

Workshop identifies pharmacy position and reveals owners' unaligned goals

Collins Hume's Better Business Program

As Dave and Rita's pharmacies were doing quite well, they were unaware of a specific need for business planning, yet agreed to attend a Business Optimisation Workshop at the recommendation of their accountant. Here we find out what happened when Collins Hume's analysis uncovered more than just their strengths and weaknesses.

Business growing and doing well

Dave and Rita owned and operated two successful pharmacy businesses in Sydney. Dave had bought a 50 per cent share of the business five years earlier, during which time their business had doubled in size and was continuing to do well. Dave and Rita often discussed operational matters and were very content with how the business was operating.

Yet when they attended a workshop and had their strengths, weaknesses, opportunities and threats (SWOT) analysed, it became very apparent to them and their Collins Hume facilitator that a number of key matters had been identified and needed addressing, namely:

- Rita, who was the senior partner, had a primary focus of business consolidation, meaning she wanted to build wealth through the business – having been the sole operator for over 20 years, she was keen to wind down active involvement in the short to mid-term;
- Dave had a primary focus of business expansion and was eager to explore possible future additional business opportunities to achieve growth;
- Both parties understood (for the first time) the range of business factors that impacted on business value. Rita in particular began seeing clearly how to proactively drive business value improvements, which were important, as she would be relying on the sale of her share of the business to fund her retirement.

As both owners realised the need for structured strategic planning and understood the benefit in having this externally facilitated by a 'business mentor', they arranged for Collins Hume to provide ongoing strategic business planning (in this case called our Business Life Plan program) along with a structured Staff Value Program.

Rita also requested a Business Value Gap analysis – the structure of our Business Optimisation Workshop enabled the existing value of their businesses to be notionally identified and allowed them to see how a change in how they managed their business could result in a quantifiable increase in notional business value (in this case \$785,000) and additional annual dividend stream.



Key outcomes for the business, and for Dave and Rita

Dave and Rita appreciated the need for strategic planning as opposed to simply reviewing their business activity from a purely operational perspective.

They engaged Collins Hume to conduct a Business Life Plan, Staff Value Program and Business Value Gap exercises during which they agreed that they should aim to increase profit by 30 per cent in five years.

Importantly the process facilitated by Collins Hume helped them to identify the strategies required to achieve their business objectives, as differing as they were. The use of an external advisor in Collins Hume ensured they achieved their strategic goals.

Find out how Collins Hume can actively help pharmacy owners to achieve their goals and objectives. Phone to speak with one of our business specialists on 02 6686 3000 or read more on our website at http://www.collinshume.com.au/services/industry_specialisations/pharmacy.

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