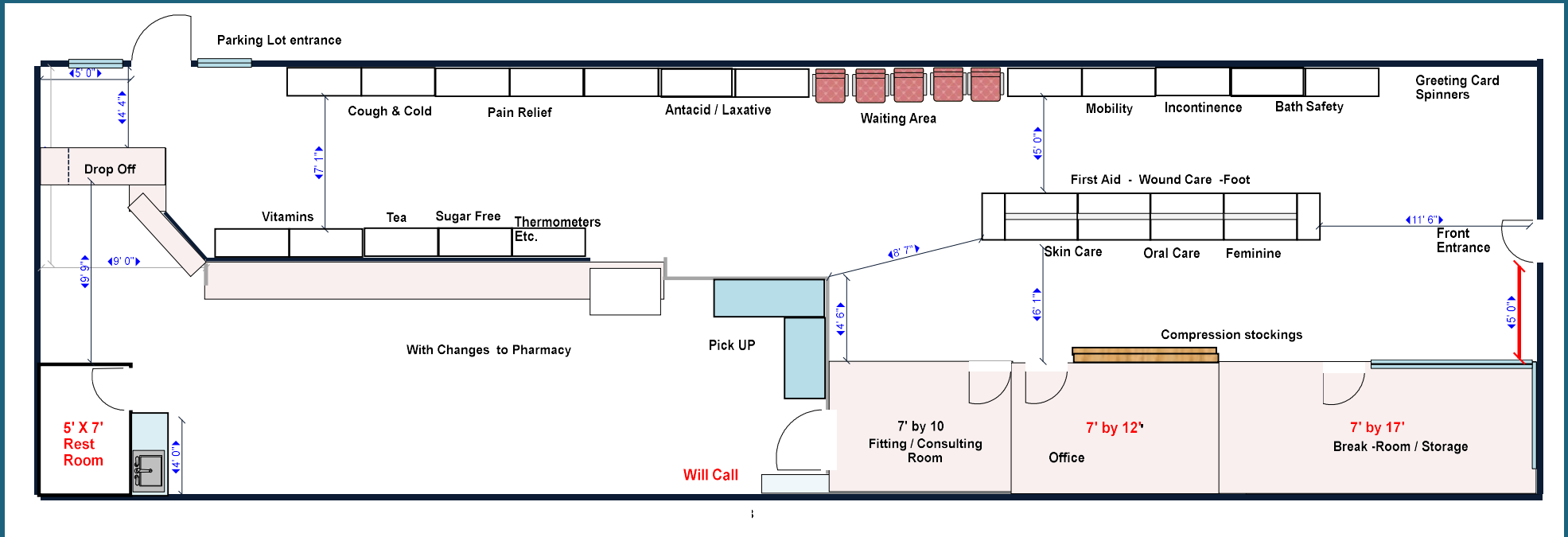
2,050 sq. ft

61.5ft by 32ft

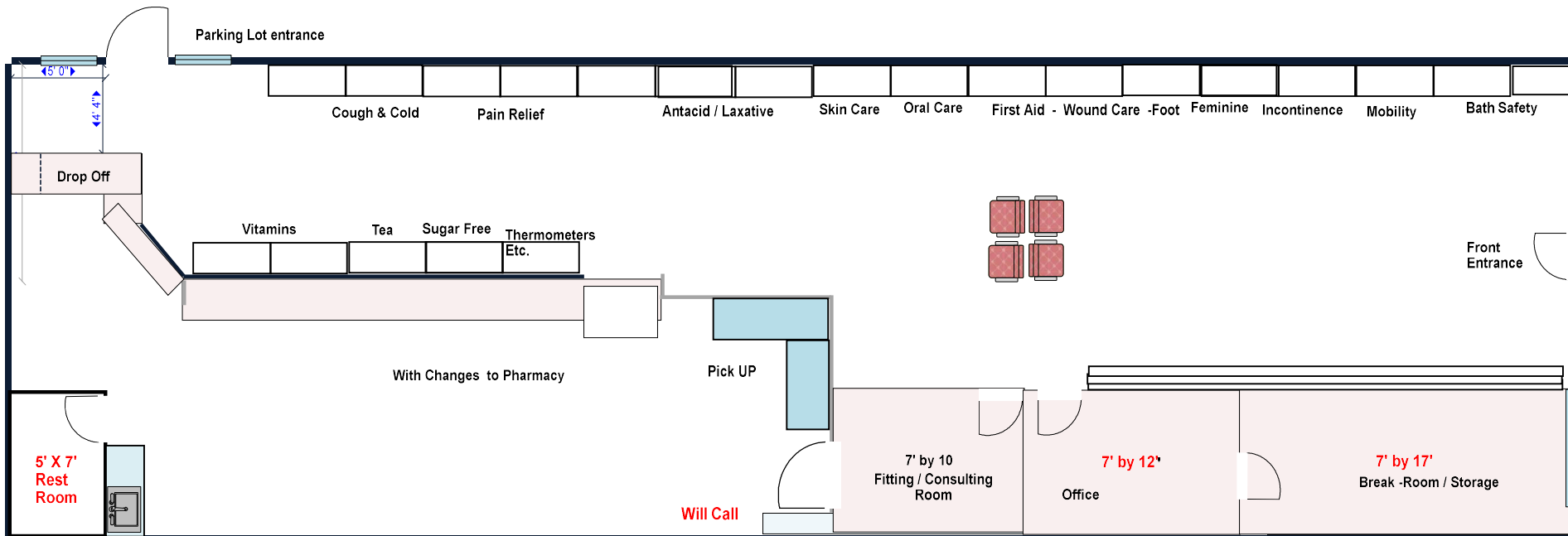
Building cost







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





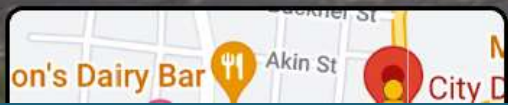
