Pharmacy Business

Intro

This pharmacy business was founded in September 20, 2014 in Toronto, Ontario. We started this pharmacy business because people need medicine. We see the pharmaceutical industry as a vibrant sector of our economy which will ensure future growth for our business.

Mission Statement

“Our mission is to make money selling the best prescription and non-prescription pharmaceutical drugs as well as plant based medicines.”

Business & Financial Objectives

Create a pharmaceutical retail company by offering the most convenient customer experience.

Financially we want to be responsible for 0.001% ($328,000) of all pharmaceutical sales in Canada. We are aiming for 0.00001% ($3,280) in the first year, 0.0001% ($32,280) in the second year and 0.001% % ($328,000) in the third year as customers get used to filling their prescriptions online.

Industry Overview & Trends

We operate in the Canadian pharmaceutical industry. Sales of Pharmacy stores in Canada are at $32 billion per year, $20 billion of which is from prescription and non-prescription drugs. Sales growth has been steady increasing at about 5-10% each year for the last 10 years. Prescription drugs sales account for over 50% of this $32 billion.

Major competitors

1.) Shoppers Drug Mart – Canadian company

Sales: (31.8%) $10,445,000,000 Employees: 52,714

2.) Katz Group – Canadian company

Sales: (16.7%) $5,485,000,000 Employees: 12,834

3.) Jean Coutu – Canadian company

Sales: (12.2%) $4,007,000,000 Employees: 19,811

4.) McKesson -American company (7.9%)

Sales: (7.9%) $2,594,000,000 Employees: 6,877

Rest of industry

Sales: (31.4%) $10,314,000,000

Our Place within the Industry

Our plan is to be in the top 25 grossing pharmacy retailers in Canada. Intelligently managing our database tables will allow us to optimize which people and products are performing the best as well as the conditions that facilitated this. Computer procedures can then be done which can give metrics on what the business potentially needs next. Our herbal medicine products come mostly from dried-out plants that the farmers don't value much and this will give us an extra edge in profitability.

Primary Target Market

We have several target market demographics. These include the disproportionately large and growing population of people in their older years and the growing demand for alternative medicines as well as online shoppers who don't want the annoyance of going to stores.

Organizational Structure

Current Employees:

Our group has extensive programming experience which will be vital in developing the database as well as the online store. The team leader Kevin, is very knowledgeable and experienced in this field and is able to distill and distribute tasks to Zachary, Oskar and Dante. All members of the team will contribute to the technical challenges of the database and database management system.

|  |  |  |
| --- | --- | --- |
| Voting Shares | Profit Shares | Owner |
| 25% | 25% | Zachary |
| 25% | 25% | Dante |
| 25% | 25% | Kevin |
| 25% | 25% | Oskar |

Financial Structure

A business investment of $1,000 will be sufficient for the team to operate during the first year. Kevin and Oskar have garages which will be used as the initial shop and inventory warehouse for the online and garage shops. In this initial stage only non-prescription pharmaceuticals are to be sold. The $1,000 will primarily be used for web server costs and marketing. Additionally, the database management system will have to be upgraded in order to provide strong concurrency support. The board members will be learning these technical skills in the follow up course they are taking and can handle this task with no cost out of pocket. By the third year a retail store will be opened which will have a yearly lease at $50,000 and a licensed pharmacist for $80,000 per year. At the end of this year the company can peak in sales and be in a prime position to be accquired by one of the top four players. Each of these four companies will see extra value in our company in order to keep our online technology and product out of the hands of the other top three companies.

Operational Plan

We will make our products available through retail stores as well as our online shop. We are starting with a small shop in Oskar's garage which will not sell prescription pharmaceuticals. Kevin's garage will be the warehouse/inventory where the products will be stored to be shipped. His living room will be where products are packaged up and counted.

We are creating a database for internal management and also for our products. Users will see different views of the database based on their role and security permissions.

Employees who are not high level security will only view their store locations, inventory, products and accounting records associated with their store. This will enable them to do their day to day jobs without focusing on the whole business.

