

Selling an **Independent Pharmacy**

It's never too soon to plan
for your pharmacy's future.
RxOwnership® can help.

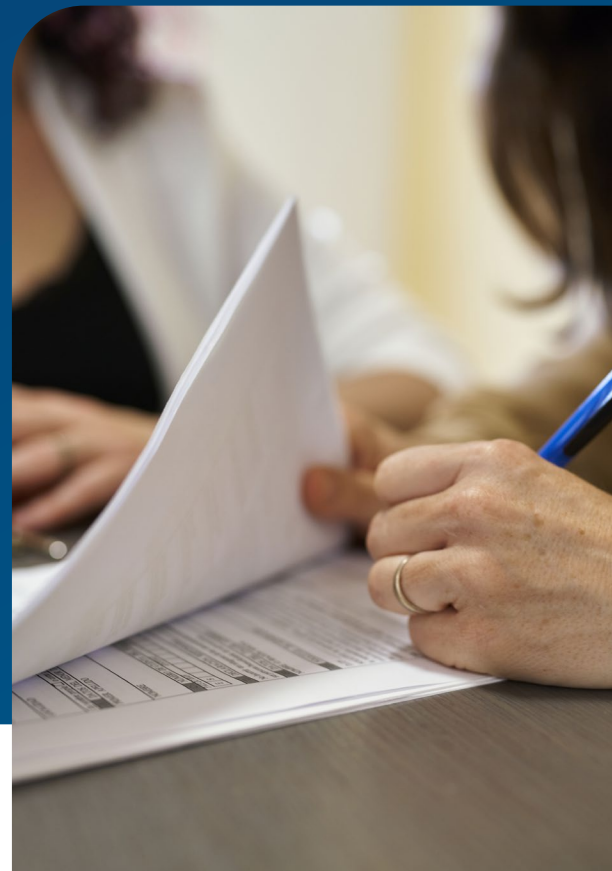


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The Need for a Two-Part Plan

The eventual sale of your pharmacy is one of the most important transitions you will experience.

Without a strategic plan in place, you could miss out on getting the full value of your lifetime's work.

The process of selling an independent pharmacy is more complex than you might think. RxOwnership® provides you with the tools and resources you need to plan for the successful sale and transfer of your pharmacy.

Maximize the value of your business and protect your employees, community and legacy by approaching your sale as a two-part process.

1. Succession Planning
2. Ownership Transfer

With our tools and resources, learn exactly what it takes to sell successfully and ensure the continuation of the pharmacy reflects your commitment to both customers and employees.



How Our Advisors Can Help

Better counsel leads to better outcomes.

Take advantage of the no-fee services from our expert ownership advisors when selling your pharmacy. Get personalized guidance along the way to ensure all your financial, legal and personal interests are protected.

Our ownership advisors will help you:

- Maintain confidentiality so you can start planning well in advance of your eventual sale
- Address your questions and concerns from initial planning through your transfer of ownership
- Provide a market valuation of your business
- Map out a comprehensive plan for succession
- Maximize your business value and help create funds for your retirement and estate
- Prepare you for an emergency or change in the local economy
- Work with you on employee retention
- Suggest finance options for potential buyers
- Avoid a quick sell-off to a chain and find the right new owner who will be able to maintain business and your legacy
- Work with the new owner and assist with a smooth transition so that the new owner succeeds
- Define how and if you will be involved in the pharmacy during and after your transfer of ownership
- Maintain an independent pharmacy presence in your community and provide your patients with ongoing personalized care
- Provide additional resources and options to save you time and money



Pro Tips to Consider

Consider these tips *before* your sales contract is structured.

Enlist an accountant who specializes in the selling of businesses.

It's important to have a full understanding of any tax consequences of the sale. A key issue to discuss with your accountant is reserving liquid funds from the sale of the business to cover any tax liability and other expenses.

Make health insurance arrangements.

Consider how you and your family will receive health insurance after the sale of the pharmacy. Continuing to work part-time may be a good option for keeping health benefits.

Include applicable building lease or sale plans in your business sales contract.

If you own the building in which the pharmacy is located, plan for the lease or sale of the building within the pharmacy sale documents, if appropriate.

If you are financing a portion of the sale, include contingencies in the sales agreement.

Consult your attorney to determine appropriate consequences of these contingencies not being met. Also discuss the feasibility of requiring that you have veto power over the purchase of any additional pharmacy until you are fully paid off.

If you or the new owner is going to be working in the pharmacy, secure an employment contract.