Google Street View

Aug 2023

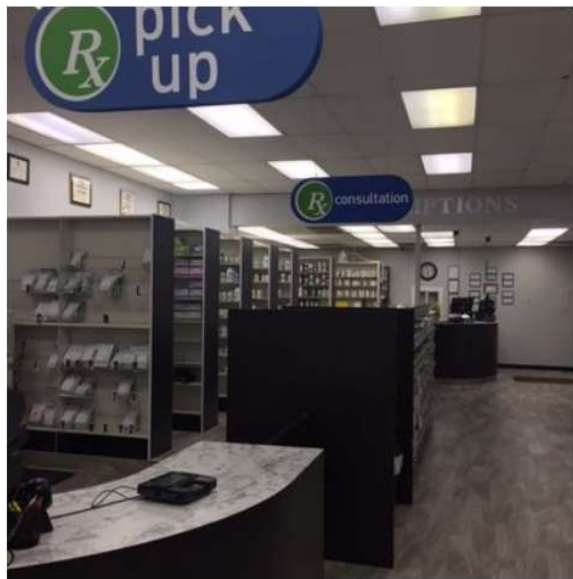
See more dates



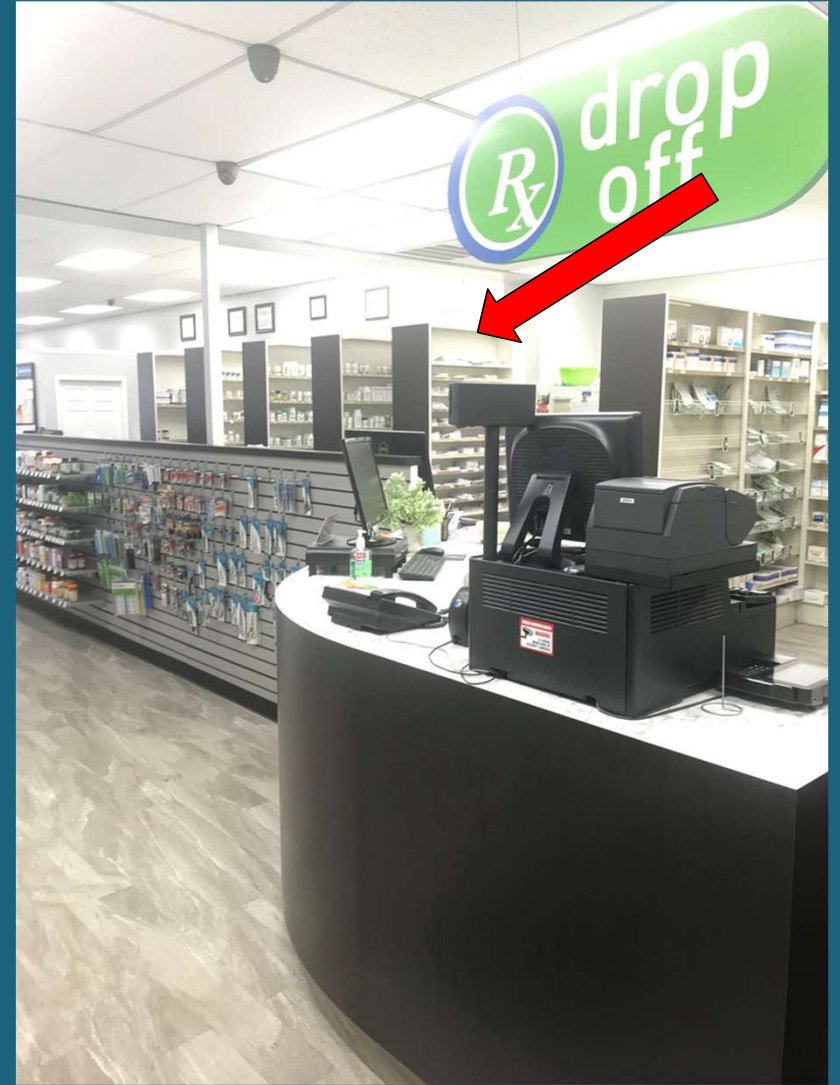
Jul 20



## We're A Modern Pharmacy With Old School Values









Visit your competition often!



