

Break Even Calculator

This calculator is designed to calculate the break even point for a pharmacy. Based on your total fixed costs and variable costs paid out over an entire year, this calculator shows the number of prescription drugs that need to be sold in one year at your average price before the pharmacy can make a profit.

If you are a START-UP, use data from your pro forma financial documents to fill in the white boxes below.

If you are an EXISTING business, estimate your expenses for the coming year, or refer to your itemized tax return.

Total Revenue from Prescription Drugs 4,000,000.00

Total Prescription Drugs Dispensed 64,500

Fixed Costs

Rent 20,000.00

Pharmacy Computer Expense 1,500.00

Utilities and Telephone 700.00

Business Insurance 1,245.00

Additional Fixed Costs 400.00

Total Fixed Costs \$23,845.00

The following are assumed to be variable costs:

Costs of Goods Sold 3,000,000.00

Store Suppliers, Containers and Labels 1,000.00

Delivery Service and Office Postage 1,000.00

Other Variable Costs 2,500.00

All Staff Costs 300,000.00

(including owner compensation,
employee benefits and payroll taxes)

Total Variable Costs \$3,304,500.00

Average Price per Prescription Drug \$62.02

Average Variable Cost per Prescription Drug \$51.23

Contribution Margin

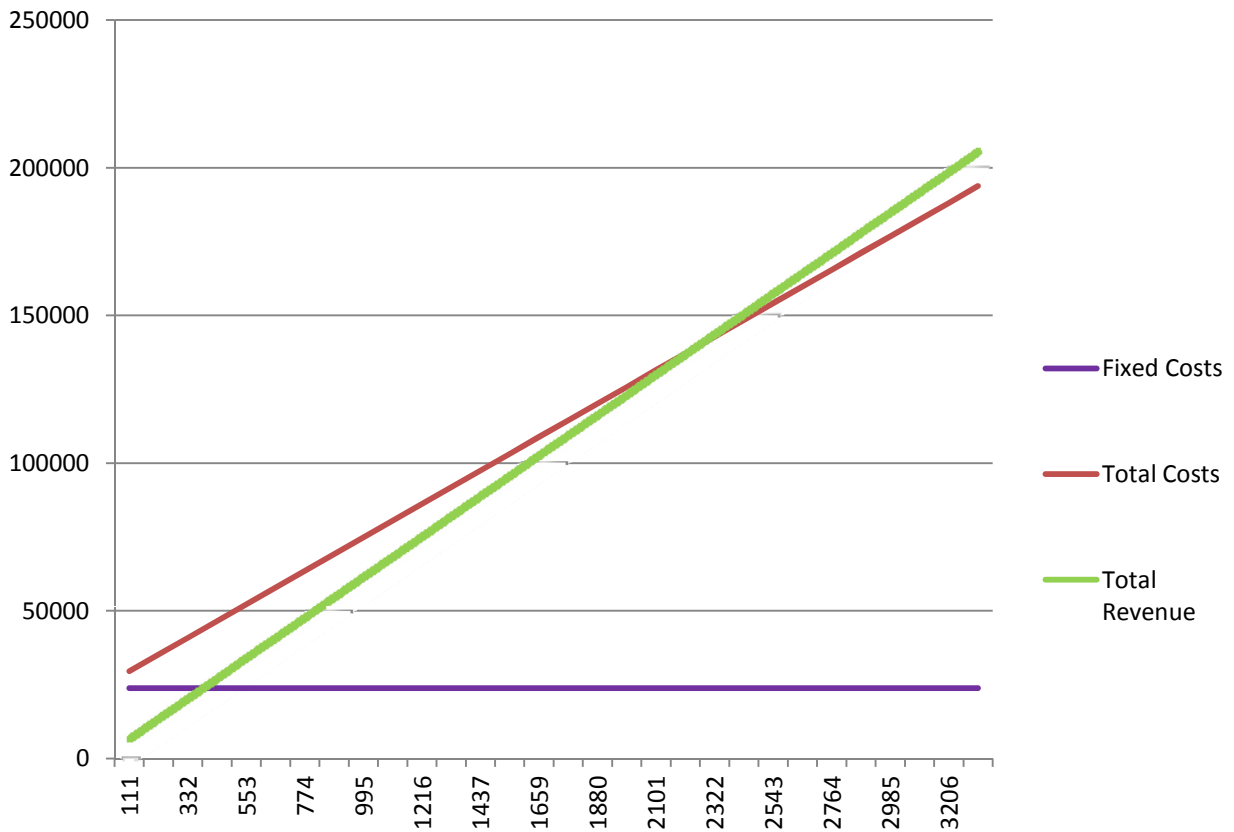
0.1739

For every dollar of revenue gained from selling a prescription drug 17 cents goes towards paying off fixed costs, and contributes to the profit for the pharmacy.

Break Even Point

2,211.36

A total of 2,212 prescriptions must be dispensed for the pharmacy to break even.



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