

# **Business Plan**

**for**

**Get Well Pharmacy, Inc.  
1433 Swensen Avenue  
Atlanta, Georgia 30310**

**Prepared by**

**Harold J. Rhemstrand  
1436 Oak Street  
Atlanta, Georgia 30310  
(404) 871-6599**

## SUMMARY OF THE LOAN REQUEST

**Applicant:** Harold J. Rhemstrand  
1436 Oak Street  
Atlanta, Georgia 30310  
(404) 871-6599

**Business:** Get Well Pharmacy  
1433 Swensen Avenue  
Atlanta, Georgia 30310

**Amount of Loan:** \$288,000

**Terms Requested:** 10 years at current interest rate

**Collateral:** Owner will provide \$72,000 in capital to the business. In addition, following collateral will secure the loan:

Inventory	\$100,000
Fixtures/Equipment	\$105,000
Owner's Personal Assets	\$30,000

**Guarantee:** Owner agrees to sign personal guarantee for amount of the loan.

**Other Conditions:** Borrower will assign life insurance in the amount of the loan and keep it in force during the life of the loan.

Borrower will provide annual financial statements to lender.

(Continued on next page)

## START UP COSTS

### Fixtures & Equipment

Computer Systems	\$10,000	
Pharmacy Equipment	\$10,000	
Pharmacy Shelving, Counter Tops, and Cabinets	\$60,000	
Office Furniture and Supplies	\$12,000	
Miscellaneous	<u>\$13,000</u>	
<b>Total</b>	<b>\$105,000</b>	<b>\$105,000</b>

### Organizational Costs

Brochures/Marketing Materials, Grand Opening	\$5,000	
<b>Total</b>	<b>\$5,000</b>	<b>\$5,000</b>

<b>Initial Inventory</b>	<b>\$100,000</b>
<b>Working capital</b>	<b>\$150,000</b>
<b>Total Capital Required</b>	<b>\$360,000</b>

Owner will use personal funds for fixtures, equipment, inventory, etc. A draw on the loan will be used for operating funds (working capital) during the first year of operation and to launch a nutrition program in the third quarter of year one.

**Loan Repayment:** Loan will be repaid from pharmacy's cash flow.

**Debt/Equity Ratio:**  $\$288,000/\$72,000 = 4/1$

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## **MISSION STATEMENT**

The Mission of Get Well Pharmacy, Inc. is to provide comprehensive pharmaceutical care to the residents within its trading area through the provision of quality drug products and health care supplies and equipment, but more importantly, the availability of qualified, professional pharmacists to counsel patients, monitor drug therapy and assist physicians and other health care professionals in maximizing the quality of these patients' health care.

# DESCRIPTION OF THE BUSINESS

## Legal Structure

Get Well Pharmacy will be initially operated as a Subchapter S corporation. Officers of the corporation will be Harold J. Rhemstrand, President; Mary Rhemstrand, Vice President; and Sue Rhemstrand, Secretary. Harold Rhemstrand owns 100% of the business. Depending on future financial situations, the corporation may be changed from Subchapter S to a standard corporation.

## Product Mix

In addition to providing comprehensive prescription medications, Get Well Pharmacy will provide a complete line of non-prescription products with an emphasis on providing generic equivalents of each. A limited inventory of health and beauty aids will be available with the emphasis being on products that are more health related. The pharmacy will also stock and make available for rent durable medical equipment such as hospital beds, wheelchairs, crutches, walkers, etc. The pharmacy will obtain a franchise through the Professional Compounding Centers of America (PCCA) which will make possible the provision of specially formulated prescription drug products prepared in final dosage form by the pharmacist.

## **Service Mix**

The following services will be provided by Get Well Pharmacy:

1. Maintenance of patient medication records.
2. Screening of these records for drug related problems such as drug interactions, allergies, and non-compliance.
3. Counseling on all prescription medication to ensure appropriate use.
4. Provision of information on the proper use of over-the-counter medication.
5. Serve as a triage for the community providing advice on minor health problems and referring those in need to other health care practitioners.
6. Serve as a wellness center providing health screenings for hypertension and diabetes as well as providing information on health behavior.
7. Provide emergency after hours prescription service.
8. Provide specialty compounding service for physicians' special medication needs.
9. Provide delivery service for prescription drugs.
10. Extend discounts on prescriptions to senior citizens and physicians in the community.

