

PHR 282D (Unique # 62005)
Pharmacy Business Plan Development
Spring 2014

COURSE INSTRUCTOR

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PHR 3.209A

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CLASS TIME AND LOCATION

Thursday 9:00-11:00 in PHR 2.208A PEC Conference Room

COURSE DESCRIPTION

The course will teach students how to write a pharmacy business plan for starting a new pharmacy or purchasing an existing community pharmacy. Topics include:

Entrepreneurship

Business Objectives, Products and Services

Legal structure

Location Analysis

Layout and Design

Pro-forma Income and Expense Projections including cash flow and number of prescription projections

Loans and Financial Planning of Debt

Strategic Market Plan of Products and Services

Promotion and Advertising

Students will work as a team and develop a pharmacy business plan which will be submitted to the National Association of Community Pharmacy Student Business Plan Competition. Students will be divided into groups to complete various components of the plan. Even though student groups will be working on one or more components of the plan, each student must be able to understand each component and understand how the components are linked together. Students must be able to communicate in writing and verbally to “put” the full plan together. They must be able to schedule their time, work together as a team and make critical deadlines so that components of the plan can fit together. Finally, the plan must be submitted to NCPA in time for the competition which is in the middle of May 2014.

Information of forming teams, writing and submitting the business plan to the National Community Pharmacy Association Competition can be found at: <https://www.ncpanet.org/index.php/business-plan-competition>

Objectives:

1. Students will be able to list the sections or components of pharmacy business plan and describe what the component covers.

2. Students will be able to list and explain the advantages and disadvantages of the three legal organizational structures of a business.
3. Students will be able to create and analyze pro-forma financial statements for a new pharmacy business.
4. Students will be able to develop a marketing plan which links together the target markets with the strategic plan of the pharmacy including the service components, and the layout and design of the pharmacy.
5. Students will be able to conduct a location analysis, including a demographic analysis and evaluate pharmacy's intent and objectives with the intended pharmacy location.

PHARMACY DESIGN/BUSINESS PLAN Guidelines for Assignment

All team members will participate in the project development.

DEVELOPMENT OF NEW PHARMACY

Mission statement

Objectives

Desired image

Organization (legal structure and staffing)

Target market audience

Description of the services and products to be offered

Description of location (shopping center, professional building, for example)

Market analysis of trade area (number of households, general demographics)

Target market and marketing strategy

Analysis of local physician/clinic dentist, veterinarian offices, hospitals, and competing pharmacies

A marketing plan must be developed

Layout and design

Details of prescription department, including all elements required by law (sinks, appliances)

(Include special activities, such as I.V. compounding, storage, etc.)

Pro-forma- sales forecasts, next three years

Projections of expenses

Cash flow projection and budget

Capital needs/assets

Amount of loan, projected payback

TEXTBOOKS

Students are not required to purchase a textbook. Handouts will be provided and 2012 NCPA-Pfizer Digest will be provided to students. Students are encouraged to bring these materials to class since it will frequently be used as a reference during class discussions. In addition, various pharmacy ownership web sites will be used. Plus, the following textbooks will be used, however, students are not required to purchase the books.

Pharmacy Management, Leadership, Marketing and Finance. 2nd edition

Effective Pharmacy Management, Ninth Edition (CD)

Financial Management for Pharmacists: A Decision-Making Approach, Second Edition

Pharmacy Management, Leadership, Marketing and Finance, Second Edition

COURSE GRADE

Grading Scale

The grading scale for this class is as follows:

94-100% = A
90-93% = A-
87-89% = B+
84-86% = B
80-83% = B-
77-79% = C+
74-76% = C
70-73% = C-
67-69% = D+
64-66% = D
60-63% = D-
59 and below = F

Points will be assigned as follows:

Group evaluations and progress weekly	150 points (10 points per week per student)
Team project (final design and business plan)	100 points
Peer assessment of students	50 points
Total points possible	300 points

COURSE POLICIES:

1. Attendance in class is mandatory, you are responsible for all material covered and all announcements made in your absence.
2. Please let the instructor know immediately if you have a problem that is preventing you from attending the sessions and from performing satisfactorily.
3. No examination grade will be dropped.
4. Video and audio recordings of the discussions or presentations is NOT be allowed.
5. Examinations will cover information from the presentations, discussions, handouts and assigned readings.
6. If a student cannot attend an examination at the scheduled time, the student must submit a "Student Request for Alternate Examination Time" form to the course coordinator in advance of the exam.
7. Requests for alternate examination times should be made for illness or other legitimate conflicts—not to accommodate work schedules or other exams. In the case of approved absences, the student has one

week from the day of the exam to make up the missed exam, unless other prior arrangement has been made. Students with an unapproved absence from an examination will be given zero points for that exam.

9. Grades will be posted on “e-Gradebook.” Students will have up to 7 days after exam grades are posted to review the exam and appeal their grades. Any appeals must be written or discussed in a scheduled appointment with the professor who wrote the exam, and no appeals will be accepted after the 7-day review period has expired.

SCHOLASTIC DISHONESTY

Students who violate University or College of Pharmacy rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure of the course and dismissal from the University. Since dishonesty harms the individual, fellow students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. For more information regarding University policy on scholastic dishonesty, the student can refer to the following website: <http://www.utexas.edu/depts/dos/sjs/>

SPECIAL ACCOMMODATIONS

“The University of Texas at Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, contact the Office of the Dean of Students at 471-6259 or TTY471-4641.”

Schedule and Deadlines

Week 1, 2 ---Form groups assign responsibilities, determine mission statement, pharmacy objectives, services to be offered, pharmacy image.

Week 3 , 4 and 5 ---Define trade area, target market, demographic analyses and location determination (traffic flow analysis). By the end of week 3, the location and type of pharmacy should be determined.

Week 6, 7, 8---Work on marketing plan and strategy, plus work on layout and design (determine flooring, shelving needs, equipment needs and costs). A good draft of marketing plan should be finished by week 7

In an effort to promote interest in independent community pharmacy ownership, the National Community Pharmacists Association (NCPA) and the [NCPA Foundation](#) have established the Good Neighbor Pharmacy NCPA Pruitt-Schutte Student Business Plan Competition. The goal of the Competition is to motivate pharmacy students to create the blueprint necessary for buying an existing independent community pharmacy or to develop a new pharmacy. The Competition is the first national competition of its kind in the pharmacy profession and is named to honor two great champions of independent pharmacy, the late Neil Pruitt, Sr., and the late H. Joseph Schutte. Through this competition, NCPA is better able to prepare tomorrow's pharmacy entrepreneurs for a successful future.

The Pruitt and Schutte families initiated an endowment fund with the NCPA Foundation to help support annual operating expenses of the competition. The competition is supported by Good Neighbor Pharmacy, Pharmacists Mutual Companies, and the NCPA Foundation.