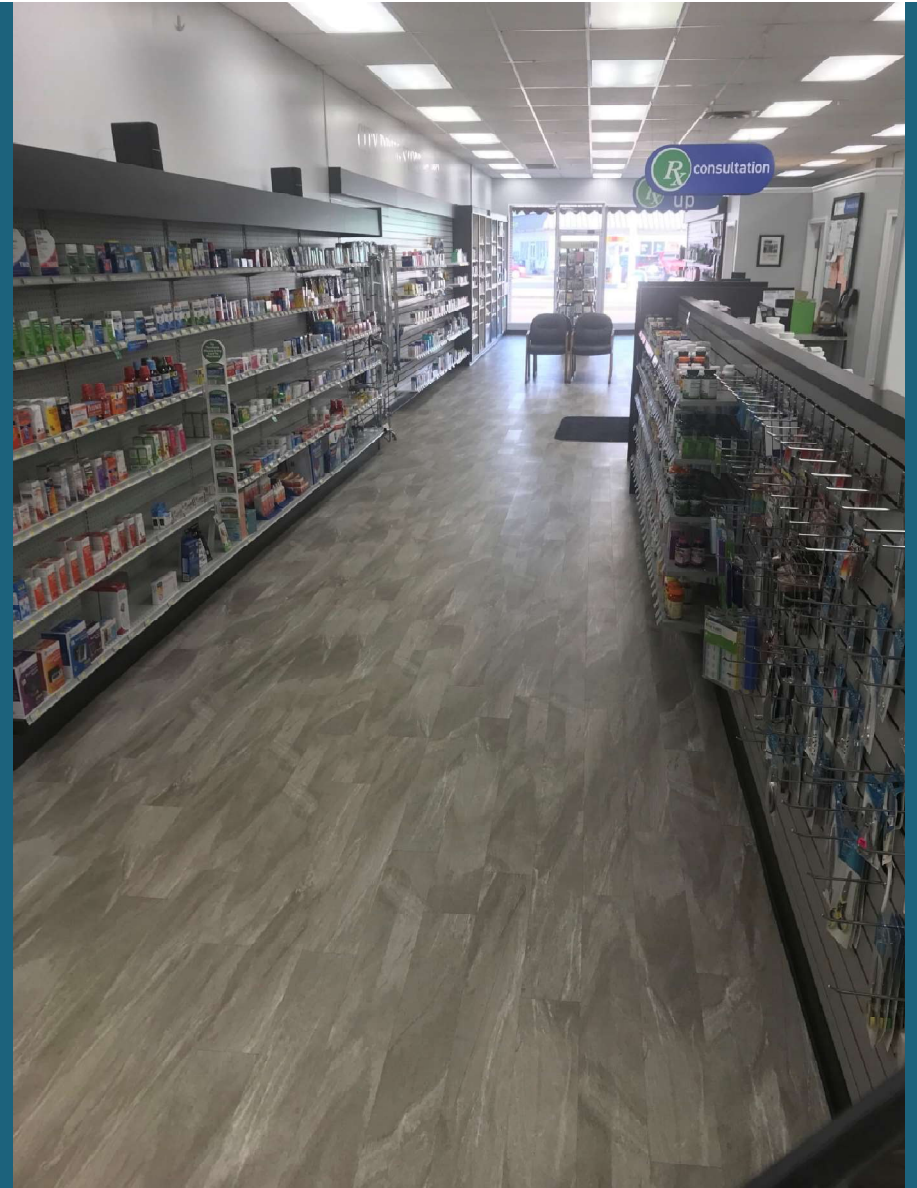
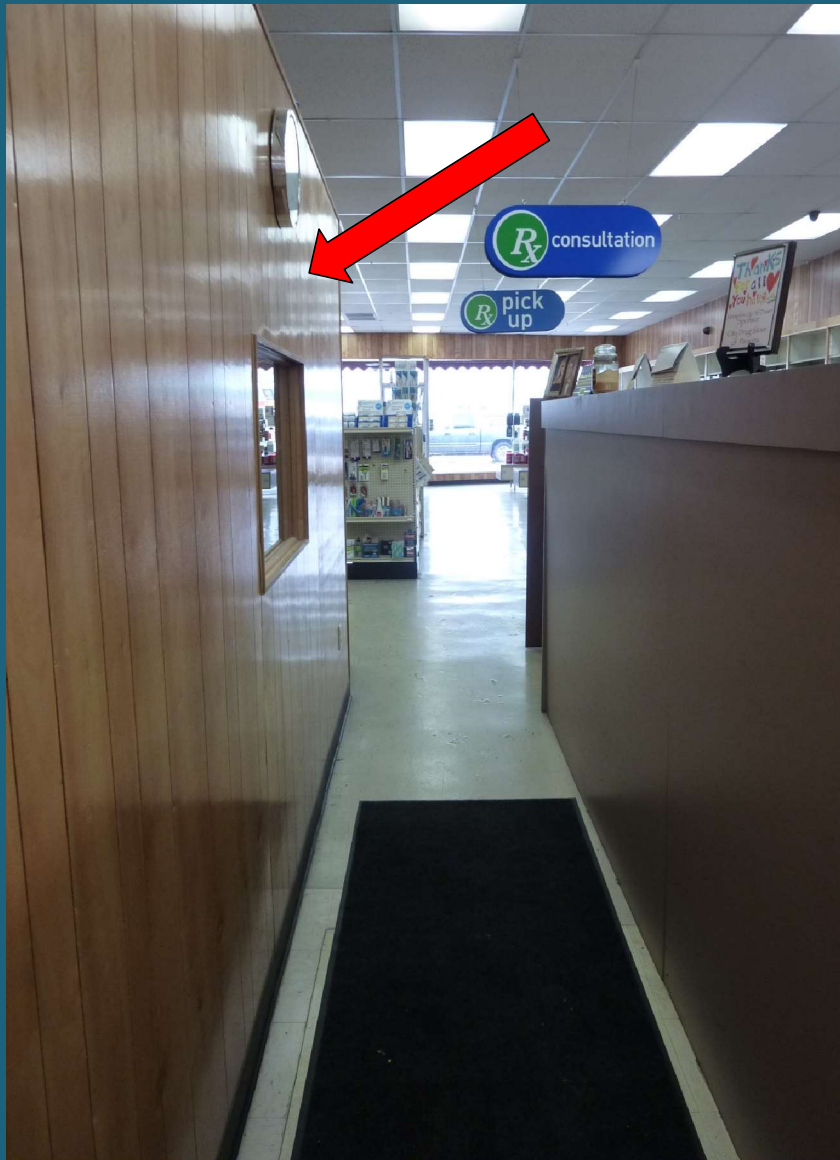
**CVS**



