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5 STEPS TO A 'SMART' PHARMACY EXIT

HOW WILL YOU LEAVE YOUR BUSINESS? WILL THEY HAVE TO DRAG YOU KICKING AND SCREAMING FROM YOUR DISPENSARY? OR WILL YOU BE MORE LIKE A BULLET OUT OF A GUN WITH YOUR GOLF CLUBS TUCKED UNDER YOUR ARM?

Well, you might not be ready just yet to sell it on, pass it on or move on but this is something you need to think about. Geoff Green, lawyer and author 'The Smart Business Exit' says that by taking five key steps now, we can prepare for a successful exit as soon as you're ready.

The only thing worse than the wrong exit strategy is no exit strategy. Without an exit strategy, everything you've worked hard for is at risk. I've helped a lot of entrepreneurs in high-growth sectors build value in a business and then realize that value through a good exit. The ending is as important as the build. Those exits that don't go well – where the business owner doesn't get what they would like to get out of it – are always down to a lack of preparation.



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1 START NOW

We often avoid talking about exiting our businesses until it's almost time to do so. But by then it's not always entirely our decision, perhaps due to ill health, family circumstances or the economy. If your exit creeps up on you, you won't be ready to make the right decisions and no matter what shape you think your business is in, when you come to retirement, succession or selling up, you'll find a lot of

things that need fixing. If you start fixing these now – six months, 12 months, three years, five years in advance – you'll be ready to leave exactly when you want, how you want. If you're selling in five years you have time, but if you just wake up one day and decide to move on, you've got much less time to actually deal with those issues. So this whole concept of thinking like a buyer I think is really fundamental to this whole area.

2 GET YOUR SHOP SHIP-SHAPE

We've all bought and sold houses in our time. When we're about to go on the market, we always fuss over it like never before: tidy up the garden, fill the cracks, repaint, repair the windows, fix all those things we've let slide for so long. We look at it with a colder, more critical eye; we do all sorts of things to make it as attractive and valuable as possible to someone else. We need to start looking at our pharmacy businesses as if we want to maximise its sales value. If you love your business like a family member and forgive all those quirks, cracks and patch-up jobs, no one else will.

3 KEEP A LID ON YOUR EMOTIONS

The whole concept of exiting can cause a lot of stress. We know retirement and succession planning is something we really should be thinking about, but it raises all sorts of tough issues, and it can send you on quite an emotional roller coaster. If you've set up, slaved over and

nurtured a pharmacy for 20, 30 years, nursed it through a few crises, then you're highly invested in it. You've spent a big proportion of your life building it; you've watched it mature, you're proud of it. Plus, you've made a lot of connections in your local community in your workforce; you're

known and respected. Letting all that go can be hard. But I cannot advise you strongly enough: put your hardhat on, steel yourself and start looking at the business in a business-like way – as a prospective buyer would. It often helps to have a third party adviser to help you do this.

4 DON'T BE THE BUSINESS, BE THE OWNER

So what would a potential buyer think of your business? What's valuable? What concerns them? Do you even have a business? Or, are you the business? Many pharmacy owners hold such a lot of knowledge in their heads that in fact they hold 90% of the value of the

business. That's why all the customers want to talk to us. But ultimately, it's not that a valuable asset in the business; a prospective buyer won't be buying you, they'll be buying the business. So you need to find a way to transfer your expertise. Use smart systems and smart

technology to unpack the knowledge centre in your head and systemize it; make it accessible to your entire team and therefore more valuable. The less dependent your business is on the expertise and personal relationships of a few people the more saleable it is.

5 USE TECHNOLOGY TO FREE YOU UP

Even if you're not planning to leave your business for another decade or two, automation and technology-enabled knowledge transfer are still valuable steps to take. Technologies to assist you prepare Dose Administration Aids (DAA) can improve your efficiency and create new revenue streams. Dispensing robots and inventory management systems can make you more efficient, free you

up from repetitive tasks and give you more time with customers imparting the skill, experience and knowledge that your customers value. Instead of dealing with all the nuts and bolts, the admin, the repetition, you can spend more time doing the stuff you like doing: the customer-facing stuff, the high value stuff, using your expertise to help your clients.

So hopefully when you do come to sell, a buyer will see a technology-enabled, forward-looking business being run efficiently and profitably, with growth potential. Technology can play a big part in creating a more desirable, higher value business both while we're running in and when we're done.

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with Geoff Green

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