



You can do it!

Get ready to own your own pharmacy



By Con Lane
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Let me say it again, “You can do it!”

That’s not just me talking: you’re hearing it from a Medicap Pharmacy® franchise owner in Lafayette, Indiana. Natalie Schwartzel, RPh. used to work for one of the biggest chain pharmacies in the country. Here’s what she told us, “My true passion is caring for my patients, and I knew that I wouldn’t be able to provide them with the care they deserved unless I opened my own pharmacy.” Sound familiar? Then you’re not alone, and we’re here to help.

Every day, we work with pharmacy owners to be the healthcare destination their communities need. Healthcare is getting more complicated all the time, patients have a lot of choices and they need help to make the right ones for them. At the same time, pharmacy owners face a lot of pressures—including falling reimbursements and a challenging business climate—so you may not be sure about making the move yourself.

We get it: owning your own pharmacy is a big step. You’re trading a paycheck for a big unknown. For Natalie, it was a no-brainer: “I had reached the tipping point,” she said. “I didn’t have the time to practice pharmacy like I knew I wanted to. That low satisfaction meant I was ready for a change.”

Maybe you already own an independent pharmacy (or several) and are looking for a different kind of change. You see margins getting squeezed, competition closing in and you are ready to bring in the experts to help you stay successful and grow.

Either way, how do you know if you’re ready to become a franchise owner? And if you are, where do you start?

Take these steps today

1. First things first: set your priorities.

Why do you want to become a pharmacy owner? To serve patients your way? Contribute more to your community? Lead a team that can make a difference? Whatever your vision is, defining it now will help you make better business decisions later.

That includes one of the most important of all: choosing the franchise operation that's the best fit for your business and management philosophy. For Natalie, that meant meeting with owners of major franchise brands. "I did a road trip to talk to some current franchisees, and my visit with the Medicap Pharmacy® owner sealed the deal. She opened her store 20 years ago and was really vocal about how the Medicap Pharmacy® network supports her success."

Natalie also explained how the connection between Medicap Pharmacy® and Cardinal Health gave her even greater confidence. "In my career as a pharmacist, I've had a good relationship with Cardinal Health as a wholesaler," she said. "I've always appreciated their follow-up and follow through. If Cardinal Health said they would do something, they did."

With a choice of two brands, why did Natalie choose Medicap Pharmacy® over The Medicine Shoppe®? "There had been a Medicine Shoppe® in the area many years ago, and I didn't want to try to reestablish the name. Instead, I wanted to have a fresh start and generate the excitement of a new store name."

Plus, she preferred the look and feel of the Medicap Pharmacy® brand itself. "It felt right to me as an owner—and the logo, colors and services were new to the market and drew attention to us as a new business," she said. "I was amazed by the community support for a local pharmacy—they really wanted it."

2. Develop your business plan.

The idea can seem overwhelming at first—but you can succeed with the right support. We asked Nancy Poore, RPh, The Medicine Shoppe® franchise owner in Chittenango, New York, how she did it. "I spent 25 years behind the counter at a chain pharmacy. I didn't understand the 'business' side of pharmacy and knowing what I know now, I don't think I would have been able to successfully open without the support of my FBC."

She's referring to her Franchise Business Consultant (FBC), The Medicine Shoppe® consultant who personally helped her navigate through all of the legal, regulatory, operations and marketing issues that a business plan must address. At the top of the list is financial performance.

The key is to understand that financial management is more than knowing what's in your cash register at the end of each day. It's analyzing and continuously improving your P & L (profit and loss) statement.

To help accomplish that, your business plan should focus on the three fundamentals of sound financial management:

- **Expenses:** Paying staff will be your #1 obligation.

- **Inventory management:** Which medications should you stock—and how much of each? Knowing that balance is key to making sure you don't tie up too much cash in inventory or waste drugs because they expire before being used.

- **Accounts receivable (A/R).** Cash flow is the lifeblood of your business. How will you keep it healthy, even as reimbursements shrink and fees from PBMs (pharmacy benefits managers) add up?

