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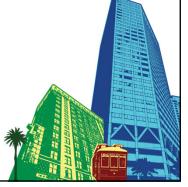
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Inventory and Sync: The Foundation of Pharmacy Profitability



NCPA 2025 Annual Convention and Expo



# Speaker



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#### **Disclosure Statement**

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#### Pharmacist and Technician Learning Objectives

- 1. Explain how synchronization improves inventory turnover, cash flow, and workflow efficiency.
- 2. Identify strategies for implementing and sustaining a synchronization program.
- 3. Describe ways to align staffing and pharmacy services with synchronization workflows.



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## **Inventory: Your Biggest Expense**

- Inventory is not just stock—it's your cash sitting on shelves.
- Lean inventory = healthier cash flow
- Goal: Turn product, not warehouse it.
- Most stores can reduce inventory by 25–40% with sync.



# Why Sync Is Non-Negotiable?

- You can't control inventory or service without it.
- Sync drives forecastable workload and demand.
- It's not a refill program—it's an operational model.
- Sync = precision → lower waste, fewer out-of-stocks, better cash control.



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# Start With Your Top 20 NDCs

- 80% of inventory cost comes from 10% of your NDCs.
- Sync those first: high-cost chronic medications, SGLT2 inhibitors, DPP-4 inhibitors, etc.
- Set reorder points to -1 whenever possible.
- Use pharmacy management software tools to automate and minimize reorder points.
- You'll see cash return to the bank in 30 days.



## Staffing Smarter with Sync

- Sync days = predictable labor needs
- Part-time techs can be scheduled to fill on specific days.
- One pharmacist can check for multiple locations via hub-spoke.
- Align staff to sync workflow, not chaos.





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# **Appointment-Based Integration**

- Know when patients are coming—plan accordingly.
- Bundle vaccines, MTM, Medicare consultations and other services around sync fills.
- Improves care, revenue, and performance measures.
- ABM only works if sync is the foundation.



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# Operational ROI in Action

- Sync allows for central fill, fewer pharmacists per store.
- Eliminates duplication and waste in small stores.
- Inventory centralized = control at scale
- Result: lower payroll, higher efficiency, better margins.





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# Patient Buy-In: Be Direct

- Set the tone: 'This is how we do business.'
- Sync is not optional for maintenance meds.
- We sync to serve you better—not to make you mad.
- It's okay to let go of a few to serve the many.





## **Building a Sync Culture**

- Empower techs to own sync metrics.
- Celebrate wins: fewer calls, faster fills, smoother days.
- Make sync the rule, not the exception.
- Involve every team member in the system.



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# Roadmap: What to Do This Week

- 1. Pull a list of your top 20 high-cost meds.
- 2. Enroll those patients in sync immediately.
- 3. Clean-up your reorder points.
- 4. Hold a team huddle and explain the why. oYou need to say it so much and so often, they can quote you. BE A BROKEN RECORD!
- 5. Schedule vaccines and other clinical services as a bundle for your sync dates.





#### **Inventory Metrics That Matter**

- Inventory Turnover Ratio = Annual COGS ÷ Current Inventory
- Target: 12+ turns/year for fast-moving items
  - Higher turns means better cash flow, as long as service doesn't decline
- Monitor dead stock: anything untouched in 90+ days
  - If you own multiple stores, you should be constantly leveling
- Use pharmacy management software reports to identify stagnant inventory



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# Reorder Points Done Right

- Avoid manual guesswork—use your software's automation tools
- Set reorder point to -1 for synced meds: triggers order after paid claim
- Use EDI with multiple wholesalers for flexibility and speed
  - The more the merrier! Two areas of attention should be primary buying agreement and daily minimums at secondaries to avoid unnecessary shipping charges.
- Clean data = smarter, more accurate ordering
  - This goes back to culture, "This is how we do things"





#### Remember: You're a customer too!

- Avoid buying agreements that handcuff your operation.
- Few stores have the volume to dictate pricing, make sure your agreements provide the necessary flexibility needed to reduce your cost of goods.
- Push back on agreements that don't allow for intelligent purchasing.
  - You're a business owner, don't sign deals that don't allow you to act like one.





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#### Remember: You're a customer too!

- Transparency matters—don't trade one PBM for another
- Good secondary partners are EDI-capable and service-focused
  - Most primary agreements allow for outside purchases, maximize every dollar.





#### Quiz: Financial Benefit of MedSync

What are the financial benefits of implementing MedSync?

- A. Increased patient counseling time
- B. Reduced inventory and improved cash flow
- C. Ability to offer more OTC products
- D. Higher reimbursement rates per prescription
- E. All of the above





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#### **Quiz: High-Cost Medications**

How does syncing your top 20 high-cost medications impact inventory value?

- A. It has no effect on inventory value
- B. It increases carrying costs
- C. It allows you to remove unnecessary stock
- D. It decreases medication adherence





#### **Quiz: Turnover Ratio**

What is an ideal inventory turnover ratio for a well-run pharmacy?

- A. 1-3
- B. 4-6
- C. 8-10
- D. 12 or more





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#### Quiz: Central Fill Advantages

Which of the following are advantages of a central fill model? (Select two)

- A. Higher labor costs
- B. Inventory compression at spoke stores
- C. Better workflow predictability
- D. Greater need for pharmacist staffing at all locations





#### Quiz: Buy-In Importance

Why is staff and patient buy-in critical to synchronization success?

- A. It reduces the number of prescriptions filled
- B. It ensures pricing compliance
- C. It promotes long-term system adherence
- D. It increases brand recognition



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#### Case Study: Unlocking ROI with MedSync

- Acquired independent pharmacy with \$400,000+ in unsynced inventory
- Negotiated a purchase cap at \$250,000 seller kept overage
- Synced over 1,000 patients within 4 months
- Reduced inventory to ~\$140,000 through sync and better control
- Freed \$100,000+ in cash flow from shelves to bank
- Despite 20% lower revenue, gross profit increased by 39%
- Net profit increased 6x through leaner, smarter operations



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#### Case Study: Central Fill Model Powered by Sync

- Converted 5 full-service pharmacies into a hub-spoke model
- Automation at the hub: central fill + barcode image verification
- Synced patients across all stores routed through central fill
- Spoke stores reduced inventory by over 50% only essentials stocked
- Pharmacist workload balanced, staff scheduled around sync days
- Result: reduced payroll, increased efficiency, consistent care



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