# LOCATION ANALYSIS

## Description

The proposed site for Get Well Pharmacy is Swensen Avenue located at the intersection of two major freeways and two major traffic arteries. Two other collector streets feed into or intersect Stewart Avenue. Traffic flow around and leading into the pharmacy parking lot is adequate and unimpeded. Several bus routes pass near the shopping center with passenger stops near the pharmacy.

The designated trade area (a two mile radius) has experienced a slow decline in overall population in the past 10 years (15.5 percent decline). Examination of the dwellings within the trade area indicates that most of the owners are generally lower middle to middle class with an approximate annual income of \$34,000 per family

Age composition of the trade area during the past ten years had undergone a subtle shift toward a more elderly population. In 2000 the percentage of the population age 65 and over was 14 percent, but in the most recent census the percentage of elderly has risen to 19 percent. The percentage of the population age 18 and under has remained unchanged over the ten-year period of 24.2 percent. The significance of this population characteristic is in the amount of drug-related purchases made by these two segments of the population since individuals over 65



purchase between three and four times as many drug-related items as other segments of the population.

### **Analysis of the Trade Area**

The trade area is bounded by University Avenue on the north, Pryor Road on the east, Cleveland Avenue on the south, and Murphy Avenue on the west.

Contained within this area are parts of four census tracts from which data for this analysis was abstracted. Total estimated population for the trade area is 21, 426 (based on census data).

Potential sales volume for the trade area is indicated in Table 1 below. It is anticipated that the primary trade area will generate a total for \$2,048,858 in the current year.

**Table 1. Potential Sales Volume for the Trade Area**

<b>Census Tract</b>	<b>Total Population</b>	<b>Number of Families</b>	<b>Percentage in Trade Area</b>	<b>Potential Sales</b>
66	2,730	601	100%	1,706,250
67	5,914	2,100	68%	3,696,250
70	8,970	2,222	8.4%	5,606,250
75	3,812	885	42%	2,382,500
<b>Totals</b>	<b>21,426</b>	<b>5,808</b>		<b>13,391,250</b>

*Based on estimated annual per capital pharmacy purchases of \$625*

## Assessment of the Competition

Competition within the trade area will come from five pharmacies (four chain, one independent) and retail establishments located in two neighborhood shopping centers and one small shopping center. Due to the prescription orientation of the proposed Get Well Pharmacy, it is anticipated that most of the competition will result directly from the five pharmacies. (See Table 2).

**Table 2. Established Pharmacies in Primary Trade Area**

<b>Name</b>	<b>Location</b>	<b>Type</b>
A. Smith Discount Drugs	Stewart Avenue, & Langston	Chain
B. Super M	Stewart Avenue	Chain
C. Treasury Drugs	Stewart Avenue & Cleveland Avenue	Chain
D. Leeds Discount Drugs	Sylvan Avenue & Perkerson Road	Chain
E. B&J Drugs	Sylvan Avenue & Perkerson Road	Independent

Estimated sales volume captured by existing pharmacies in the trade area is approximately \$2,807,000 annually. Not all of this amount is generated solely by residents within the trade area. Listed in Table 3 is an estimate of the total sales for each pharmacy within the trade area and the amount (as a percentage) of that sales figure that is generated by residents in the trade area. This figure represents the degree to which competitive drugstores have trade areas that overlap with the trade area of the proposed pharmacy.

Annual sales for each pharmacy was estimated by visits to each pharmacy, noting the number and type of each employee, estimating their annual salaries, adding them and multiplying by 6.6. Employee wages in a retail pharmacy make up approximately 15 percent of annual sales, therefore 6.6 times total wages approximates annual sales.