**Walgreens**

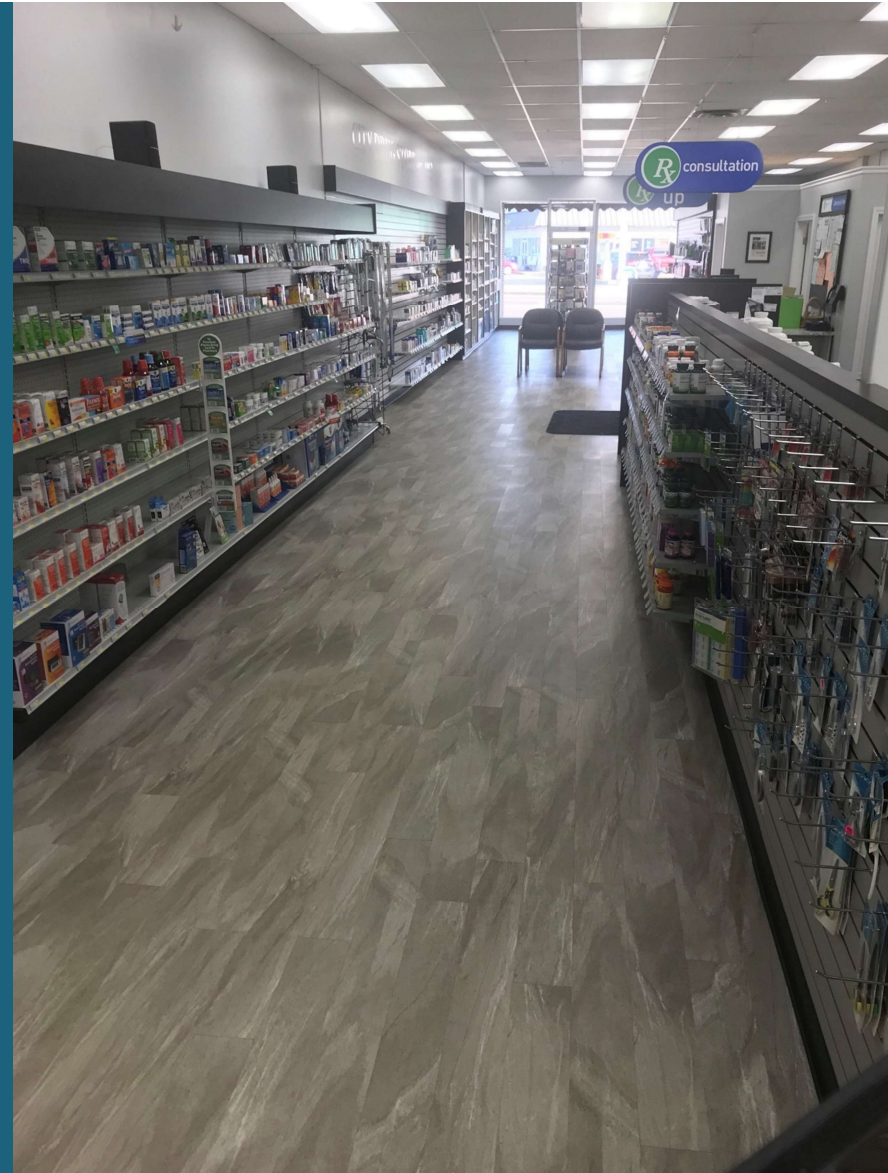
