

CONCEPT

Work with the existing pharmacy owner to improve efficiency and inventory management to become profitable upon time of purchasing. After two years of practice and personal preparation, we will:

- Redefine "Community Pharmacist"
 - > educates the community as a whole on health and wellness and becomes the face of pharmacy in the comunity working outside of a pharmacy practice
- Focus on education and innovation
 - not only in patient care, but pharmacy student experiential learning

LOCATION ANALYSIS													
Demographic Data	Beaver County	PA	Healthy People 2020 (Incidence per 100,000)	Goal	County	PA							
2010 Population	170,539	12,281,054	Percentage of schools with a nurse-to-student ratio of	44.7	92.9	86.7							
Percentage of Persons 65 or older	18.6%	15.4%	less than 1:750										
Percentage of Caucasians	91.2%	81.9%	Coronary heart disease death rate	100.8	149.4	143.9							
Percentage of African Americans	6.3%	10.8%	Stroke death rate	33.8	44.4	44.6							
Percentage of Asians	0.4%	2.7%	Lung cancer death rate	45.5	55.4	52							
Percentage of Hispanic/Latino	1.2%	5.7%	Melanoma cancer death rate	2.4	2.8	3.0							
Percentage of homes with language other	4.5%	8.4%	Diabetes death rate	65.8	74.0	71.8							
than English spoken			Pregnancy rate amount adolescent females aged 15-	36.2	20	23.2							
Percentage of high school graduates	86.9%	86.9%	17 (per 1000)										
Percentage of individuals living below the	11.1%	12.5%	Poisoning death rate	13.1	13.6	15.3							
poverty level			Accidental falls death rate	7.0	6.2	7.3							

Market Share Analysis	Population	Pharmacies	Average Patient per Pharmacy	Average Prescription Sales per Pharmacy*	Total Prescription Market Share*		
15009	14193	3	4731	\$3,934,772.70	\$11,804,318.10		
15010	23800	8	2975	\$2,474,307.50	\$19,794,460.00		
15066	12633	3	4211	\$3,502,288.70	\$10,506,866.10		
15074	9082	4	2271	\$1,978,286.65	\$7,553,499.40		
Totals	59708	18	3317	\$2,758,841.31	\$49,659,143.60		
Beaver County	170539	36	4737	\$3,939,924.62	\$141,837,286.30		

Hometown Apothecary Drugs is located towards the north end of the downtown area in New Brighton, PA, on the main street. It is one of three pharmacies in the town. Currently, most of the pharmacy's patients reside in New Brighton (15066), Beaver (15009), Beaver Falls (15010), and Rochester (15074). The property is owned by the current pharmacy owner, as well as the buildings to the right and left of the pharmacy. One side is the pharmacy's compounding lab, which is currently not being used, as well as an empty storefront and insurance agent to the other side. Also on the block is a Rite Aid and vacant stage/gymnasium. Parking is free on the main street of New Brighton, and there is a separate parking lot behind the pharmacy for employees and tenants of the owned buildings. Heritage Valley Health System is the major health care presence in Beaver County. It is a progressive, community-based healthcare system. Heritage Valley employs nearly 4,100 employees with more than 425 being physicians, 21 of which are cardiologists.

*Figures based on 2010 total retail sales for prescription drugs filled at pharmacies in PA(statehealthfacts.org) divided by PA population to get average prescription revenue per PA resident (\$831.70)

TECHNOLOGY

Highlights

- Community Pharmacist Support Use health assessment and interactive
 - education tools when performing outreach visits such as lectures and Healthy Heart
- Workflow improvement
- Rx30 integration

