

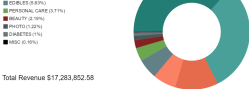
Independent Pharmacies VS Big Chains



Independent pharmacies have to compete with big chains of merchants, drugstores, and grocery stores. Analysis of product sales data gives us key information on how independent pharmacies can maximize front end revenue to compete with big chain stores.

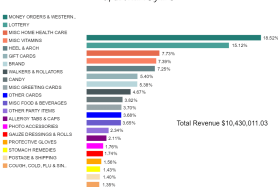
Revenue Breakdown By Category

Major Categories



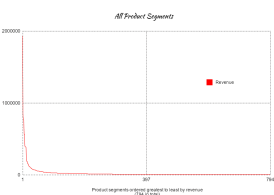
Total Revenue \$17,283,852.58

Top 20 Product Segments



Total Revenue \$10,430,011.03

All Product Segments



The above analyses tells us a lot about where most of independent pharmacy sales are coming from. We can see from the major product categories, most revenue comes from health care, general merchandise, and home health care products. Upon further investigation into product segments, we can see that most of the revenue is coming from a small amount of products. The top 20 product segments alone generate over 60% of the total revenue. This is further demonstrated in the graph showing the revenue distribution of all product segments. Lets investigate further into individual products and location.

Revenue Breakdown By Product

Top 10 Products

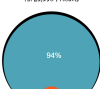


Total \$5,785,807.55

- The top 10 products generate 33% of total revenue
- Money orders generate the most revenue at \$1,667,358.08
- Having these products available and in stock are essential to remain profitable



All 25,596 Products



Total \$17,283,852.58

- The 20,000 products that generate the least revenue are only contributing 6% of the total revenue
- The top 5,596 revenue generating products are contributing 94% of the total revenue
- Pharmacies need to focus on selling the top products
- Many products are not generating enough revenue and should not be carried to create more space for profitable products

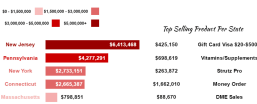
Revenue Breakdown By Location

Total State Revenue



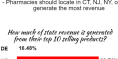
- Products in Connecticut, New Jersey, New York, and Pennsylvania account for 93% of revenue
- Products in Massachusetts, Maine and Delaware account for 7% of total revenue
- Delaware is only generating 0.04% of total revenue

Top Selling Product Per State



- Connecticut's Money Order accounts for 63% of it's total revenue & 96% of revenue for Money Order Products
- Pharmacies should always have these products in stock relative to their location
- Pharmacies should locate in CT, NJ, NY, or PA to generate the most revenue
- Pharmacies should relocate from MA, ME, and DE since the revenue is minimal

How much of state revenue is generated from their top 10 selling products?



- States such as DE, MA and ME should focus on having a variety of products since their top 10 do not generate much of their revenue
- Connecticut gets almost 90% of its profit from their top 10 products
- The top 10 products from each individual state account for 51% of total revenue

Who Wins?

After analyzing product sales of independent pharmacies, we can see that they can improve revenue in many ways to compete with big chains. We saw that there are certainly products and product categories that managers should focus on much more than others and locations that will produce much more revenue than others. Equipped with this information, independent pharmacy managers can create appropriate strategy to increase revenue and compete with the big chain stores!



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