



Putting Your Best Books Forward: How to Prepare Your Practice for a Sale or a Loan

Presented by:

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Las Vegas, Nevada

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This program is approved by NCPA for 0.15 CEUs (1.5 contact hours) of continuing education credit. NCPA is approved by the Accreditation Council for Pharmacy Education as a provider of continuing pharmacy education.

Educational Objectives

Presentation Title: Putting Your Best Books Forward

Name of Presenter: Donnie Calhoun

1. To determine the difference between S-Corp, LLC and C-Corp business corporations.
2. To determine the difference between personal and business debt.
3. To determine appropriate inventory levels when determining to tell your business.
4. How to determine owner salary levels at appropriate levels.
5. How to determine the difference between personal and business assets.



Putting Your Best Books Forward

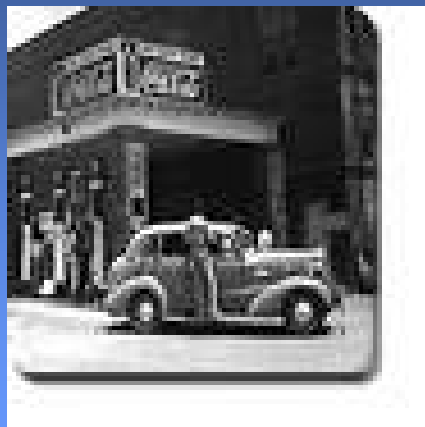
Donnie Calhoun, RPh.

10/09/2006

Las Vegas, Nevada



How to make your books look the best they can, when you are planning to sell your pharmacy.



Corporations, etc..



What type are you?

LLC

S-Corp

C-Corp

Single Propriorship

Partnership

Others

- In most cases LLC, S-Corp, single ownership and partnership profits and losses flow thru to the owner's personal bottom line.
- This could be good or bad depending on your individual business.
- Do you want to pay more or less tax?



Personal or Business?



How do you distinguish between business and personal expenses at your pharmacy?



Company Car or personal car?





- Company credit cards?

Are your purchases for the business or for home use?

Do you keep receipts?



- Do you pay your private memberships out of the business as a benefit?
- Do you pay for private trips and use the business to pay for them?





- Do you pay yourself a salary?
- Is it the average rate for a pharmacist in your area?
- Do you receive bonuses?
- Do you keep petty cash?
- Do you give yourself raises?
- What benefits do you pay yourself?

Inventory



How good is your inventory?
Out of dates? Empty bottles? Unusable?





- Do you have ownership in a co-op?
- Compounding company?
- DME or IV?
- Did you pay a licensing fee?
- Are the licenses in the company name or in your personal name?
- Other: property, leases, etc.....



- Equipment
- New or old?
- Should you upgrade or stay the same?
- Telephone system
- Computer system
- Robotics
- Copiers, fax, etc



- Charge accounts?
- 30, 60, 90, 120?
- Clean up or sell?
- Accounts payable?
- Accounts receivable?
- Equipment leases?

Sold !!



NOW WHAT?





Thank You and Good Luck!

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Learning Assessment Questions

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1. Which of the following business types doesn't pass through profits to the owner?
 - a. LLC
 - b. S-Corp
 - c. C-Corp
2. T or F An owner should pay himself the going rate for pharmacists plus bonus for performance.
3. T or F A company vehicle should be titled in the pharmacy owners name.
4. T or F Pharmacy charge accounts should be closed prior to selling the pharmacy.
5. T or F An owner doesn't need to prepare to sell his pharmacy.

Learning Assessment Answers

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Answers:

1. c – LLC and S-Corp's funnel through profits and losses to the owner
2. True
3. False – Company vehicles should be an asset of the company, not the owner
4. False – Pharmacy charge accounts should be cleared up not closed
5. False – 2-3 years should be a minimum to prepare your business so you can put your best books forward!