It doesn't have to be binding, but it should clarify the hours worked, paid time off, time off without pay, hourly wage/retainer, vacation time, insurance and so on. Typically, it is advantageous to know your buyer and encourage them to work in your store prior to the sale, if possible.



Financing Options

There are several ways to finance when you're ready to sell your pharmacy.

There are many different types of financing available today. In fact, it's rare for just one type of financing to be used in the sale of a pharmacy. For this reason, it is important to understand the breadth of financing options available, which may come from institutions or from individual lenders, such as family or existing owners.

The most common financing options are:

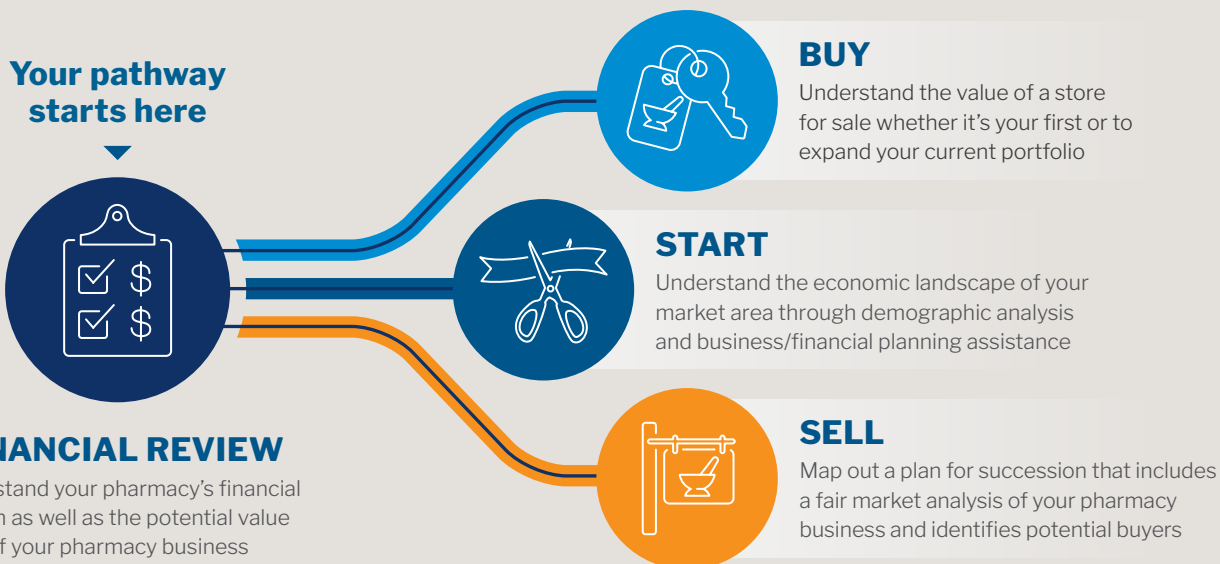
Traditional lenders, like banks and organizations such as the Small Business Administration

- Suppliers and wholesaler financing via dating of product
- Current owner carrying a note for a buyer
- Buyer-secured personal loans from family or other sources

The difference between long-term and short-term financing:

- **Short-term financing is defined as financing with a term of less than one year in duration.** Typically, short-term financing takes the form of dating (extended payment terms) and short-term notes. Short-term financing may be needed for things such as opening orders or expanding inventory within an existing store and typically requires security and a personal guaranty. Depending on the customer's total credit exposure, a credit review might also be required.
- **Long-term financing is defined as financing that will be in effect for more than a year.** It is typically appropriate only for sellers looking to rapidly grow/expand their pharmacies prior to selling. Long-term financing for independent pharmacists usually takes the form of a promissory note with equal amortization of the principal amount.

No matter your path, **we're your partner**



Unlike other financial and succession planning resources, RxOwnership is a **no-fee, no-contract** resource designed to help pharmacy owners, **regardless of wholesaler affiliation**, financially plan for the next step in their ownership journey. Whether you're interested in opening your first pharmacy, expanding, or closing your last, RxOwnership is here to help you adapt and grow your pharmacy business to accommodate ever-changing needs.

RxOwnership services include:

- Financial analysis to help your pharmacy remain sustainable and profitable
- Access to resources to understand pharmacy demographics, financing and loans
- Getting ahead of retirement plans and creating personalized succession plans to maximize the value of your business

Join the conversation and connect with us!



Learn more at: [RxOwnership.com](https://www.RxOwnership.com)

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