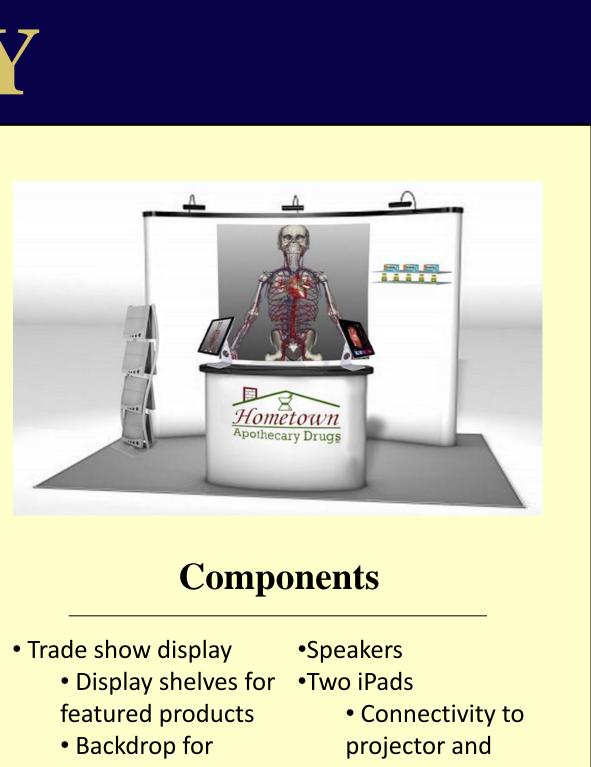
Club[®] encounters

- Inventory management-CIM®
- www.refillrx.com Smartphone Refill Request
- Point-of-sale Mobility with iPad
- Electronic patient satisfaction surveys

Distributable Innovations

- Packages of our hardware, software, and displays for sale to other
- pharmacies
- Patient education modules to supplement pharmacist counseling

- In-store Display
- Interactive patient education Dynamic themes
 - Can support different themes and technology in the future
- Cardiovascular health
- Pilot
- Most commonly displayed Patient interaction
- Using apps will teach patient about heart anatomy and its response to health, exercise, disease, and medication
- Question-generating
 - Interaction will prompt patients to speak with pharmacist regarding theme or other medication related topic
- Product display
- OTC products relevant to theme can be displayed alongside interactive elements



projector image Projector

Hometown Apothecary Drugs

PPA Achieving Independence 2012 Brandon Antinopoulos Natalie Pratte Kyle McCormick Ravi Patel Faculty Advisor: Karen Pater, PharmD, BCPS, CDE Independent Pharmacy Owner Coach: Joe Bettinger, RPh



speakers Stands

Apps

Current Services:

Retail pharmacy

- Prescriptions
- OTC medication
- DME
- Compounding
- Free delivery
- Automatic refills
- Medication disposal
- Pennsylvania Lottery
- Candy

"profitable, sustainable with revamping of existing resources"

Our Solution

Community

- "Community Pharmacist" redefined
- Community health emphasis on community education and outcomes rather than dispensing
- Primary marketing strategy
- Innovation
- Using technology to enhance education and improve workflow
- **Property Management**

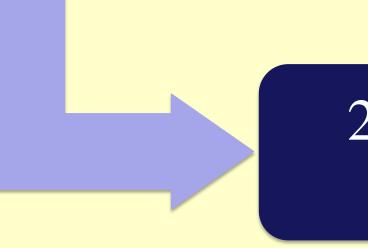
Pre-2014

- Community building
- Space for health lecture/seminars
- Rentable space for community events
- Student apartments
- Renovate attached apartments for students

The Overhaul: the timeline pharmacy improvement

- Implementation of new services Work with existing staff to • Immunizations improve efficiency:
- Workflow
- Inventory management
- Point-of-sale
- Technology



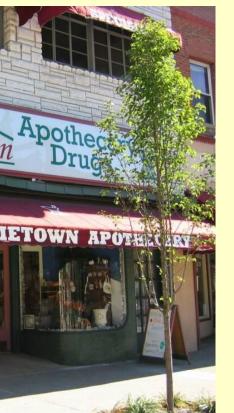


Future State – Operations and Services

- **Services**
- Prescriptions
- OTC medication/supplements
- Expanded compounding services
- Free delivery
- Automatic refill/Refill synch
- MTM & Immunizations
- Medication disposal
- Pennsylvania Lottery
- - PMS Mobility

SERVICES

Current State



Current Problems:

- Overstaffed
- Wage % of sales higher
- than industry average
- Sales per employee low
- Under-utilization of staff
- Non pharmacist-owned
- Inefficient Manual inventory
- Paper records
- Resistance to change

Potential

- 3rd party pharmacy advisors

Education - the driving force of change

- Patients
 - Pharmacist-delivered patient education seminars
 - Disease-centered counseling
- Interactive health display (see Technology) Students
- Full IPPE/APPE focused practice Residency program
- Pharmacy Technicians
- Partnership with local community college program
- Medication Therapy
- Management (MTM)
- Mirixa®
- Outcomes®
- Pharmacist staff
- 1 full-time pharmacist
- 1 part-time (MBA program)
- 2 going to residencies
- 2016 and beyond
- Pharmacist staff • 3 FT pharmacists 2 FT pharmacists + 1 FT pharmacist/technology & media developer
 - 1 FT community health pharmacist