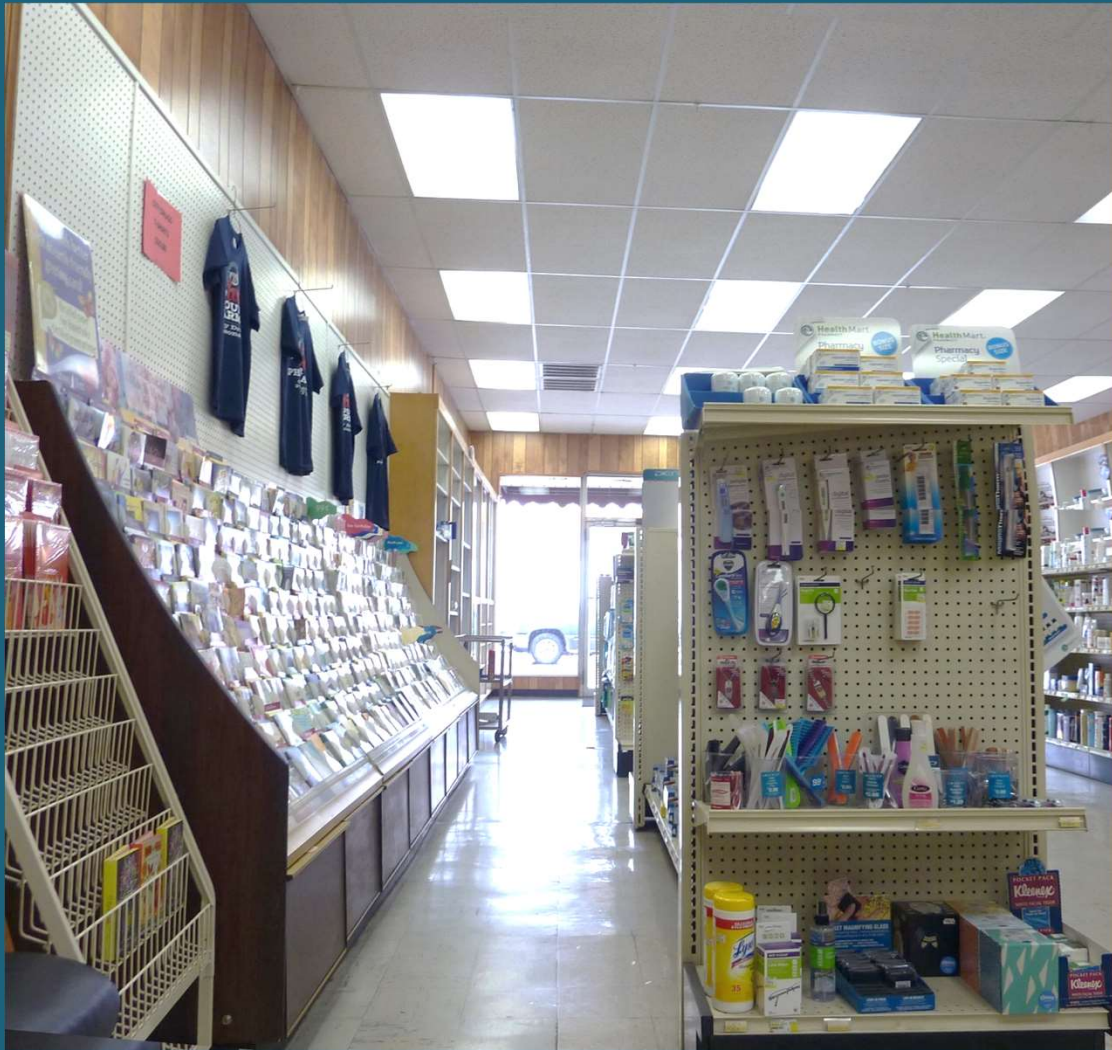


