



2009 - What does the year hold for pharmacy?

The unprecedented collapse of world financial markets along with the destruction of a lot of personal wealth certainly took the wind out of the sails of many in 2008! Continual stories of pending doom and gloom paint a less than positive picture for 2009.

What do I think? I am taking a positive view and believe that 2009 will be a year of great opportunity. The pharmacy industry is unique and as we have found in the past, in tough times pharmacy still does well.

There are still plenty of buyers and we are selling businesses so the pharmacy buying/selling market is still strong. Banks have tightened their lending criteria and vendors will need to be realistic when selling as some of the very strong cap rates we achieved in the boom times are no longer being achieved. That said, strong businesses with good bottom lines are highly sought after and we are achieving excellent prices for vendors.

At Pharmacy Solutions we have re-vamped our image and logo and changed our name to Pharmacy Solutions Australia to reflect the national coverage we provide.

We have also re-launched our website which I am sure you will find easy to navigate. Visit the site today and register your details.

Pharmacy Solutions has been successful because of our approach to selling pharmacies. Our reports are professional and an essential part of the selling process. If you are considering selling your business in 2009 please give one of our consultants a call and we will prepare a free market assessment of the price we believe your business would achieve in the marketplace.

We also provide help with negotiating new leases, finding new sites for relocations and general advice to pharmacists considering strategic moves.

Medical centres are another area where we have both ownership and management experience and some of the services we provide in this area are consulting



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advice, design, fit out, procurement of doctors and management of the medical centre once it is established.

I believe 2009 is going to be an exceptional year. If you want your year to be successful use Pharmacy Solutions Australia to help you get the results you are after. We provide personalised service with a national reach and we get results!

If you are a buyer register your interest today and if you are a seller Pharmacy Solutions Australia will achieve the results you want and I guarantee you will be thrilled with the way we handle the transaction.

Survive and Thrive in Turbulent Times

by Allan Godbee

Principal, WHK

2009 has started with disturbing news of higher unemployment, brought on by the turbulence in the financial markets and downturns in sectors like tourism, construction, and the motor trade.

The good news for the pharmacy sector is that consumers will still need to meet their health needs. Also, reduced interest rates will provide opportunities for refinancing.

Accounting and advising group, WHK, recommends five Downturn Readiness Tips for smart business people wanting to avoid the worst of the downturn.

Downturn Tip #1: Plan

The top priority is to prepare an evidence based, insightful business plan with clear goals, targeted marketing and plans to create productive, cost-effective systems. Many pharmacies have plans but these are really budgets for projected sales and costs and lack financial analysis, customer research, staff input and competitor comparisons. Without this, the plans are more "wish lists" than the evidence-based, insightful plans that WHK recommends.

Downturn Tip #2: Measure

The second tip is to create measurements of key financial data that gives timely feedback on how the business is going. Most pharmacies have point of sale systems that give information on sales and gross profits, but more is needed. A business dashboard that tracks monthly ratios of sales and profit trends, return on owners equity, short term risk ratios (current and liquid ratio), interest cover (especially if there is large amounts of debt), debt to equity ratios, sales per employee, stock turnover by month and costs compared to benchmarks* on key areas such as staff, occupancy and advertising. Using the Analysis - One forecast tool, WHK is able to model the likely impacts of changes to key business drivers and generate a view of forecast financial performance.

Downturn Tip #3: Innovate

In a downturn, the level of price-based competition increases as competitors respond to consumers concerns about disposable income. Avoid getting into a price war as much as possible by innovating through offering new products and services, entering new markets, diversifying or finding ways to lock in current customers. Find innovative ways of promoting and advertising rather than cutting this essential part of your business. Find government grants to subsidise your activities.



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Downturn Tip #4: Network

As competition increases look for non-competitive allies to network with regarding sharing costs, cross-promoting and sharing knowledge. A downturn is the time to lift you head up and participate in industry forums and to look for allies who can work with you not against you.

* If you would like to receive more information regarding our benchmarking service, please contact us.

Downturn Tip #5: Work smarter

The final tip is to see how you can educate yourself and your team to work smarter. Training is generally one of the areas cut in a recession. Avoid the temptation and invest more in practical programmes that focus on doing work better.