Employees who are high level security above 50 in the database will oversee each store and warehouse's inventory. The accounting for each store location and the customers and employees information. Depending on the security level there may be less privilege to view other employee database information.

Customers will have a view of the products list including name, price and which store has stock of each product. They won't be able to see any sales quantity information on product orders.

Marketing

Paying health magazines to do reviews on our products, social media promotion, forum posting and flyer campaigns especially at industry events are the main things that we will be doing to promote our products. This will be the plan for the first year.

The year two marketing plan will be based on the mathematical metrics run on our database which will direct us to the most effective marketing methods. This will include how our current customers found out about us. The entire first year marketing budget is $250. The second year amount depends on the success of the first year campaign, but is likely to be around $2,500. We won't know until then if it will be the cheap methods or expensive ones that lead to future customers.

References:

http://www.ic.gc.ca/eic/site/oca-bc.nsf/eng/ca02856.html

http://www.ic.gc.ca/eic/site/lsg-pdsv.nsf/eng/h\_hn01703.html

Conceptual Schema

Employee Table

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Employee\_PK | Name | Email | Login | Password | Secret Question | Secret Answer | Security Level | CanWrite | CanRead |
| 1 | Kevin | kevin1.furtado@ryerson.ca | kfurtado | \*\*\*\*\*\* | First computer? | \*\*\*\*\*\*\*\*\* | 100 | True | True |
| 2 | Oskar | Oskar.hanson@ryerson.ca | ohanson | \*\*\*\*\*\* | Favourite Teacher? | \*\*\*\*\*\*\*\*\* | 100 | True | True |
| 3 | Zach | zharris@ryerson.ca | zharris | \*\*\*\*\*\* | First Car? | \*\*\*\*\*\*\*\*\* | 100 | True | True |
| 4 | Dante | dcamaren@ryerson.ca | dcamaren | \*\*\*\*\*\* | First Pet? | \*\*\*\*\*\*\*\*\* | 100 | True | True |

Product Table

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Product\_PK | Number | Name | InitialPrice | SalePrice | Qty | ExpiryDate | Location1 | Location2 | InDate | OutDate |
| 1 | 4598 | Tylenol | $4.00 | $6.99 | 50 | 09/02/2015 | Warehouse | Main cabinet | 09/02/2014 | --- |
| 2 | 654 | Cough syrup | $8.00 | $11.99 | 25 | 04/25/2015 | Warehouse | Secondary cabinet | 09/14/2014 | --- |
| 3 | 598 | Hydrocodone | $30.50 | $60.99 | 25 | 09/20/2017 | In Store | 1st aisle | 09/02/2014 | --- |
| 4 | 120 | Lisinopril | $25.50 | $39.95 | 0 | 02/15/2017 | In Store | 3rd aisle | 09/07/2014 | 10/02/2014 |

Customer Table

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Customer\_PK | Order\_Set\_FK | Name | Email | MoneySpent | Shipping Address | Credit Card | How Found |
| 1 | 58 | Prof. Mastoras | amastora@ryerson.ca | $5.00 | 213 burgundy st | 4500-0569-9878-5566 | Online Review |
| 2 | 24 | Joseph Chapman | Joseph11@gmail.com | $25.00 | 527 Orillia st | 4500-8585-5950-0982 | Twitter |
| 3 | 19 | Heather Fisher | Heather\_09@gmail.com | $50.00 | 23 university ave | 4595-5593-8675-5958 | Google |
| 4 | 5 | Lisa James | [Lisa1\_99@gmail.com](mailto:Lisa1_99@gmail.com) | $98.00 | 705 king st | 4500-9444-3455-3455 | flyer |

Order Table

|  |  |  |  |
| --- | --- | --- | --- |
| Orders\_PK | Order\_Set\_FK | Product \_FK | Qty |
| 1 | 1 | 4598 | 1 |
| 2 | 2 | 4598 | 1 |
| 3 | 1 | 654 | 3 |
| 4 | 2 | 120 | 6 |

