

December 6, 2022
Session 1

2023 Live

For

Pharmacy Owners

Strategy Sessions



DiversifyRx

Dr. Lisa Faast

2023 Live *Welcome!* Strategy Sessions

WINTER IS COMING...

And not just for those living in a fantasy world with dragons.

Our industry needs to prepare for some major changes coming in 2024. The DIR Fee Apocalypse will hit any of us who bill for Medicare patients in January 2024.

I know that seems a long way away. It will be here before you know it.

What is this apocalypse I am speaking of? The rules for how DIR fees will be applied to claims are changing beginning in January 2024.

We ALL HATE retroactive DIR fees. Not knowing when the bill will come, how much they are, and the inability to know exactly what we make on each claim keeps us from making informed decisions about our pharmacy businesses.

THE GOOD...

In 2024, the DIR fee will be applied at the point of sale. This change is good. We will now know what our DIR fees are in real-time.

THE BAD...

Having the DIR fee applied right away will immediately reduce your incoming revenues. For the first several months of 2024, you will essentially be paying double DIR fees. The retroactive fees from 2023 AND the immediate 2024 DIR fees.

THE UGLY...

This perfect storm will cause many pharmacy owners a severe cash flow crisis. They may not all survive.

THE PLAN...

Focus on Improving cash flow and increasing profits, so you have a cash cushion to weather the storm. Instead of being reactive, it is time to be proactive, which is why we created these live strategy sessions. To help you make a plan for your pharmacy on purpose.

Dr. Lisa Faast



Let Your
Success
Be Measured
By How Much
FUN
You're Having

You're Different

You are a pharmacy owner!

This is the most brutal business to stake your future in. Times have never been tougher.

What is different today is that there are more ways to be profitable than ever before. New revenue streams, new ways to meet new patients, and a population willing to think about their health in new ways.

Even though a plethora of opportunities exist, they are difficult to pursue because you are wearing so many hats (typically all at the same time!).

To succeed, you must be willing to do what it takes. You don't just put in 40 hours a week. You are willing to do more...

You are willing to...

- ...stand up for what you believe in.
- ...push limits to create new possibilities.
- ...fight mediocrity to reach your potential.
- ...risk failure or look silly to achieve your dreams.
- ...to be honest with yourself to find your true power.

It is not easy, but it is worthwhile!

The Sessions

Session 1: Laying the foundation.

Session 2: Reviewing specific tactics for 2023.

You will not be done after two sessions. These sessions will likely prompt some more work on your part.

Don't run from the extra work.

I know you are short on time. Use some downtime during the holidays. Your pharmacy is worth the effort.

If you feel overwhelmed, DON'T give up. Instead, take smaller bites.

Instead of a year, think about the next quarter, or the next month, or even the next week.

Ask yourself, will spending time on "this thing" get you closer to your future vision?

Phone A Friend

Have a thinking/planning session with another pharmacy owner or two. Use collective wisdom to save time and energy. There are plenty in the Facebook Group.

Create accountability with another owner. Have a weekly or monthly check-in.

Starting At The End 2022 Year Review

THE DATA

1. How many new patients did you get this year?
2. What is your total script count for the year?
 - a. Monthly Average
 - b. Daily Average
3. What is your total gross margin dollars?
 - a. Per Prescription Average
 - b. What is this as a Percentage
4. What is your total net profit dollars?
 - a. Per Prescription Average
 - b. What is it as a Percentage
 - c. How much net profit per Rx patient
5. What is your annual payroll percentage?
6. What is your annual expense ratio?
7. What is your average of days of cash on hand?

Ask your bookkeeper or accountant or use our KPI resources to help you calculate these for 2022. If you are a Pharmacy Badass University member, our coaching team can help you as well.

Starting At The End

2022 Year Review

THE INTANGIBLES

- What worked well in 2022?
- How can you do more of what worked?
- What did not work?
- What do you need to stop doing? What do you need to do better?
- Any other insights from 2022?



Looking AHEAD

THE BIG QUESTION

- At the end of 2023, what needs to happen for you to say it was a successful year?
 - Include business, personal, feelings, profit, effort, and employees.
 - Be as descriptive as possible.

Goals *Aren't Enough*

Yes, you need goals, and they are NOT enough to make you successful.

Goals are a destination. You must know where you want to end up if you are to get there. You don't start a road trip without having a destination in mind.

What you need, in addition to goals, are new habits.

The habits you create are the activities you will need to complete consistently to achieve your goals. New destinations won't appear by themselves. You must work to get there.

What new habits do you need to create in 2023?

You can't answer that without knowing your destination first.

Biggest Barriers To Success

Busy being busy.

Spending time on the wrong tasks.

Saying yes to things that don't align with your mission.

Trying to do too much at the same time and losing focus on what matters most.

Let's create some SMART goals.

