



# Unfurling your banner: making the right choice

Choosing which franchise is the right fit for a pharmacy is one of the most critical decisions an owner will have to make. We speak to the experts for advice.

**Y**ou're looking to change things up for your pharmacy. You may be considering whether your current banner group is working for you, if it meets your pharmacy's needs and objectives. Or if you're an independent, considering the risks and benefits of committing to a group. Where do you turn to for advice? What are the factors you need to consider?

We've assembled a panel of experts to provide their views on what you need to consider, and where to go for help.

## Asking the right questions

Glenn Guilfoyle, principal of The Next Level, pharmacy business sales and service experts

### What has changed in the banner group landscape since Covid?

Some owners report no significant change. Some say there is less support 'on the ground', so to speak—such as BDMs not having regular site visits and therefore not getting to know the team and the challenges that they face.

Brands are focusing/capitalising on Covid-specific health initiatives (vaccination, RATs, etc) and may have lost some focus on the other health conditions that pharmacists can assist with. This is okay in the short term, but they need to re-focus on other initiatives.

On the other hand, others report a positive legacy around enduring improved communications systems, higher flexibility with regards to compliance and increased support for

increasing the range of vaccinations they offer. The main downer casting a pall over all this is the staff availability issue.

**What should you be asking with regard to professional services?**

Is development of professional services a priority for the brand? How do they resource innovation in this space? How do they make service implementation easy? What is their initial start-up and ongoing support? The efficiency of their systems (manual versus digital automation; integration into POS/Dispense)?

Also, what is their professional service point of difference versus other brands? How do they support growth in this category?

You should look for a banner that can demonstrate professional services are a core strategic focus for their brand. Talk is cheap—ask them to show you what they have done so far in this space and what they are investing in future development. How will this effect your bottom line? How is the associated admin supported by the group? What on-site visitation will you receive from the brand representative?

**Choosing a large national banner or a smaller, more localised or specialised group**

You need to ask if you are aligned with the ethos and future direction of the banner group. What style/type of pharmacy do you want to practice in? How will the brand help your business stand out from your competitors?

Regardless of size of banner group, what do you really get in return for your fees? Do you even need a banner?

For some pharmacies, maybe a buying group and investment in local area marketing is a better option.

Importantly, be clear on “who do I want to be?” and “what do I want to stand for?”

What are the nuances of your local community that lean towards one brand or the other? Or independence? Do you need the potency of a national footprint?

**Should you stay independent?**

Be across your locality. How parochial is it? How much is your name, your pharmacy its own brand? Are you active in your local community in other ways?

If you are prepared to do the work, no brand will ever deliver the flexibility and specificity and control on what you market, how you communicate, what you stand for.

**Where can you turn for support and advice?**

- Don't turn to references provided by the banner group.
- Contact pharmacies that have recently changed brands (reps/wholesalers would be able to tell you who these are), or contact people you know and trust.
- Talk to accountants, consultants, lawyers, business coaches, landlords and most importantly, customers!

**A case-by-case proposition**

Frank Sirianni, pharmacy business and market expert, and founder of Medici Capital. Generally, the franchises/banners operate by increasing sales via promotion and marketing activities often at the cost of possibly a lower margin and franchise/banner/membership fees (these costs may be offset by better deals and buying).

In most cases, the net result is positive and improves profitability as well as business value. However, it needs to be assessed on a case-by-case basis.

**What has changed in the banner group landscape since Covid?**

No obvious changes. Many banners are pivoting to take advantage of the increased professional services arising from vaccines and professional/health services. Some more than others.

**What should you be asking with regard to professional services?**

It appears that most banners are now offering a range of support systems/services for professional or health

“ Each franchise has a number of costs associated which need to be assessed against the benefits including sales uplift as well as whether the style of operation arising from the franchise model works for you. —Frank Sirianni

services. The key issue is to investigate is how these systems work, and whether they are appropriate for your pharmacy or location/patients?

**What should you look for in terms of support and direction?**

- 1) Promotion and information materials for your patients/customers;
- 2) Proven/tested service delivery protocols; and
- 3) Support and training for you and your team.

From my perspective, it would also assist if the franchise/banner provided financial and operational benchmarks for your pharmacy team to assess your pharmacy's performance against.

**Choosing a large national banner or a smaller, more localised or specialised group**

This is dependent upon your location, shopping centre, and target market (patients). Some locations are better suited to the larger, national groups whereas others may be better suited to a boutique or specialised group (to use your words).

**Why should you stay independent?**

Smaller, locally focused pharmacies with a greater emphasis on, say, personal interaction between owner/pharmacist and patient, may work better as an independent or non-branded pharmacy.

Ultimately, it's a “Cost versus Benefit” analysis. Each franchise has a number of costs associated which need to be assessed against the benefits, including sales uplift as well as whether the style of operation arising from the franchise model works for you.

**Where can you obtain advice when choosing a franchise?**

You need to discuss with independent and pharmacy specialised analysts, including accountants and lawyers who know pharmacy. Caution also needs to be exercised to ensure that the advice is not ‘biased’ or based on just ‘gut feel’: it needs to be analytically based.

### The market perspective

Natalie Sirianni, pharmacy business broker, and director of Attain

#### What should you consider when choosing a large national banner or a smaller, more localised or specialised group?

When choosing any banner it is, of course, important to consider and compare the benefits and costs associated with each of them. From a sale-of-business point of view, it is really important to read and consider the clauses in the franchise agreement that impact you if you choose to sell the business at some point in the future.

Often, pharmacy owners will not put too much thought into this as, when you are signing up for a new banner, you are unlikely to be thinking about selling... But it is important to review these closely and have a pharmacy specialist solicitor to assist with this, to make sure that you do not cause yourself any problems later down the track.

#### Where can you turn for advice when choosing a franchise?

It is really important to make sure you get legal advice when you sign a franchise agreement. Each franchise agreement will be different, and it is important that you know what you are signing and how it will impact you in the future. We recommend speaking to a pharmacy specialist solicitor, so that they have the expertise and understanding to assist.

#### Matching your needs

Andrew Stent, WA pharmacy owner and Wizard Pharmacy franchisee

#### What should you consider when choosing a banner group?

When choosing a brand to convert to or to open with, it is important to evaluate what level of support you will be receiving.

The pandemic reinforced just how much a pharmacist's true value is on

the floor with their patients instead of time spent back of house sourcing in-demand products or dealing with booking systems. We are all time-poor, so the more support you receive, the better for you, your patients and the health of your business.

When you meet with a brand, you must ensure your values align. Are customers the number one priority of the brand? What value can they bring you without compromising on your returns?

#### What are the key factors to consider?

Most banners offer the same fundamental service on paper, but how well is this executed in reality? What core business pain points are being solved for you, and what extra value-adds can they offer you that other brands cannot?

Areas of focus could include personal and career development

# Introducing MedView Chat

## Patient initiated live chat direct to your pharmacy queue



MedView

Powered by  
eRx  
script exchange

See how live chat can help your pharmacy at  
[medview.com.au](http://medview.com.au)