**Table 3. Survey of Competitive Drug Stores**

<b>Name</b>	<b>Annual Sales</b>	<b>Overlap</b>	<b>Amount</b>
A. Smith Discount Drugs	4,396,548	75%	\$3,297,411
B. Super M	2,378,953	80%	\$1,903,163
C. Treasury Drugs	2,241,673	15%	\$336,251
D. Leeds Discount Drugs	5,306,068	50%	\$2,653,034
E. B&J Drugs	2,407,282	50%	\$1,203,641
<b>Totals</b>			<b>\$9,393,500</b>

Reduction of the total pharmacy expenditures (13,391,250) generated in the trading area by this figure (\$9,391,250) produces an approximation of the market share that could be captured by an ideal pharmacy in this location. This figure for the Get Well Pharmacy is approximately \$3,998,750. A pharmacy with 100 percent efficiency at this location would capture this entire amount in potential sales. The estimated efficiency of the proposed pharmacy is approximately 80 percent.\* The anticipated potential sales volume for the proposed pharmacy is, therefore,

\$3,199,000 ( $\$3,998,750 \times 0.80$ ). From this figure it is conservatively estimated that first year sales will be approximately \$816,000.

\* Based upon evaluation of each of the following

1. Size
2. Shape
3. Front
4. Parking
5. Foot Traffic
6. Auto Traffic
7. Nearness to Traffic Pulling Merchants
8. Nearness to Prescribing Doctor
9. Nearness to Health Facilities

### **Organizational Structure and Management**

The president of Get Well Pharmacy is Harold J. Rhemstrand and he will serve as the manager and pharmacist. During the initial year only a part-time clerk will serve as the only other employee. As sales increase, additional personnel will be added.

## **Insurance**

Appropriate fire and theft insurance will be secured for the inventory and fixtures and equipment. In addition, professional liability insurance will be obtained for the pharmacy and the individual pharmacists who work in the pharmacy. The pharmacy will provide as a fringe benefit health and life insurance for the owner.

## **Security**

In addition to the usual precautions in design and lighting, special measures will be taken to provide for the safety of employees and security of property. In terms of burglary prevention, a burglar alarm system will be installed that will provide an audible alarm on site as well as notify the local police department. For robbery prevention, a silent alarm will connect the pharmacy prescription department with the local police department. Fire prevention will be provided through the sprinkler system which is installed in the building to be leased.

# MARKETING PLAN

## **Potential Market**

The trade area is bounded by University Avenue on the north, Pryor Road on the east, Cleveland Avenue on the south, and Murphy Avenue on the west.

Contained within this area are parts of four census tracts from which data for this analysis was abstracted. Total estimated population for the trade area is 21,426 (based on census data).

It is anticipated that the primary trade area will generate a total of \$13,191,250 in the current year.

Based on conversations with other pharmacists in the area, it is estimated that approximately 70% of prescriptions filled in the area are third party. This is considerably below the national coverage indicating greater profit potential. Further, the trading area is not dominated by a few large employers which could change to a service benefit prescription plan and, thereby, increase the number of third party prescription patrons.

Based on an initial prescription volume of 15/day, an increase of 5/day per month, \$60 average prescription charge and a 9/1 prescription: out front ratio, first year sales volume is estimated to be \$816,000.

### **Target Market**

The marketing strategy for Get Well Pharmacy, Inc. will emphasize the service component of professional pharmacy practice. Therefore, the target market will be those individuals who are service rather than price oriented. Strong efforts will be made to communicate the value of pharmaceutical care and service to the community. The emphasis on service will provide a significant competitive advantage over other pharmacies in the area that are not service-oriented. Careful analysis of the competition in the primary market indicates that a market for a service-oriented pharmacy exists.

The growing population of the market in the over 65 age group is important in that they take more than twice the average number of prescriptions per year. Special efforts will be taken to attract this segment of the market.

### **Competition**

Competition within the trade area will come from five pharmacies (four chain, one independent) and retail establishments located in two neighborhood shopping centers and one small shopping center. Due to the prescription orientation of the

proposed Get Well Pharmacy, it is anticipated that most of the competition will result directly from the five pharmacies.