Smart Goals

S

Specific

M

Measurable

A

Attainable

R

Relevant

T

Time-based

Smart goals

END OF 2023

DESTINATION

Smart goals

BREAK DOWN BY QUARTER

QUARTER 1

QUARTER 2

Smart goals

BREAK DOWN BY QUARTER

QUARTER 3

QUARTER 4

Smart goals

BREAK DOWN THE 1ST QUARTER INTO MONTHS

FIRST 30 DAYS

NEXT 60 DAYS

NEXT 90 DAYS

Smart goals

BREAK DOWN THE FIRST MONTH INTO WEEKS

WEEK 1

WEEK 2

Smart goals

BREAK DOWN THE FIRST MONTH INTO WEEKS

WEEK 3

WEEK 4

Create New Habits

How do you know which habits to form?

I like to work backward or think the opposite. It can be hard to determine the right way forward, but it is incredibly easy to know the wrong way.

Goal: Increase your profitability...

How NOT to get there:

- Pay too much for your drugs
- Have employees with a lot of overtime
- Sell more low-profit items
- Give terrible customer service
- Leave money on the table
- How else...

Goal: Increase your cash flow...

How NOT to get there:

- Pay your bills early
- Collect less than what you are owed
- Pay out money before you collect money
- Spend more than you should
- Overdraw your bank account
- How else...

Create New Habits

Your Goal:

How NOT to get there:

-
-
-
-
-
-

Your Goal:

How NOT to get there:

-
-
-
-
-
-

Create New Habits

Now we know what NOT to do.

Let's think of some strategies that we could do.

Goal: Increase your profitability...

Potential ways to reach your goal...

- Pay less for your cost of goods sold
- Sell more high-margin supplements
- Get more productivity from employees
- Reduce expenses
- Dispense more profitable Rx's
- Increase non-PBM revenue
- How else...

Goal: Increase your cash flow...

Potential ways to reach your goal...

- Have longer to pay bills
- Reduce expenses
- Change payment terms
- Leverage other people's money
- Increase cash-based revenue
- Sell more services
- How else...

Create New Habits

Your Goal:

Potential ways to reach your goal...

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-
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-
-

Your Goal:

Potential ways to reach your goal...

-
-
-
-
-
-

To *Focus* Succeed

What absolutely must be done or not done to succeed?

What are your non-negotiables?

You can't do 10 things all at once

Now is the time to cut the fat. Trim your goals. Chances are you are thinking of so many things you want to do in the next year.

Unless you have an advanced degree in delegation and follow through, you probably won't achieve all your goals. You have too many. You need to prioritize what is most important to you.

My Most Important Goals Are:

<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____

To *Focus* Succeed

The Goal Lasagna

Yes, a lasagna. You don't make a lasagna in one step. You don't build a highly successful pharmacy in one step either.

You need to layer on the goals, strategies, and tactics. I tend to do a lot of revenue streams in my pharmacies. And it doesn't start out that way.

I start with ONE. I get laser-focused (maniacal even!) on just that ONE. Until we are really successful with it.

Then... I add another layer until that is successful. Then repeat, repeat, repeat.

You and your team will get better, faster, and more efficient as time goes on. Adding a new thing will soon be easy.

It will be hard at first. The first initiative will take longer and be tougher than you think. Employees will make excuses. You will make excuses.

This is where you exercise your perseverance muscles. You must have the strength to keep everyone on track.

Using Controlling Calendars

I use a system I call controlling calendars to help everyone stay on task without micromanaging them.

Tell your employees exactly what you want them to do (or not do) on a daily, weekly, monthly, or quarterly basis.

Access My Template [HERE](#)

Access My Template [HERE](#)

Controlling Calendar

Access My Template [HERE](#)

Customize to fit your goals and your staff.

Start with only a critical few and add each month.

Ensure their activities will roll up to your overall goals for the pharmacy.

How I Use These

Instead of playing the "did-ya?" game, all I have to do is check their controlling calendar.

The most critical tasks are assigned to the bonus program.

In the beginning, check the calendars often. Creating new habits is hard.

You can check less frequently or even delegate to a manager as time passes.

Once everyone is acclimated, I have them turn in their sheets only at the end of each month.

These make it easy to have mid-level managers that can help you hold everyone accountable for performing their best.

End of Session 1

You Made It!

That was a lot of foundational work; it isn't over yet.

When you learn a new skill, you can initially expect awkwardness and feel uncomfortable. Once you go through the motions and commit to a path forward, it will get easier.

Remember, nothing is set in stone. You can change direction or priorities. I don't recommend doing that often, but sometimes it needs to happen.

Please share in the Facebook Group any comments, feedback, or questions you have.

I would LOVE to tailor Session 2's commentary and examples to your goals. Please post any goals you have, and I will do my best to incorporate real-world examples into Session 2.

You Are A *Pharmacy Badass*

A pharmacy badass is:

phar•ma•cy - /'färməsē/ bad•ass - /'bad,as/

A strong, confident, bold pharmacy owner who knows what they want and how to get it. Being a badass is about knowing your worth and not letting anybody influence or mess with that. It's about taking control and becoming the best version of a pharmacy owner that you can be.



DiversifyRx

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