



Essentials of Writing a Solid Business Plan

February 9, 2011

Good Neighbor Pharmacy
NCPA Pruitt-Schutte Student Business Plan
Competition





Speakers



John Tilley, P.D., NCPA Past-President – Zweber Apothecary

Chuck Prieve, VP, Retail Sales – National Buying Groups –
AmerisourceBergen Drug Co.

Mike Cantrell, President, Good Neighbor
Pharmacy – AmerisourceBergen Drug Co.

Afton Yurkon, Pharm.D., Associate Director, Management and
Student Affairs – National Community Pharmacists
Association

Who is AmeriSourceBergen?



- One of the 3 largest drug wholesalers in the U.S. and Puerto Rico
- \$80 billion per year in sales
- Full line, full service, highly efficient
- Supplies approximately 30% of all independent community pharmacies in the U.S. and Puerto Rico
- Proud creator of Good Neighbor Pharmacy (40+ year history)
- Dedicated to the ongoing health of the community pharmacy

Who is Good Neighbor Pharmacy?



- One of the largest branded independent pharmacy cooperatives in the country
- More than 3,700 members in the U.S. and Puerto Rico
- Tools and resources to support the needs of independent pharmacies
- Provide everything an independent pharmacy needs to be successful



Business strategy



- **Attract** new patients through pharmacy-focused tactics, such as advertising and managed care relationships
- **Retain** current patients by positioning Good Neighbor Pharmacies as health care destinations
- **Increase** pharmacy profits through improved operational efficiency

Good Neighbor Pharmacy and NCPA



- Eighth year of the Good Neighbor Pharmacy NCPA Pruitt-Schutte Student Business Plan Competition
- Good Neighbor Pharmacy believes that the pharmacist plays a vital role in the health of the community
- Level of interest among students in independent pharmacies grows each year
- Competition is the first and only of its kind in the pharmacy profession

Why Enter the Competition?



- Pharmacy School Education
 - Business Disciplines and Education
- Career Choice
- Community Presence
- Owning a Pharmacy is a Business as Well as a Profession
- Find Your Passion in Pharmacy

Good Neighbor Pharmacy NCPA Pruitt-Schutte Student Business Plan Competition



Goal

- Develop a business plan that describes either the opening of a new pharmacy or the purchase of an existing pharmacy.

Team Criteria

- Must involve pharmacy students who are current members of NCPA
- Must include one advisor that is a pharmacist member of NCPA or a full-time faculty member at the pharmacy school
- Any number of students may assist in developing plan but only 4 may compete in the live competition

Good Neighbor Pharmacy NCPA Pruitt-Schutte Student Business Plan Competition



- Deadline for written plan is **May 15, 2011**
- 3 finalists will be chosen to compete LIVE at the NCPA Annual Convention
- Finalists are announced in July
- Prizes
 - First Place: \$3,000 to NCPA Chapter, \$3,000 to school in the Dean's name, trip to NCPA Multiple Locations Conference
 - Second Place: \$2,000 to NCPA Chapter, \$2,000 to school in the Dean's name
 - Third Place: \$1,000 to NCPA Chapter, \$1,000 to school in the Dean's name



Purpose of a Business Plan



- “Blueprint” for your pharmacy
- Detailed description of how you want to run your business
- Provides owners with a clear path to follow
- Essential in obtaining a loan
- Assists in decision making

Cover Sheet/Table of Contents



- **Cover Sheet Should Include:**
 - Company name and demographics (address/phone number)
 - Company logo
 - Owners names and demographics (address/phone number)
 - Date of plan development
- **Table of Contents**
 - Complete outline of business plan
 - Must be structured and easy to read



Summary of Loan Request



- Name of applicants and business
- Amount of loan requested
- Terms of request and repayment
- Collateral
- Statement of Personal Guarantee
- Other conditions/terms
- Estimated market value of business/capitalization
- Debt to equity ratio



Mission Statement



- **Mission Statement**

- Short and concise is best
- How does your mission set you apart from your competition?
- Should reflect personal and professional aspirations

- **Vision**

- How will you achieve your mission?



Description of Business



- **History of Business (if buying an existing pharmacy)**
 - Market history, recent history
- **Legal structure**
 - Junior partnership, traditional partnership, etc.
- **Products/services provided**
 - e.g., Rx medications, OTC medications, MTM, Durable Medical Equipment, Delivery, Immunizations, Diabetes Management Services

Description of Business Cont.



- **Location Analysis**
 - Identify competition, demographics, local marketplace, etc.
- **Owner/primary management structure**
 - Titles and responsibilities of owner(s)/staff
- **Brief discussion of insurances**
 - Types and coverage details
- **Brief discussion of security measures**
 - Theft, shoplifting, computers, etc.



Marketing Plan



- **Description of market to be affected**
 - Target market (demographics of location)
 - Potential market
 - Competition
- **Analysis and plan of how products or services will be:**
 - Marketed/promoted
 - Produced
 - Sold



Marketing Plan Cont.