Order Set Table

|  |  |  |
| --- | --- | --- |
| OrderSet\_PK | IsDelivered | OrderDate |
| 1 | True | 09/14/14 |
| 2 | FALSE | 10/02/14 |
| 3 | FALSE | 11/15/14 |
| 4 | False | 10/03/14 |

Prescription Table

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Prescription\_PK | Customer\_FK | Qty | Doctor | Quantity\_Left | Transaction\_Number |
| 1 | 2 | 1 | Dr Mastoras | 4 | 200 |
| 2 | 3 | 2 | Dr Davis | 2 | 145 |
| 3 | 3 | 1 | Dr Davis | 2 | 399 |
| 4 | 4 | 1 | Dr Marin | 2 | 122 |

Income Statement Table

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| IncomeStatement\_PK | Sales\_Total | Net\_Purchases | Selling\_Expenses | Operations\_Expenses | Other\_Revenue | BalanceStatement\_flag | Date |
| 1 | $1,770.00 | $420 | $50 | $900 | $0.00 | Current Asset | 09/01/14 |
| 2 | $2,433.00 | $600.00 | $75.00 | $1,000.00 | $8.00 | Current Liabilities | 10/01/14 |
| 3 | $2,365.00 | $800.00 | $100.00 | $1,100.00 | $15.00 | Current Asset | 11/01/14 |
| 4 | $3,120.00 | $950.00 | $150.00 | $1,200.00 | $20.00 | Shortterm Asset | 12/01/14 |

Statement of Changes in Equity Table

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Equity\_PK | Date\_Updated | Previous\_Equity\_Sum | Equity\_Sum | New\_Equity\_Total |
| 1 | 12/01/14 | $1,500.00 | $800.00 | $2,300.00 |
| 2 | 11/01/14 | $1,150.00 | $350.00 | $1,500.00 |
| 3 | 10/01/14 | $400.00 | $750.00 | $1,150.00 |
| 4 | 09/01/14 | $0.00 | $400.00 | $400.00 |

Balance Sheet Table

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Balance\_Sheet\_PK | Current\_Assets | Short\_Term\_Assets | Property | Long\_Term\_Assets | Current\_Liabilities | Short\_Term\_Liabilities | Long\_Term\_Liabilities | Date' | Intangible\_Asset |
| 1 | $1,500.00 | $250.00 | 22 garrison ave | $1,000.00 | $500.00 | $750.00 | $350.00 | 09/01/2014 | Pharmacy Logo |
| 2 | $2,100.00 | $350.00 | 22 garrison ave | $1,500.00 | $500.00 | $750.00 | $350.00 | 10/01/14 | Pharmacy Logo |
| 3 | $3,500.00 | $550.00 | 22 garrison ave | $1,700.00 | $500.00 | $750.00 | $350.00 | 11/01/14 | Pharmacy Logo |
| 4 | $4,500.00 | $450.00 | 22 garrison ave | $1,900.00 | $900.00 | $750.00 | $350.00 | 12/01/14 | Pharmacy Logo |

