

# **7 STEPS TO IMPROVE YOUR PROFITS**

Cash flow is a problem for independent pharmacies.  
Long-term strategies are important but what can you do NOW?  
Take 15 minutes a day to act on these strategies to improve your  
cash flow.



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## Know Your GCR and Maintain it This Month

To keep your cost of inventory at a minimum, it is critically important to satisfy your generic compliance ratio (GCR) set forth in your primary wholesaler agreement. The rebates you earn by hitting your target GCR every month can be game-changing, putting crucial cash flow back in your pharmacy.

To achieve this goal, and to maximize every dollar spent, it's crucial to purchase some of your Generic and Brand items from a secondary wholesaler. But before you start shopping around, take 15 minutes to complete these four easy steps:

1. If you don't already know your GCR, look it up.
2. Look at what you've spent this month on Generic and Brand.
3. Do your calculation and compare it to your GCR.
4. Decide where you'll buy from to maximize your rebates.

You need to find a place where it's easy to view your status by showing your Generic Rx and Brand Rx purchasing levels on an easy to view dashboard.

IPC serves over 5,000 stores as a secondary wholesaler. To learn more about how we can maximize your rebates, [contact us today](#).

## Mitigate Underwater Reimbursements

Underwater reimbursements are a part of pharmacy. We know that we can mitigate them as much as possible. There are ways that we can create cash flow to offset our losses. One of them came about [within the last year](#) - OTC hearing aids!

Key Statistics:

- 1 out of 8 people in the U.S. suffers from hearing loss
- 80% of hearing loss cases can be treated with OTC hearing aids

The demand is high for OTC hearing aids, and you can satisfy that demand while adding more cash flow to your independent pharmacy. On average, stores offering hearing aids from Rx Hearing are selling about two per week.

Now, let's talk dollars.

- Average Revenue Per Month - \$5,500
- Top Performing Store Revenue Per Month - \$15,500
- Average Profit Per Month - \$1,800
- Top Performing Store Profit Per Month - \$4,400

Take 15 minutes to [schedule a consultation](#) with RxHearing by calling 1-888-818-1388.





## Alleviate Staff Shortage Impact

Pharmacy has not been immune to the [labor shortages](#) that have plagued the U.S. since the Covid-19 pandemic took hold in 2020. As staffs have dwindled, many pharmacists have had to fill the labor gap by spending more hours filling Rx scripts, time that could have been otherwise spent adding or expanding clinical services.

Central Fill as a Service (CFaaS) from CoverMyMeds allows you to spend more time growing your business rather than being stuck on the bench.

CFaaS is a centralized solution that allows retail pharmacies to use central fill without the investment in equipment, inventory, or staffing (other than a pharmacist).

CFaaS is available to customers through a per-prescription fee that can dramatically reduce the pharmacy's per-prescription cost to dispense.

Take 15 minutes to see if CFaaS from CoverMyMeds is a good fit for your independent pharmacy. Reach out to your [IPC representative](#) today.

Once you have more time carved out, reach out to [IPC's Pharmacy Services team](#) to help you grow your business and put more cash in your coffers.

## Solve for an Inventory Irritant — Out-of-Stock Medications

Out-of-stock and short fills are necessary evils. Ideally, you want these to equal less than 2 percent of your script volume. If it's higher than 2 percent, you have some work to do.

It's a simple equation, really. Inventory Management = Cash Flow Management.

The correct amount of inventory you should carry can be measured by 16 inventory turns a year. If your turns are less than 12, you're carrying too much inventory. It's hard to pay your wholesaler bill when your cash is tied up on your shelf. This decreases your cash flow which prevents you from buying the products you need, resulting in a higher out-of-stock script volume.

It's a delicate balance. The key is to find that 'sweet spot' where you don't carry more inventory than is necessary. Less inventory equals cash in the bank.

The best solution is to have a [clear inventory management system](#) AND partners to support your need for immediate delivery, so you don't need to carry more inventory than needed.

Take 15 minutes to determine your current out-of-stock and short-fill percentage.





## Know Your Contract, Develop a Purchasing Strategy

We know how busy you are. Chances are it feels like you're being pulled in a thousand different directions every day. It's human nature to then scramble to solve problems without a grounded plan or approach. We hear about this frustration a lot when it comes to purchasing – bouncing from website to website to find the very best deal.

You might find a short-term deal at the expense of losing thousands of dollars in rebates long-term by not staying compliant with your primary wholesaler. Here too, you don't have time to learn the nuances of your primary wholesaler contract to fully maximize it.

You can't do it alone. You need help.

Take 15 minutes today to schedule a meeting with someone who can help you understand your primary wholesaler contract and develop a purchasing strategy. You could reach out to:

1. Your primary wholesaler representative
2. A trusted colleague

You can also talk to us. Connect with an [IPC Regional Director](#) to sit down with you and review your contract.

IPC is unique as a GPO in that it also has a warehouse that offers a [purchasing tool](#) to help you save money and stay compliant with your primary wholesaler.

## Join the Fight Against PBMs and DIR Fees

This is the ONE step in this seven-step blog that requires a long-term solution.

You may have heard that between 2010 and 2020, [DIR fees charged by PBMs increased by a ridiculous 107,400 percent](#). And while Medicare Part D DIR fees will no longer be retroactive in 2024, there is still work to be done.

This runaway train needs to be stopped but we can't do it alone. This initiative requires strength in numbers.

Join groups like [NCPA](#) or your state pharmacy association to fight the good fight.

IPC is also committed to driving reform of PBM practices and DIR fees on your behalf. Our [Government Relations team](#) has been fighting for independent pharmacy for decades, and in the past two years, it has actively supported enacted PBM/DIR legislation in Montana, New York, Ohio, North Dakota, Florida, Texas, and Wisconsin.

These are great wins, but more are needed. Take 15 minutes to connect with our [team](#) or visit the [IPC Legislative Action Center](#) to contact your legislator directly.





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## Hire Someone to Hit Your GCR Mark

We can't emphasize enough how important it is to hit your GCR and maintain it every month. You're missing out on thousands of dollars a month if you don't.

It all comes down to purchasing. Fortunately, we have an easy purchasing solution that can save you up to \$2,500 a month and \$30,000 a year.

Take a minute (you don't need 15 this time) to sign up for our [Daily GCR Report with Guidance](#), powered by our partners at Rx Assassins. There's no risk – it's a four-month free trial (\$400 value) and you can cancel anytime.

Here's what you'll receive by email every day:

- Your current GCR position with Actionable Dollar position
- Strategies to reach compliance with your current GCR target using the IPC warehouse
- Educational information pertaining to compliance
- PLUS: Bonus report every month detailing savings opportunities

Now that you're managing and navigating compliance, in addition, all purchases from the IPC Warehouse will result in additional savings thanks to your [Warehouse Edge](#) purchasing tool.

**You now have 7 things you can do NOW to improve profits. If you follow these steps, you'll find yourself in a better position!**