3. Build your team.

Whether you're acquiring an existing location or opening a new one, the right franchisor can give you all the business, brand and patient care support you'll need. In addition to preparing a business plan, that also includes:

- Performing a market analysis.
- Assessing revenue potential based on patient population, provider mix and area competition.
- Helping you obtain financing, including getting pre-qualified with pharmacy lenders.
- Working with a real estate firm to scout retail locations and identify the ideal one.
- Implementing business operations—including store layout, staffing, inventory management, workflow management and more.
- Marketing your store, from pre-opening activities forward.

"As a retail independent, there are so many things to monetize, I was not prepared to do it myself. I made the decision to franchise in just three days."

Planning for success

“Before I opened my pharmacy, I had never created a budget or a business plan for anything, which was of course required before I could get funding. With the support of my friends, family and my FBC, I was able to develop a robust business plan and budget. I still use them today.”

Contracting with PBMs

“It would be difficult to spend time researching and negotiating individual contracts with each PBM. Opening a Medicap Pharmacy® simplified the process, because all of the contracting is already in place!”

Natalie Schwartzel, RPh
Medicap Pharmacy®
Lafayette, IN

For Natalie, Medicap Pharmacy® was the perfect fit. “It was clear I would be able to do what I wanted for our community, because Medicap Pharmacy® gave me step-by-step instructions and support. They have the people, resources and guidance to help you be successful. In fact, that level of support far outweighs the nominal monthly fee you pay to own the franchise.”

Rx for the future

Whether you're already a pharmacy owner or work for a major chain, the right franchise opportunity can be your next, best move. To get on the right track, look for a franchisor who's a good fit for the way you work—and will be at your side to help you succeed. That's how we've served our franchise owners for more than 45 years at Medicine Shoppe International®, Inc. We can do the same for you.

“If you feel you're not able to provide the level of care that you want in your current situation, go for it!” Natalie said. “And the timing couldn't be better. There appears to be a renewed commitment to ‘buy local,’ with communities everywhere supporting small, independent business owners like me. Come join us!”

Practice at the top of your license

More than dispensing pills, your pharmacy can be the destination for personal care in your community. With The Medicine Shoppe® and Medicap Pharmacy® franchises, it all starts with the three pillars of business success:

- 1. Brand experience:** You can join an elite, high-performing network of independent pharmacies known for putting patients first. Choose from two powerful brands—The Medicine Shoppe® or Medicap Pharmacy®—based on the community you'll serve. With *Cardinal Health™ Pharmacy Marketing Advantage*, you can use digital marketing to build a stronger bond with every patient.
- 2. Business support:** Make better business decisions every day, with smart services and solutions for your pharmacy. You have access to a team that can surround you with marketing, managed care and operations support, in addition to the advice and guidance of a Franchise Business Consultant.
- 3. Patient care services:** Improve outcomes, increase reimbursements and boost Star ratings with proven patient care services like point-of-care testing, immunizations, medication therapy management and medication synchronization and packaging solutions. Ask how expanding care improves your pharmacy's health, too.

Not your typical franchise deal

- > Simple \$599/month flat fee to join the network
- > 5-year contract with 90-day out
- > \$300 credit for services that will help you succeed in a competitive industry

Ready to learn more about franchise ownership?

Contact us today:
cardinalhealth.com/msifranchise

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The information provided is not intended as an offer to sell or the solicitation of an offer to buy a franchise. The offer of a franchise can only be made through the delivery of our franchise disclosure document.

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Caring for patients your way.

Join this elite network of independent pharmacies known for patient-centered care.



- **Choose** from two well-known brands
- **Flexibility** to use the franchise brand name alone or to co-brand with your pharmacy name
- **Flat \$599/month** franchise fee that includes core business services
- **Access to patient care services** and digital marketing platform at a discount
- **Backed by the strength** of Cardinal Health

Learn more about paths to ownership at cardinalhealth.com/msifranchise

Medicine Shoppe International, Inc., (MSI) is your ally in delivering healthcare services designed to help independent pharmacy owners become the healthcare destination for personalized care for families in their communities.

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