JOINUS

Healthy

Implementation of new services

Classes at local senior

• Start enrolling interested

Healthy Heart Club

centers

members

Heart Club

- **Operations**
- Automated inventory • Electronic records
- Complete Rx30 integration
- Innovations
- Community health pharmacist Primary marketing campaign
- Interactive health display
- Licensing potential
- Teaching pharmacy
- Lower labor costs

- Community Health Pharmacist
 - *"The Face of Pharmacy"*
 - improve public and individual health
 - Increases the pharmacy's exposure to community members
- Community Outreach Presentation in community space
 - Sponsorship
- Electronic Website and Social Media with the community---FOR FREE
- Print Newspaper
 - Monthly PR ad
 - Weekly circular

		Pro-for	ma Pro	fit and	Loss	Stater	nent			Stat	fing Brea	akdov	vn	
			Pre-	Pre-							Pre Purchase 1	and 2		
			Purchase 1	Purchase 2	Year 1	Year 2	*Year 3*	*Year 4*	*Year 5*		# (FTE) V	Vage	Α	nnual
										Owner/Manager	1 S	alary	\$	70,36
ncome	Pharmacy		2,500,000	2,400,000	2,544,000	2,696,640	2,858,438	3,029,945	3,211,741	Pharmacists	1.5 \$	53.39	\$	166,57
	Compounding		72,000	72,000	76,320	80,899	114,700	121,582	128,877	Technicians	4 \$	13.70	\$	113,984
	Gifts		3,600	3,600	3,600	3,800	3,800	4,300	4,816	Interns	1 \$	13.50	\$	8,64
	Otc		56,000	56,000	58,000	64,000	70,000	74,200	78,652	Driver	1 \$	8.50	\$	7,95
	Supplements		4,300	4,300	4,816	6,100	7,200	8,064	9,032		Year 1			
	Pet Supplies		1,500	-	1,680	1,800	2,000	2,240	2,509	Pharmacists	1.5 \$	53.39	\$	166,57
	Lottery		71,250	71,250	71,250	71,250	71,250	79,800	89,376	Store Manager	1 Ś	17.00	\$	35,36
	Services		, 1,200	1,425	5,700	12,000	37,200	55,800	83,700	Technicians	4 Ś	13.70	\$	113,98
	Scivices			1,723	5,700	12,000	57,200	55,000	05,700	Interns			\$	8,64
Total			2 708 650	2 610 075	7 765 266	2 026 180	2 161 500	2 275 021	2 608 702	P4	1	-	Ŷ	-
οιαι			2,708,050	2,610,075	2,705,500	2,930,489	5,104,500	3,373,931	5,008,705	Driver	1 Ś	8.50	¢	7,95
			2 0 2 7 0 0 0				2 1 7 0 7 0 2	2 200 424			Year 2	0.00	Ļ	1,50
COGS	Pharmacy			1,875,000						Dharmasista		F2 20	¢	222 10 ⁷
	Compounding		13,051	10,000	10,600	12,000	21,500	23,220	25,078	Pharmacists	2 Ş	53.39	\$ ¢	222,102
	Gifts		2,160	2,160	2,160	2,200	2,200	2,450	2,695	Store Manager		17.00	ې د	35,360
	Otc		41,700	35,500	36,300	39,500	42,500	47,500	52,250	Technicians	4 Ş	13.70	ې د	113,984
	Supplements		2,150	2,150	2,350	2,500	2,850	3,150	3,465	Interns	1 Ş	13.50	Ş	8,640
	Pet Supplies		930	930	970	1,100	1,150	1,310	1,441	P4	1	-		-
	Lottery		67,700	67,700	67,700	67,700	67,700	75,824	83,406	Driver	1 \$	8.50	\$	7,956
											Year 3			
Total			2,154,691	1,993,440	2,106,636	2,180,379	2,316,602	2,462,878	2,616,324	Pharmacists	4 \$	53.39	\$	444,205
										Store Manager	1 \$	17.00	\$	35,360
Gross Prof	it		553,959	616,635	658,730	756,110	847,987	913,053	992,379	Technicians	1 \$	13.70	\$	28,496
,										Interns	2 \$	13.50	\$	17,280
										P4	2	-		-
Evnoncoc					22 2 E17	200 012	E22 207		626 626	P3	1	-		-
Expenses	Wages		367,517	367,517	332,517	388,042	533,297	586,626	-	Driver	- 1 \$	8.50	\$	7,956
	Advertising		6,000	18,000	18,000	18,000	6,000	6,000	6,000		*Year 4*	0.50	Ŷ	7,550