Estimated annual sales volume captured by existing pharmacies in the trade area is approximately \$13,191,250.

Not all of this amount is generated solely by residents within the trade area. Listed in the Location Analysis is an estimate of the total sales for each pharmacy within the trade area and the amount (as a percentage) of that sales figure that is generated by residents in the trade area. This figure represents the degree to which competitive drugstores have trade areas that overlap with the trade area of the proposed pharmacy.

Four of these pharmacies are chain pharmacies, are price-oriented and, therefore, will not be attempting to attract the same target market. The other pharmacy, an independent, offers few pharmaceutical care services, therefore, it is expected that Get Well Pharmacy will be able to achieve a significant differential advantage over the competition. No significant competition is expected from mail order inasmuch as few of the potential customers work for large firms that would offer health insurance to its employees requiring mail order prescriptions. Further, few of the elderly population are members of AARP which has a mail order prescription program.



## **Advertising and Promotion**

Get Well Pharmacy, Inc. will promote its participation in recognized health programs (e.g., hypertension screening, diabetes detection), involvement in patient-oriented services (e.g., patient medication profiles, patient counseling), and the provision of health-related services (e.g., delivery, emergency service, durable medical equipment) through local newspapers (at least once per week), radio advertisements, and circulars distributed in the trading area. Additional promotional material will be used with new customers that will elaborate on the services available from Get Well Pharmacy, Inc., and describe health programs offered. A significant aspect of the services provided by the pharmacy will be personal attention to the individual health needs of customers and, in particular, the elderly patients patronizing the pharmacy.

The second area of emphasis will be promotion of pharmacy services to physicians in the area. Personal detailing of the services available from the pharmacy will be directed to all physicians, dentists, and other health professionals within the primary market. It is felt that a service-oriented pharmacy must promote these services to physicians and patients if it is to be successful.

Specific marketing activities will include the following:

- Large sign on building “GET WELL PHARMACY, INC.” (Special lighting at night)
- Questionnaires will be sent to local doctors asking them what services they would like to see offered by the pharmacy
- Questionnaires will be sent to local residents asking them what services they prefer in a pharmacy
- After the questionnaires are examined, flyers will be sent to doctors and citizens detailing the specific services which Get Well Pharmacy, Inc. offers.
- Radio spots will be placed detailing that Get Well Pharmacy, Inc. is a service-patient-, and price-oriented pharmacy that provides the kinds of services which physicians in the area desire and demand
- Monthly health screenings will be advertised on radio and in newspapers, with a registered nurse to do all the screenings
- Newspaper ads will be taken out in the three local newspapers detailing the services of the pharmacy – at least 3 ads per week
- A Yellow Page ad will be developed

# PHYSICAL DESCRIPTION OF THE BUSINESS

Layout and Floor Plan Get Well Pharmacy, Inc. will be provided on request.

## A. Exterior

1. 100' X 150' lot
2. Front parking for 10 automobiles (beginning 5' from road and extending 49' to store front sidewalk)
3. 20' x 114' drive past drive-through window on right side of building
4. 20' x 66 ½' drive along back of building allowing 36' deep to back of lot for employee parking
5. 32' x 30' parking area on left side of building with a 20' x 114' drive to road
6. Building has 3 plate glass windows with remainder of building brick
7. 3' sidewalk on front and left side of building with 3' entrances on each of these sides
8. Street door with buzzer and peephole in rear of building
9. Drive-through window with bullet-proof glass

## B. Interior

1. 2500 square feet total
2. Wall-to-Wall carpet
3. 80% of total store = OTC drug department (2,000 sq. ft)
  - a. 3'-5' tall x 11 ½' long white metal shelves placed perpendicular to front with room for a merchandise carousel at each end
  - b. On left side of store, a coke machine will be placed in front center with floor-to-ceiling shelves extending 16' from coke machine to side entrance
  - c. Right side of store beginning in front corner will have floor-to-ceiling shelves extending 12' along wall. A convalescent aids floor display will sit at end of shelves measuring 4 ½' long
  - d. 12' long x 14' deep vitamin area will run length of dispensing counter
  - e. To right of vitamins will be a 27' wide curtain wall and a 5' wide service counter equipped with cash register
  - f. Prescription department = 20% of total sq. ft. (500 sq. ft.)

