

POSITIONING YOU AND YOUR PHARMACY FOR SUCCESS

Your time is valuable and can be easily directed to lots of different areas. If you can put various pillars in place, you and your pharmacy will be well-placed to take advantage of opportunities and grow.

Pharmacy ownership brings with it the need to deal with a number of important areas. Owners need to assess just where their time is best spent and where it is appropriate to get the right help at the right time.

Starting up

Buying your first pharmacy or your next pharmacy can be a challenging transaction. With pharmacy prices remaining strong, due diligence is a necessity and by digging into the numbers, you get the real story. Just in the past couple of years we have had COVID, working from home, lockdowns, COVID vaccinations – all of which can skew business results. You also have to deal with the premises lease, satisfy state pharmacy requirements, apply for finance and work out your business structure. With three solicitors involved – yours, the vendor's and the landlord's – and a bank, having this transaction project-managed makes sense.

Managing pharmacy cashflow, debt and balance sheet

Once you have the pharmacy in your hands, you begin to see the ebbs and flows of cashflow and have a bank debt to manage. Every six months, you might also need to submit information to your financier, so managing your cashflow, debt and balance sheet becomes a new skill you need to have to maintain your banking relationship. Having place a regular process for reviewing your business cashflow can ensure that you avoid any surprises and keep your bank in a positive frame of mind.

Really useful pharmacy budgeting, KPIs and better reporting

Having an easy and useful budgeting process means you have practical targets, know the KPIs to hit and have a cashflow forecast that highlights any potential issues. Most pharmacy owners know what KPIs should be achieved but it's another thing to ensure you have a method of getting that information to you in a timely manner to enable you to drive the business.

Technology, data management and CFO Advisory for pharmacy

Perhaps outsourcing your finance process so that you can concentrate on implementing strategy and pharmacy management makes sense. Having KPIs pushed to you, rather than you having to work them out, gives you time to spend on the business. Having someone you meet with regularly to discuss how the business is going would also give you a good sounding board and insights on financial impacts.

Pharmacy has a lot of data. Having a dashboard that represents your store data and that you can access anywhere would be a powerful management tool. It means you can always manage your customer experience and store efficiency.

The big retailers climb all over this type of information and pharmacy owners can do the same. The challenge can be putting your data in a manner that is accessible from anywhere and in a way that is flexible and will contribute to your decision making.

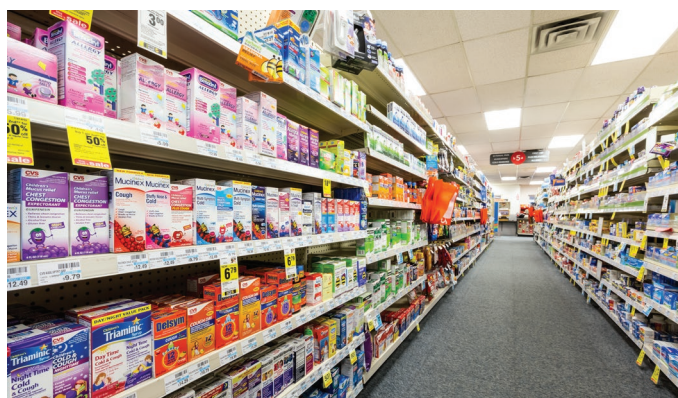
Managing succession and income tax

The operating structure that will suit your pharmacy will vary. There are many considerations, starting with the appropriate ownership regulations in your state. Pharmacy owners should consider how they intend to deal with ownership of the business in the future, the method of transfer of ownership, what bank debt is involved and the incidence of tax on the income and capital gains.

Managing your personal wealth

Lastly, as you grow your pharmacy and start to build a net worth platform, investments in areas outside of pharmacy and vehicles such as superannuation come onto the radar. It's important that any investments outside of the pharmacy do not impinge on the liquidity and needs of the pharmacy. And when it comes to buying that second or third pharmacy in the future, the same assessment of those opportunities is required.

To position you and your pharmacy for success, assess each of these areas and ensure you resource or execute them well. Our next pharmacy insights will deal with each of these areas in more detail and ultimately build a solid how-to guide for owners.



For further information contact one of our advisers at



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