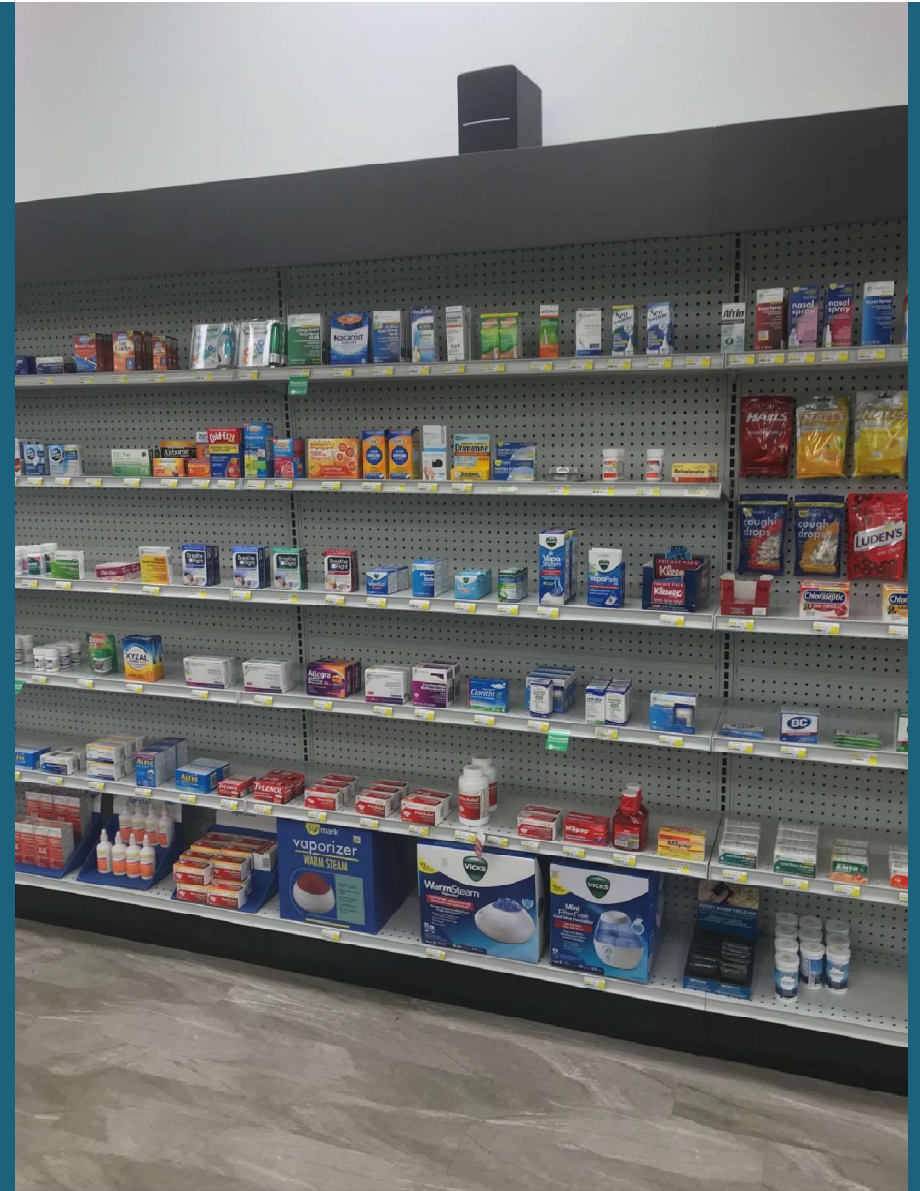
**Rite Aid**







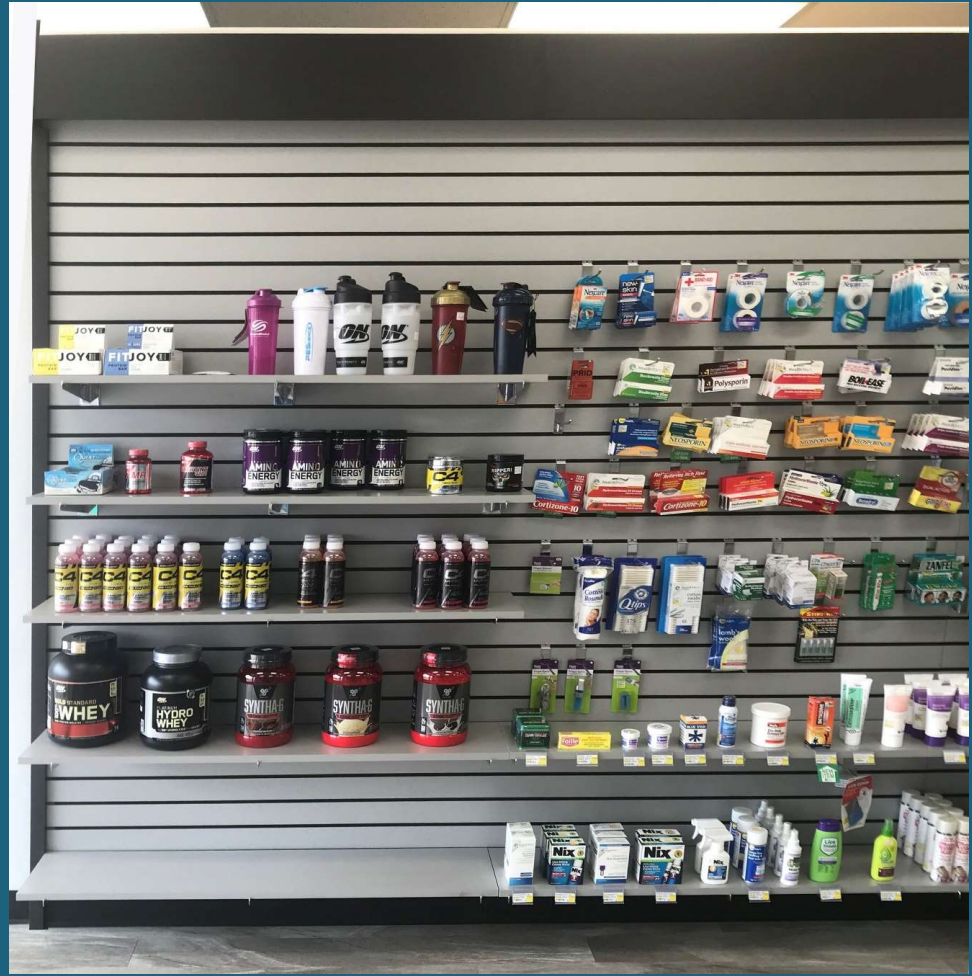


















**Landlord paid:**  
**\$12,000.00**

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

**Store owner paid:**  
**\$60,000.00**

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