- 1) Dispensing counter equals 12' x 2' with an L-shaped extension 4' x 2' equipped with sink and 2 cabinets with doors below sink and one cabinet with doors above sink
- 2) 5' behind dispensing counter will be 3 floor-to-ceiling shelves, perpendicular to dispensing counter, which extend 3' back into 10 1/2' long shelves parallel to dispensing counter. At left end of these shelves will be a refrigerator
- 3) Right side of prescription area is a drive-through window 46" wide, with a pick-up counter atop the narcotics safe on one side and a 9' long check-in counter on the other
- 4) 5% total sq. ft (125 sq. ft.) = an office off to left of prescription department equipped with two filing cabinets and a lavatory
- 5) Lavatory includes toilet, sink and shower
- 6) 390 sq. ft. = storage area in rear with 72" tall and 11' long shelves

# SUPPORTING DOCUMENTATION

## CURRICULUM VITAE

### **Harold J. Rhemstrand**

1436 Oak Street  
Atlanta, Georgia 30066

### **Education**

Doctor of Pharmacy Degree (2002)  
Mercer University, College of Pharmacy and Health Sciences  
Atlanta, Georgia  
1999-2002

Pre-Pharmacy  
University of South Florida  
Tampa, Florida  
1997-1999

### **Special Recognition**

Immunization Certification

### **Employment**

Oak Grove Pharmacy                      Owner/Manager 2005 - present  
1212 Lavista Road  
Atlanta, Georgia

Serves as Chief Pharmacist and Manager; responsible for all purchasing for prescription department and out front merchandise; had responsibility for all hiring and training of employees; periodically analyzed financial condition of store.

Super A Drugs                              Manager, 2003 – 2005  
4160 Elm Street  
Atlanta, Georgia

## **Educational Clerkships**

Advanced Community Practice  
North Fulton Apothecary  
Roswell, Georgia

Geriatric Medicine  
DeKalb General Hospital  
Decatur, Georgia

Pharmacokinetics  
Georgia Baptist Medical Center  
Atlanta, Georgia

Mental Health  
Georgia Mental Health Institute  
Atlanta, Georgia

Neonatology  
Crawford Long Hospital  
Atlanta, Georgia

Internal Medicine  
Veteran's Administration Hospital  
Decatur, Georgia

## **Professional and University Organizations**

Rho Chi National Pharmacy Honor Society  
American College of Apothecaries Student Association  
Kappa Psi Pharmaceutical Fraternity  
American Society of Hospital Pharmacists

## **Honors and Awards**

Phi Lambda Sigma National Pharmacy Leadership Society  
Who's Who Among Students in American Universities and Colleges  
Outstanding Young Men of America Award  
Rho Chi National Pharmacy Honor Society

# PERSONAL FINANCIAL STATEMENT

Harold J. Rhemstrand

December 31, 2007

## Assets

Home	\$400,000
Cash on Hand	40,000
Automobiles	20,000
Life Insurance	10,000
Furniture	80,000
Oak Grove Pharmacy	<u>500,000</u>
Total Assets	\$1,050,000

## Liabilities

Home Mortgage	\$150,000
Notes payable	<u>\$ 200,000</u>
Total Liabilities	\$350,000

**Net Worth** \$700,000

## Lease

Lease is currently in negotiation. Borrower will supply lending institution with copy when finalized.