Data Dictionary

|  |  |  |
| --- | --- | --- |
| **Field Name** | **Data Type** | **Reasoning** |
| Balance\_Sheet\_PK | int | Identifier for this Balance Statement |
| Balance\_Sheet\_Current\_Assets | float | Currently owned |
| Balance\_Sheet\_Short\_Term\_Assets | float | Total of items that are gone soon (1-6 months) |
| Balance\_Sheet\_Property | Var char(25) | Total Property on balance sheet |
| Balance\_Sheet\_Long\_Term\_Assets | float | Total long term ie: property |
| Balance\_Sheet\_Current\_Liabilities | float | All liabilities |
| Balance\_Sheet\_Short\_Term\_Liabilities | float | Ie: total of short term bank loans |
| Balance\_Sheet\_Long\_Term\_Liabilities | float | Ie: Mortgage loan |
| Balance\_Sheet\_Date' | Date | Once a mont a new row is added |
| Balance\_Sheet\_Intangible\_Asset | Var char(25) | Ie: copyright, Intellectual property etc |
| Customer\_PK | int | Identifier for this Customer |
| Customer\_OrdersSet\_FK | Int | The set of orders for this customer |
| Customer\_Name | Var char (25) | Information for customer support |
| Customer\_Email | Var char (45) | Contact information for customer |
| Customer\_Money\_Spent | Float | Gross spending |
| Customer\_Shipping\_Address | Var char (75) | Where to ship products |
| Customer\_Credit\_Card | Var char(30) | Credit card information |
| Customer\_How\_Found | Var char(30) | How the customer found out about pharmacy |
| Employee\_PK | int | Identifier for this employee |
| Employee\_Name | Var char (25) | Identity for employee |
| Employee\_Email | Var char (45) | Used for updates and password reset |
| Employee\_Login | Var char (25) | Username for system access |
| Employee\_Password | Var char (25) | Access to system password |
| Employee\_Secret\_Q | Var char (25) | Backup for user login question |
| Employee\_Secret\_Answer | Var char (200) | Backup for user login answer |
| Employee\_Security\_Level\_1\_100 | int | Employees level 1 have reduced information/priveleges compared to level 100 Admin |
| Employee\_Can\_Write | Bit | Employee can update |
| Employee\_Can\_Read | Bit | Employee can read db |
| Equity\_PK | int | Identifier for this Equity |
| Equity\_Date\_Updated | Date | Date income statement added |
| Equity\_Previous\_Equity Sum | Float | Sum before current income statement |
| Equity\_Sum | Float | Sum of actions in income statement |
| Equity\_New\_Equity\_Total | Float | Sum after current income statement |
| IncomeStatement\_PK | Int | Identifier for this Income Statement |
| IncomeStatement\_Sales\_Total | float | Sum of products sold |
| IncomeStatement\_Net\_Purchases | float | Sum of company bought items |
| IncomeStatement\_Selling\_Expenses | float | Expenses from selling such as advertising |
| IncomeStatement\_Operations\_Expenses | float | Day to day expenses such as shipping fees |
| IncomeStatement\_Other\_Revenue | float | Revenue from assets other than products |
| IncomeStatement\_BalanceStatement\_flag | Char (25) | Flag for Balance Statment View Table |
| IncomeStatement\_Date | Date | Statments are once a month |
| Orders\_PK | Int | Identifier for Order |
| Orders\_OrderSet\_FK | Int | OrderSet this order is a part of |
| Order\_Product\_FK | Int | Product foreign key |
| Order\_Qty | Int | Number ordered |
| OrdersSet\_PK | Int | Primary key for orderset |
| OrderSet\_Is\_Delivered | Bit | Shipping complete true/false |
| OrderSet\_Date | Date | Day order made |
| Prescription\_PK | Int | Identifier for this prescription |
| Prescription \_Customer\_FK | Int | Foreign customer |
| Prescription \_Qty | Int | Qty of prescription |
| Prescription \_Doctor | Var char(35) | Doctor who prescribed |
| Prescription \_Quantity\_Left | Int | How many fills left |
| Prescription \_Transaction\_Number | Int | Transaction receipt |
| Product\_PK | Int | Identifier for this product |
| Product\_Number | Int | Manufactures product number |
| Product\_Name | Var char (25) | Name of product displayed to customer |
| Product\_Initial\_ Price | Float | Price bought by pharmacy |
| Product\_Sale\_Price | Float | Price sold by pharmacy |
| Product\_Qty | Int | Total inventory of product |
| Product\_Expiry\_Date | Date | Keep track of when product in useless |
| Product\_Location\_1 | Var char(25) | General area where product is |
| Product\_Location\_2 | Var char(25) | Precise area where product is |
| Product\_In\_Date | Date | Date bought by Pharmacy |
| Product\_Out\_Date | Date | Date sold by Pharmacy |