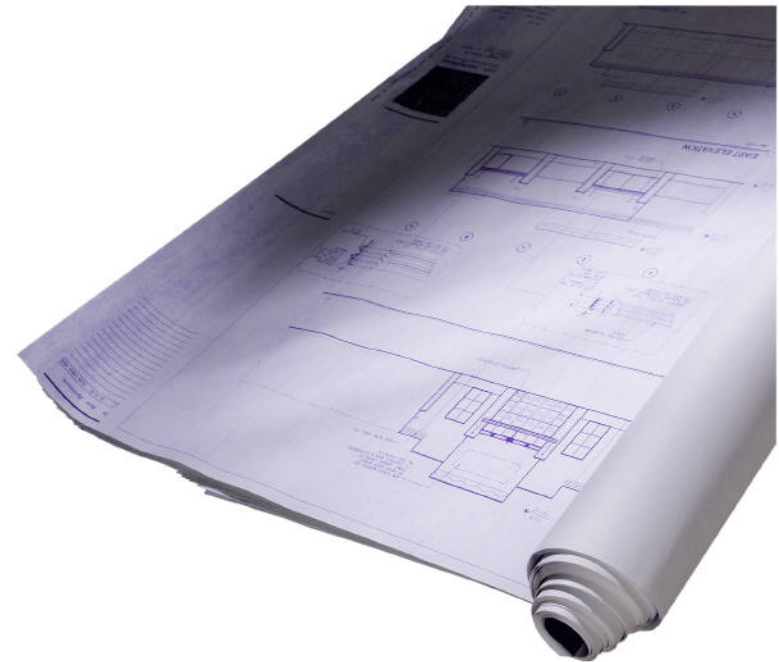
- **What is needed to achieve marketing/promotion plan and anticipated results?**
 - Estimated budget for both materials and staff time
 - Research all forms and cost of marketing (Facebook, Twitter, Radio, Newspaper, Flyers Website, etc.)
 - How do you expect your marketing plan to improve your business?



Physical Description



- Detailed description of store layout
- Blueprint and or floor plans description
 - Interior and Exterior

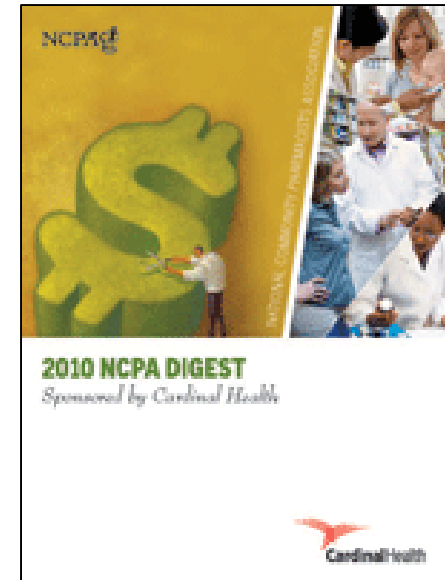




Financial Documentation



- **Project Sales Volume**
 - Short term AND long term
 - Estimation of expenses and sales
- **Expense Projection**
 - *NCPA Digest* is a resource
 - **Realistic** estimations for services and expenses





- **Cash Flow Projection and Budget**
 - What's coming in, what's going out?
- **Inventory Evaluation**
 - Prescription and non-prescription
- **Cost/sq. foot evaluation**
 - Cost, revenue, net income
- **Financial Statements**
 - Pro Forma Income Statements
 - Pro Forma Balance Sheets

Supporting Documentation



- **CV for each partner**
- **Personal Finance Statement for each partner**
- **Lease (if applicable)**





Additional Judging Criteria



- **Neatness/Professionalism**
 - 1” margin, 12pt. Font, double spaced, organization, spelling/grammar/syntax, referencing
 - Bind pages for a professional look
 - Use charts and graphics where applicable
- **Feasibility/Ability to Implement**
 - Is your plan a realistic business model?
- **Originality and Creativity**
 - What makes your business stand out?

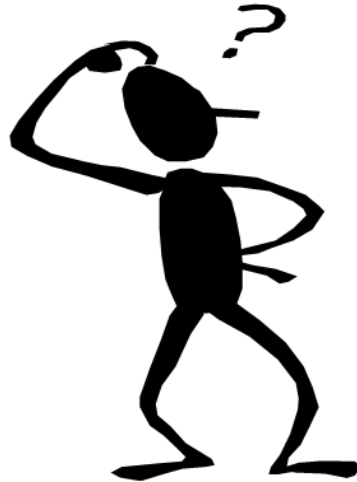
Take Control of Your Destiny



- It all starts with a plan...
- The Business Plan Competition can help jumpstart your future by providing:
 - Opportunities for business plan development in a team setting and learning environment
 - Essential feedback from team advisors, mentors, and professional written plan judges
 - Experience in developing a business plan
 - Confidence in business plan development



Thank You!



Questions?

For additional business plan resources, please contact NCPA Student Affairs at studentaffairs@ncpanet.org