



Success Story: Del Norte Pharmacy of Santa Fe

Del Norte Pharmacy of Santa Fe is part of a well-run group of 11 retail pharmacies in the South and Midwest, expanding from Texas to New Mexico. Business coaching began for this group of stores with Del Norte Pharmacy of Santa Fe, New Mexico in the Fall of 2013. Pharmacist Brian Hunt supervises this location along with several other locations in the group.

Challenge

The cost of inventory for a retail pharmacy represents one of the largest expenses they incur, making it one of the most significant areas of financial management, operational efficiency, and cash flow considerations. According to the NCPA Digest 2015, the average retail pharmacy turns their inventory approximately 11.9 times per year. After a complete diagnostic review of the business in late 2013, the business coach discovered that Del Norte Santa Fe was turning their inventory approximately 5.8 times per year - less than half the industry average.

“We had no idea what appropriate amounts to order were. We knew we were ordering too much, but didn’t know where to start. By using the reports provided by my business coach, we now know the minimum and maximum amounts we should have on our shelves at all times.”

Brian Hunt, Del Norte Pharmacy of Santa Fe

Solution

Being mindful that adjusting inventory levels too quickly can cause stock-outs and affect customer loyalty, Brian and his business coach worked together to develop both a short-term and long-term inventory management plan. First, his coach highlighted the importance of staff education and engagement in maintaining proper inventory control. “When I started off, I never really considered inventory from a business perspective – and neither did my staff. With the help of my business coach, the first transition we made was training the staff about the importance of cash flow and what that means to the business - view everything we have sitting on the shelves as money that could be freed up to give bonuses, or raises, or for invest in new projects.” In addition to training and education, his coach provided guidance and exclusive reporting tools to assist Brian and his staff in determining optimal ordering quantities.



*Del Norte Pharmacies
& Home Medical Equipment
of New Mexico*

Del Norte Pharmacy of Santa Fe Santa Fe, New Mexico

Challenge

Del Norte Santa Fe was turning their inventory only 5.8 times per year - less than half the industry average.

Solution

With the help of his business coach, pharmacist Brian Hunt was able to identify the right tools to help his staff determine optimal order quantities and define both a short-term and long-term inventory management plan.

Outcome

Del Norte Pharmacy of Santa Fe was able to nearly double their inventory turnover to 11.86 turns per year. By efficiently maintaining their inventory, Del Norte Santa Fe freed up more than \$275,000 in cash, which has been reinvested, resulting in growth and expansion of the business.

“As a young pharmacist without the benefit of years of experience or a formal business education, I must rely on the resources currently available to educate myself and ensure that the decisions I make are influenced by sound advice. My business coach has provided me with extremely valuable insight into pharmacy operations and financial management that I simply would not have been able to learn elsewhere.”

Brian Hunt, Del Norte Pharmacy of Santa Fe

Outcome

Over the next two years, Brian and his business coach continued to work on improving their inventory management. As of December 2015, Del Norte Pharmacy of Santa Fe has nearly doubled their inventory turnover to 11.86 turns per year. By efficiently maintaining the inventory at Del Norte Santa Fe, Brian has freed up more than \$275,000 in cash, which has been reinvested into growth and expansion of the business.

“By keeping our cash high and our inventory turnover rapid, we were able to pull enough cash out of the business to build an entirely new store for our Las Vegas location, and we didn’t have to take any loans out. We paid for the entire thing using the money that we saved.”

Brian Hunt, Del Norte Pharmacy of Santa Fe

Brian is very pleased with the progress, and continues to be an advocate for business coaching. “Although my experience is considered limited due to the few years I have been in my position, I have the utmost confidence in my business management abilities because of the education I have received from the business coaching program. It is absolutely something that I would recommend to any other pharmacy. I hope that the program continues to grow and improve to help independent pharmacies face the increasingly volatile environment that the healthcare system has established.”



DEL NORTE PHARMACY OF SANTA FE NEARLY
**DOUBLED INVENTORY TURNOVER TO
11.86 TURNS PER YEAR**



**FREED UP \$275,000+ IN CASH
TO REINVEST IN THE BUSINESS**



“I have the utmost confidence in my business management abilities because of the education I have received from the business coaching program.”

Brian Hunt, Del Norte Pharmacy of Santa Fe

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