## Getwell Pharmacy\*

### Start up Costs

<b>Fixtures &amp; Equipment</b>			
Computer Systems		\$10,000	
Pharmacy equipment		\$10,000	
Pharmacy Shelvings, Counter Tops, hoods, and cabinets		\$60,000	
Office furniture & Supplies		\$12,000	
Miscellaneous		\$13,000	
	<b>Total</b>	<b>\$105,000</b>	<b>\$105,000</b>
<b>Organizational Costs</b>			
Brochures/Marketing Materials	Grand Opening	\$5,000	
	<b>Total</b>	<b>\$5,000</b>	<b>\$5,000</b>
<b>Initial Inventory</b>			<b>\$100,000</b>
<b>Working capital</b>			<b>\$150,000</b>
<b>Total Capital Required</b>			<b>\$360,000</b>

\*Special acknowledgement and thanks to Bill Letendre, M.S., R.Ph., M.B.A., Vice President, CPM Services, Profession Compounding Centers of America (PCCA) for the development of the Excel spreadsheets for the financial components of this business plan illustration.



# Staff Requirements

## Getwell Pharmacy

Year One	1	2	3	4	5	6	7	8	9	10	11	12
RPh/Owner (FT)	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600
Tech (FT)	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
Clerk (PT)	0	0	0	0	0	0	800	800	800	800	800	800
Total	6600	6600	6600	6600	6600	6600	7400	7400	7400	7400	7400	7400

Year Two	13	14	15	16	17	18	19	20	21	22	23	24
RPh/Owner (FT)	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
Tech (FT)	2100	2100	2100	2100	2100	2100	2100	2100	2100	2100	2100	2100
Clerk (PT)	900	900	900	900	900	900	900	900	900	900	900	900
Total	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000

Year Three	25	26	27	28	29	30	31	32	33	34	35	36
RPh/Owner (FT)	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000
Tech (FT)	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200
Tech (FT)	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200
Clerk (FT)	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800
Total	16200	16200	16200	16200	16200	16200	16200	16200	16200	16200	16200	16200

# Getwell Pharmacy

	Year	On	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten	Eleven	Twelve	TOTAL
<b>Revenues</b>														
Rx per Month	550	650	750	850	950	1050	1150	1250	1350	1450	1550	1650		13200
Rx Revenue	\$33,000	\$39,000	\$45,000	\$51,000	\$57,000	\$63,000	\$69,000	\$75,000	\$81,000	\$87,000	\$93,000	\$99,000		\$89,000
OTC Sales	\$3,667	\$4,333	\$5,000	\$5,667	\$6,333	\$7,000	\$7,667	\$8,333	\$9,000	\$9,667	\$10,333	\$11,000		\$792,000
Total Revenues	\$36,667	\$43,333	\$50,000	\$56,667	\$63,333	\$70,000	\$76,667	\$83,333	\$90,000	\$96,667	\$103,333	\$110,000		\$880,000
<b>Cost of Sales</b>														
Cost of Sales RX	\$25,905	\$30,615	\$35,325	\$40,035	\$44,745	\$49,455	\$54,165	\$58,875	\$63,585	\$68,295	\$73,005	\$77,715		\$621,720
Cost of Sales Non RX	\$2,266	\$2,678	\$3,090	\$3,502	\$3,914	\$4,326	\$4,738	\$5,150	\$5,562	\$5,974	\$6,386	\$6,798		\$54,384
Total Cost of Sales	\$28,171	\$33,293	\$38,415	\$43,537	\$48,659	\$53,781	\$58,903	\$64,025	\$69,147	\$74,269	\$79,391	\$84,513		\$676,104
<b>Gross Profit</b>	\$8,496	\$10,040	\$11,585	\$13,130	\$14,674	\$16,219	\$17,764	\$19,308	\$20,853	\$22,398	\$23,942	\$25,487		\$203,896
<b>Expenses</b>														
Organizational Expenses	\$5,000													\$5,000
Adver, Promo & Mkt Exp	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Bank Charges	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
Credit Card Charges	\$642	\$758	\$875	\$992	\$1,108	\$1,225	\$1,342	\$1,458	\$1,575	\$1,692	\$1,808	\$1,925	\$1,925	\$15,400
Computer Support	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Depreciation	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$21,000
Dues and Subscriptions Exp	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Employee Benefit Programs Exp	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$2,520
Entertainment Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fees, Lic. & Permits Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance Expense	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$600
Interest Expense	\$1,740	\$1,730	\$1,720	\$1,710	\$1,699	\$1,689	\$1,679	\$1,669	\$1,658	\$1,648	\$1,638	\$1,627	\$1,627	\$2,400
Legal and Professional Expense	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Online Services Expense	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Payroll Tax Expense	\$528	\$528	\$528	\$528	\$528	\$528	\$528	\$528	\$528	\$528	\$528	\$528	\$528	\$6,720
FUTA Expense	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
SUTA Expense	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$750
Postage & Shipping	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,350
Rent or Lease Expense	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$15,900
Salaries Expense	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$84,000
Seminars and Conventions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies Expense	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Telephone & Pagers Expense	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Travel Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities Expense	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Miscellaneous	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
<b>Total Expenses</b>	\$21,508	\$16,614	\$16,746	\$16,853	\$16,963	\$17,070	\$17,180	\$17,290	\$17,400	\$17,510	\$17,620	\$17,730	\$17,840	\$216,422
<b>Operating Income (Loss)</b>	(\$13,012)	(\$6,574)	(\$5,161)	(\$3,723)	(\$2,289)	(\$871)	(\$346)	\$1,092	\$2,531	\$3,974	\$5,416	\$6,859	\$8,302	-\$12,526
<b>Debt Payments</b>	(\$1,641)	(\$1,651)	(\$1,661)	(\$1,671)	(\$1,681)	(\$1,691)	(\$1,701)	(\$1,711)	(\$1,722)	(\$1,732)	(\$1,743)	(\$1,753)	(\$1,753)	-\$20,358
<b>Net Income</b>	(\$14,653)	(\$8,225)	(\$6,822)	(\$5,394)	(\$3,970)	(\$2,562)	(\$2,047)	(\$619)	\$809	\$2,112	\$3,539	\$4,968	\$6,396	-\$32,884

