



From the unknown intricacies of DIR fee changes at the point of sale to the retrospective implications of the 2023 clawback, many changes have impacted pharmacy in 2024.

In this course, we transform uncertainty into clarity by discussing real-time financial data and trends that are now shaping the pharmacy industry in 2024.

We will be sharing insights into:

- Revenue and Gross Margin Trends
- KPIs and Benchmarks
- Strategies to set course towards growth, profitability, and better patient outcomes.



**Ollin B. Sykes, CPA, CMA, CITP** is a Certified Public Accountant in the state of North Carolina. He received his Certified Public Accountant's certification in August 1975 and his Certified Management Accountant Certification in April 1980. He was also awarded the Certified Information Technology Professional (CITP) designation by the American Institute of Certified Public Accountants in August 2009.

Since 1984, Ollin has served as president of Sykes & Company, P. A., a northeast North Carolina regional accounting firm with national exposure specializing in accounting, tax, and financial advisory services for independent retail pharmacies. He is intricately involved in all aspects of the business, with intense concentration in tax, accounting, and management and advisory assistance for hundreds of independent retail pharmacies, pharmacy transitions, and start-ups nationwide.





**Bonnie E. Bond is a CPA, MBA** and shareholder with Sykes & Co. P.A. - The accounting firm for successful independent pharmacies across the U.S. Bonnie works with new retail independent pharmacy clients and assists them with the start-up and transition of their pharmacies.

Bonnie helps clients set up systems that provide trustworthy numbers when they need them - whether that means high-level overviews or detailed daily information. She helps clients understand where they stand financially and the steps they can take to get where they want to go. She has experience in tax preparation for both individuals and corporations, as well as financial statement preparation and reviews and is involved in every aspect of pharmacy accounting, including tax and business advisory needs of pharmacies and their owners.

Bonnie is a member of the American Institute of Certified Public Accountants and the North Carolina Association of Certified Public Accountants. She received her Certified Public Accountant certification in 2010 and received her B.S. in Accounting from North Carolina State University and her MBA from East Carolina University.





# Revenue Trends



- DIR Changes/Lowest Net Price at Point of Sale
- Change Healthcare
- Understand Your PBM Contracts. Ensure You're Getting Paid Properly.



# Gross Margin Trends



- Affected by the Change in Reimbursement
- [Margin changes we see in the industry in 2024](#)
- Goal is to shoot for greater than 20% (net)



# KPIs and Benchmarks





- Current Ratio (Current Assets/Current Liabilities): Greater than 2.5/1
- Average Inventory Turns: Greater than 20
- Average Outstanding AR Third Party: 21 Day
- Equity to Assets: 40-60%
- Average Gross Margin: Greater than 20%
- Gross Payroll as a % of Revenue: Must be less than 10% for retail
- Overhead as a % of Revenue: Less than 6%
- Net Bottom Line: 3-7%



# Strategies Looking Ahead



Fundamentals are key to outperforming industry averages. Successful pharmacies have a strong accounting foundation:

- Provides real-time information
- Allows owner to be proactive
- Delivers insights to trends, weaknesses, and strengths
- Opens the door to tax planning and mitigation
- Provides opportunity for pharmacy owner to shift focus to patient care and growth



- Daily, weekly, monthly processes
- Segregation of duties
- Technology utilization for receivables and inventory
- Maximize automation for accounts payable
- Online accounting systems with automatic downloads
- Timely month-end processing/adjusting
- Integrity in the Balance Sheet



- Maximizing Cost of Goods/Inventory
- Review PBM Contracts
- Payroll Percentage
- Script Audit Logs: New Scripts vs. Refills
- Third Party Reconciliation
- Perpetual Inventory



- Long-term Care at Home
- Medical Billing
- Nurse Practitioner Placements
- Compounding
- Immunizations
- Point of Care Testing



- [No surprises April 15th](#)
- [Accrual to Cash Accounting](#)
- [Depreciation \(Section 179\)](#)
- Cost Segregation
- Buy/sell Tax Considerations
- Charity Planning
- [Section 199A](#)
- Retirement Planning
- Pending Tax Legislation...



- Outreach to Local Legislators
- NCPA Fly In
- Raise Awareness in your Community





# Discussion



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