

## SUMMARY

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### The Establishment of a Pharmacy

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#### Background

The establishment of a pharmacy is a time-consuming and administratively demanding project. Part of the project is a detailed vision of future economical prosperity and return of investment.

#### Aim

The aim of the project is to give a complex economic-legal and financial-analytic perspective of establishment of a pharmacy (both generally and also in the specific case of a fictive pharmacy). The result of the business plan and budget should indicate whether establishment of the pharmacy is profitable under the given conditions.

#### Methods

The source of legal information was the Czech Collection of Laws. Statistic data from the Czech Statistical Office and the State Institute for Drug Control were extrapolated to the situation of a concrete town. In the analytical part, these data were combined with data from several pharmacies in the CR (accessible from the Register of Companies) and used to calculate own economic data. Three scenarios of takings were used, the difference being 15 % in both directions. The results of the calculations were subjected to evaluation of investment efficiency.

#### Results

The geographical and economical environment in a concrete town in Central Bohemia allows the pharmacy's revenues to be assumed to range from CZK 10 704 thousand to CZK 14 480 thousand (depending on scenarios) with foreign-capital indebtedness ranging from CZK 1 800 thousand to CZK 1 500 thousand. Investment under these conditions is unprofitable for the pessimistic

## Abstrakt

scenario (-4,7 %); both other scenarios are profitable (the Return on Investment (ROI) of the real scenario is 9,6 % and of the optimistic scenario 24,1 %). Net Present Value is positive for the real and optimistic scenarios. The Payback Period for the pessimistic scenario is assumed as more than 100 years; for the real scenario it is 4,1 years and for the optimistic scenario 3,5 years. The Internal Rate of Return in the 5-year horizon is higher than zero in the case of the optimistic scenario – 18,52 %.

## Conclusions

At the beginning of this essay, the different legal forms of an enterprise are compared and evaluated. Limited liability with own property (up to the level of deposit), together with an acceptable measure of administrative demands, make a limited-liability company the preferable legal form for a pharmacy. The Practical part lists and describes all administrative necessities required during the establishment of a new pharmacy (registration by the district authority, acquisition of a trade licence for unregulated trade, adjudication by the professional organisation, approval by the State Institute for Drug Control and other institutions). In the Analytical part the business budget and evaluation of investment efficiency confirm the hypothesis that a newly established pharmacy in the Town will be profitable. On the other hand, even a difference of 15 % could lead to economical failure (pessimistic scenario) as well as to a more profitable investment than the investment into much more risky stock funds (optimistic scenario).