WHK Group is Australia's fifth largest accounting firm, with a focus on small to medium enterprises. They can access government grants for eligible businesses and assist you to implement these Five Downturn Readiness Tips.

current pharmacy opportunities

NEW SOUTH WALES & AUSTRALIAN CAPITAL TERRITORY PHARMACIES

NSW PBS NUMBER AVAILABLE
REF 2321
Realistic price for definite usage proposition.
Call Peter Marshall on (02) 9460 7020

MID NORTH REF 2397
T/O \$1.3m, Single Pharmacy town, strong script trade, Low rent, nearest opposition 20km, 2.25 hours drive from Hornsby.
Call Peter Marshall on (02) 9460 7020

NSW CENTRAL COAST REF 2279
Modern, highly visible pharmacy, next door to doctors and close to transport. National supermarket being developed next door. Fast growing area, 5.5 days, low rent, T/O \$1.3m.
Call Peter Marshall on (02) 9460 7020

SYDNEY EASTERN SUBURBS

REF 2391
Long established landmark pharmacy T/O \$1.6m, high gp, new fit out and computers, fully compliant, Extended hours, excellent staff happy to stay and manage. Great opportunity for owner operator or partnership.
Call Peter Marshall on (02) 9460 7020

SYDNEY & ENVIRONS REF 0000
Pharmacy Solutions has a number of listings of Pharmacies (Greater than \$4million turnover.) Information available via personal introduction after the establishment of the purchaser's financial status.
Call Peter Marshall on (02) 9460 7020

SYDNEY LOWER NORTH SHORE
REF 2394
Well Presented, Large Shop, in Prime Location, Currently under

management, excellent opportunity for relocation or improvement.
Call Peter Marshall on (02) 9460 7020

SYDNEY NORTH WEST REF 2400
Small pharmacy, huge potential in extremely fast growing area, cheap rent, excellent opportunity.
Call Peter Marshall on (03) 9425 9088

VICTORIA PHARMACIES

MELBOURNE REF 3410
Located on thriving inner suburban strip, this small pharmacy is well Suited for the owner/operator/ Current T/O is approx \$1.1m.
Call Peter Marshall on (03) 9425 9088

MELBOURNE INNER EAST REF 3616
Inner suburb pharmacy with turnover exceeding \$1.8m and reasonable operating hours.
Call Peter Marshall on (03) 9425 9088

MEDICAL CENTRE PHARMACY

REF 3511
Located in large rural town, T/O \$1.75m, New fit out In excellent 7 doctor clinic.
Call Peter Marshall on (03) 9425 9088

MELBOURNE CBD REF 3906.
Opportunity to pick up CBD Pharmacy at sub \$1m entry. Owner/operator required to maximize potential.
Call Peter Marshall on (03) 9425 9088

RURAL VICTORIA REF: 3721
T/O \$1m, single pharmacy town, extremely low rental, price on application.
Call Peter Marshall on (03) 9425 9088

2 x PBS
approval numbers for immediate sale.
Call Peter Marshall on (03) 9425 9088

QUEENSLAND PHARMACIES

SINGLE PHARMACY TOWN
REF 5115
Ideal husband and wife business, 4hours from Brisbane, 367 hours per week, 66 scripts per day. T/O 16k, Price \$550k.
Call Bob Rose on (07) 3252 0343 or 0438 013 729

FRASER COAST REF 5145
Shopping Centre Pharmacy, 5 1/2 day trader, well fitted out, T/O \$1.6m, scripts 145 per day
Call Bob Rose on (07) 3252 0343 or 0438 013 729

GOLD COAST SOUTH REF 5209
Small community pharmacy, 2 doctors, good support shops, ample parking, large primary school across the road. Price \$630k.

Call Bob Rose on (07) 3252 0343 or 0438 013 729

BRISBANE SOUTHSIDE REF 5221
Well established Day & Night Pharmacy in busy strip centre, T/O \$ 2.55m. scripts average 114 per day. Plenty of parking. Asking price \$1.845m.
Call Bob Rose on (07) 3252 0343 or 0438 013 729

BRISBANE WEST REF 5245
Well established Day & Night in busy Strip, scripts over 200 per day, Medical Centre close.
Call Bob Rose on (07) 3252 0343 or 0438 013 729

2 x PBS
approval number for sale \$350,000 + GST.
Call Bob Rose on (07) 3252 0343 or 0438 013 729

Our team | Call us now for a confidential consultation

Pharmacy Solutions, personalised service and a national reach.

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