# Getwell Pharmacy

	1700	1750	1800	1850	1900	1950	2000	2050	2100	2150	2200	2250	23700
<b>Revenues</b>													
Rx per Month	\$102,000	\$105,000	\$108,000	\$114,000	\$114,000	\$117,000	\$120,000	\$123,000	\$126,000	\$129,000	\$132,000	\$135,000	\$1,422,000
Rx Revenue	\$11,333	\$11,667	\$12,000	\$12,333	\$12,667	\$13,000	\$13,333	\$13,667	\$14,000	\$14,333	\$14,667	\$15,000	\$158,000
OTC Sales	\$113,333	\$116,667	\$120,000	\$123,333	\$126,667	\$130,000	\$133,333	\$136,667	\$140,000	\$143,333	\$146,667	\$150,000	\$1,580,000
<b>Total Revenues</b>													
Cost of Sales	\$80,070	\$82,425	\$84,780	\$87,135	\$89,490	\$91,845	\$94,200	\$96,555	\$98,910	\$101,265	\$103,620	\$105,975	\$1,116,270
Cost of Sales RX	\$7,004	\$7,210	\$7,416	\$7,622	\$7,828	\$8,034	\$8,240	\$8,446	\$8,652	\$8,858	\$9,064	\$9,270	\$97,644
Cost of Sales OTC	\$87,074	\$89,635	\$92,196	\$94,757	\$97,318	\$99,879	\$102,440	\$105,001	\$107,562	\$110,123	\$112,684	\$115,245	\$1,213,914
<b>Total Cost of Sales</b>													
Gross Profit	\$26,259	\$27,032	\$27,804	\$28,576	\$29,349	\$30,121	\$30,893	\$31,666	\$32,438	\$33,210	\$33,983	\$34,755	\$366,986
<b>Expenses</b>													
Adver, Promo & Mkt Exp	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Bank Charges	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Credit Card Charges	\$567	\$583	\$600	\$617	\$633	\$650	\$667	\$683	\$700	\$717	\$733	\$750	\$7,900
Computer Support	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,000
Depreciation	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$20,850
Dues and Subscriptions Exp	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Education Expense	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Employee Benefit Programs Exp	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$3,000
Entertainment Expense	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Fees, Lic. & Permits Expense	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Insurance Expense	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Interest expense	\$1,616	\$1,606	\$1,595	\$1,584	\$1,573	\$1,563	\$1,552	\$1,541	\$1,529	\$1,518	\$1,507	\$1,496	\$18,680
Legal and Professional Expense	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Online Services Expense	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Payroll Service Expense	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Payroll Tax Expense	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$7,680
FUTA Expense	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
SUTA Expense	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,800
Postage & Shipping	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Rent or Lease Expense	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375	\$16,500
Salaries Expense	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$96,000
Seminars and Conventions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000
Supplies Expense	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Telephone & Faxes Expense	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$4,200
Travel Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000
Utilities Expense	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Miscellaneous	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
<b>Total Expenses</b>	\$20,088	\$20,094	\$20,100	\$20,106	\$20,111	\$20,118	\$20,124	\$20,129	\$20,134	\$20,140	\$20,145	\$20,151	\$244,890
Operating Income	\$6,172	\$6,937	\$7,704	\$8,471	\$9,237	\$10,003	\$10,770	\$11,536	\$12,404	\$13,271	\$14,137	\$14,854	\$121,106
Debt Payments	(\$1,764)	(\$1,774)	(\$1,785)	(\$1,796)	(\$1,807)	(\$1,818)	(\$1,829)	(\$1,840)	(\$1,851)	(\$1,862)	(\$1,873)	(\$1,885)	(\$21,884)
Net Income	\$4,408	\$5,163	\$5,919	\$6,675	\$7,430	\$8,185	\$8,941	\$9,796	\$10,553	\$11,209	\$12,064	\$12,969	\$99,312