	Depreciation		10,700	17,400	8,700	4,350	7,125	3,700	2,200	Pharmacists		58.73	\$	488,625
	Insurance	Health	57,600	57,600	57,600	57,600	57,600	57,600	67,200		4 7 1 ¢	18.70	ې خ	-
		Liability	15,000	15,000	15,000	15,000	15,000	15,000	15,000	Store Manager	1 Ş		၃ ၄	38,896
	Professional	Accounting	4,500	4,500	4,500	4,500	4,500	4,500	4,500	Technicians		15.07	ې د	31,340
		Payroll	1,800	1,800	1,800	1,800	1,800	1,800	1,800	Interns	2 \$	14.85	\$	19,008
		Cardinal	-	5,000	1,188	1,188	1,188	1,188	1,188	P4	2	-		-
	Rent	Store	24,000	24,000	24,000	24,000	30,000	30,000	30,000	P3	1	-		-
		Storage	1,500	1,500	1,500	1,500	1,500	1,500	1,500	Driver	1 Ş	9.35	\$	8,752
	Supplies	0	12,000	10,000	12,000	13,000	14,500	17,000	19,000		*Year 5*			
			4,400	4,884	5,200	5,500	6,000	6,500	7,000	Pharmacists	4 \$	58.73	\$	488,625
	Postage		-	-	-	5,500	0,000	0,500	7,000	Store Manager	1 \$	18.70	\$	38,896
	Interest	Finance Chg	1,600	1,500	900	-	-	-	-	PGY1 Resident	1 \$	19.23	\$	40,000
	_	Loan Int	6,900	5,500	40305	37143	33602	29870	25938	Technicians	1 \$	15.07	\$	31,346
	Royalties		2,000	2,000	2,200	2,300	2,600	2,900	3,250	Interns	2 \$	14.85	\$	19,008
	Dues		1,200	1,200	1,200	1,200	1,200	1,200	1,200	P4	3	-		-
	Fuel		3,600	2,400	2,400	2,500	2,500	2,500	2,500	P3	2	-		-
	Maintenance	Software	1,500	1,752	1,752	1,752	1,752	1,752	1,752	Driver	1 \$	9.35	\$	8,752
		Equipment	400	1,720	1,720	1,720	1,720	1,720	1,720				Ŧ	0,102
		Security	4,000	4,000	4,000	4,000	4,000	4,000	400		Display C	ost		
		, Car	1,000	1,000	1,000	1,000	1,000	1,000	1,000	Item	Cost	Quantity	V	Ext Cost
	Utilities	Comcast	5,484	5,484	5,484	5,484	7,400	7,400	7,400	iPad 2 w/ Insuranc	_		/	\$996.00
	C three	Gas+Elect	7,800	7,800	7,800	7,800	10,530	10,530	10,530	iPad Stands	\$79.99\$			\$159.98
		Water	2,165	2,165	2,165	2,165	2,923	2,923	2,923					
	Тахас		-		-	-		-		Display Unit	\$1,854.00 \$27.54			\$1,854.00
	Taxes	Local	4,500	4,500	5,040	5,342	6,000	6,720	7,526	Speakers	\$37.54			\$37.54
		State Sales	1,680	1,680	1,882	1,995	2,234	2,502	2,802	Projector	\$400.00			\$400.0
Total			548,846	563,722	559,853	608881	755971	806432	850956	Projector Mount	\$28.86			\$28.8
										Apps	-	multiple	5	\$100.00
Profit			5,113	52,913	98,877	147229	92016	106621	141423	To	otal			\$3,576.38

a total purchase price of \$1,000,000. Costs associated with workflow and inventory improvement, totaling \$12,575, will be incurred in the first pre-purchase year. The pharmacy space, compounding lab space, student housing space, and community/education space will be rented from the current pharmacy owner, also owner of the buildings, with renovations to the student housing space and community/education space, totaling \$43,000, occurring before year 3 being paid by the current owner. Option of a Lease-to-own agreement for the rental properties will be discussed after year 5.

School of Pharmacy



THE ART and SCIENCE OF EXCELLENCE

MARKETING

• Interaction with the patients and providers promotes our initiatives to

• Schools, nursing homes, physician offices, hospitals

• Local sports teams, schools, and community events

• Feature our innovative services and products and stay connected



FINANCIALANALYSIS