## **What Would You Do?**

**Start-Up**

**Medical Building**

**Ground Floor**

**Minimum 4,000 sq. ft.**

**Corner location**

**No Drive Thru**

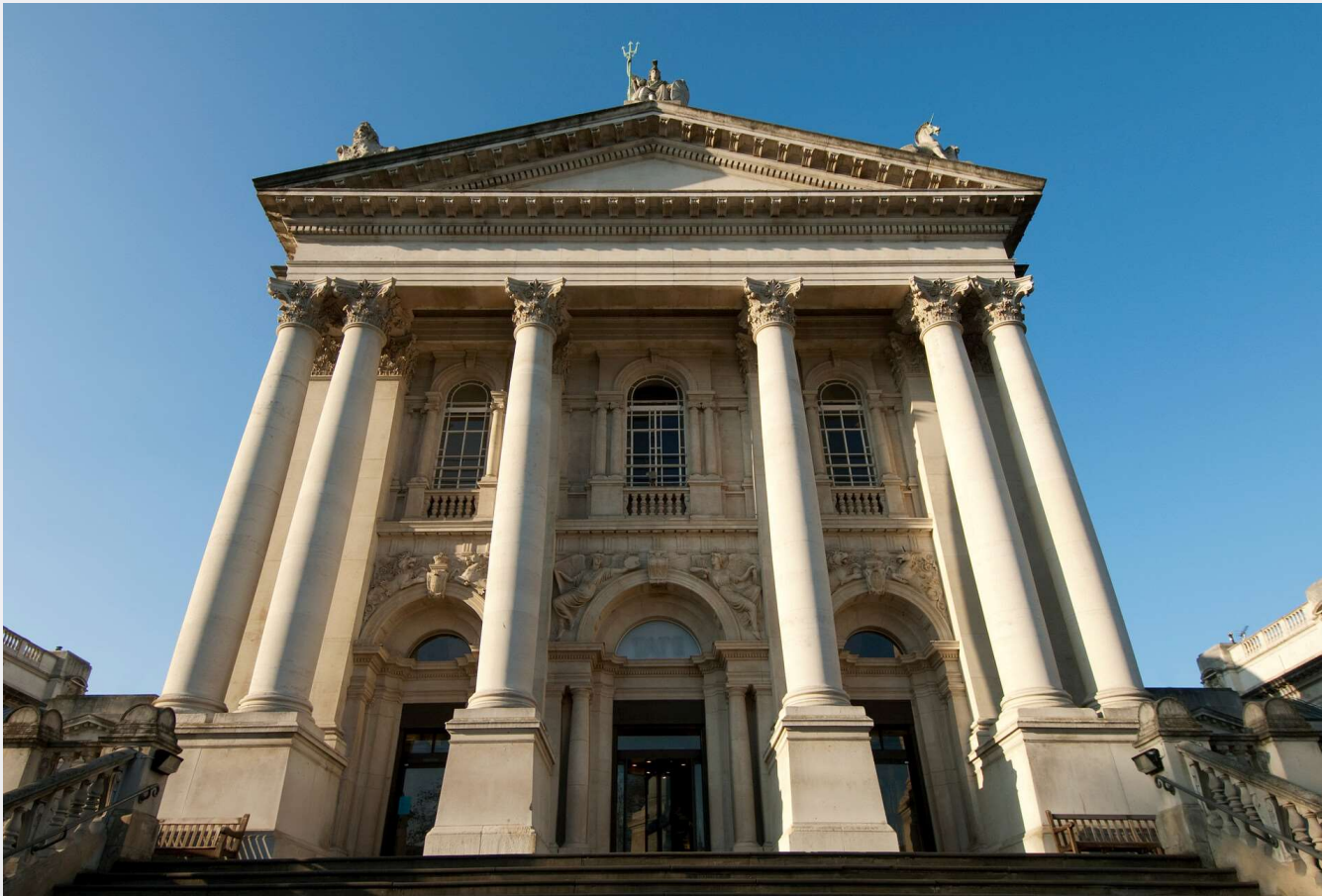
**\$43.00 sq. ft.**

**+1,500 common space**

**On the 10<sup>th</sup> year rent will be \$100.00 sq. ft.**



# Owner Finance – No Financial Institution involved.









**The Voice**



- 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*



**Deal or No  
Deal!  
Thank you!**

**Gabetrahan@gmail.com**



—  
The *voice* of the  
community pharmacist.

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