**Pro Forma Balance Sheets  
First Three Years of Operation**

	<b>Beginning Balance</b>	<b>Year One</b>	<b>Year Two</b>	<b>Year Three</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$155,000	\$20,866	\$95,428	\$108,459
Accounts Receivable	\$0	\$122,250	\$168,000	\$213,750
Inventory	\$100,000	\$187,081	\$237,653	\$283,697
<b>Total Current Assets</b>	<b>\$255,000</b>	<b>\$330,197</b>	<b>\$501,081</b>	<b>\$605,906</b>
<b>Fixed Assets</b>				
Leasehold Improvement	\$0	\$0	\$0	\$0
Fixtures & Equipment	\$105,000	\$105,000	\$105,000	\$105,000
less Accum. Depreciation	\$0	\$21,000	\$42,000	\$63,000
<b>Total Fixed Assets</b>	<b>\$105,000</b>	<b>\$84,000</b>	<b>\$63,000</b>	<b>\$42,000</b>
<b>Total Assets</b>	<b>\$360,000</b>	<b>\$414,197</b>	<b>\$564,081</b>	<b>\$647,906</b>
<b>Liabilities &amp; Stockholder's Equity</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable		\$85,331	\$135,776	\$185,998
Notes Payable < 1 year	\$18,608	\$21,757	\$23,387	\$25,140
<b>Total current liabilities</b>	<b>\$18,608</b>	<b>\$107,088</b>	<b>\$159,163</b>	<b>\$206,823</b>
<b>Long Term Liabilities</b>				
Notes Payable > 1 year	\$269,392	\$247,635	\$224,248	\$199,108
<b>Total Liabilities</b>	<b>\$288,000</b>	<b>\$354,723</b>	<b>\$383,411</b>	<b>\$405,931</b>
<b>Net Worth</b>				
Paid in Capital	\$72,000	\$72,000	\$59,474	\$180,670
Income <Loss> for year	\$0	-\$12,526	\$121,196	\$61,305
<b>Ending balance</b>	<b>\$72,000</b>	<b>\$59,474</b>	<b>\$180,670</b>	<b>\$241,975</b>