

# Profit Mastery: Practical Tools for Financial Control, Survival, and Success

The WSPA has co-sponsored with Profit Mastery to provide our members and affiliates with access to business management CPE programming through Profit Mastery University: Practical Tools for Financial Control, Survival and Success. Profit Mastery University delivers today's most powerful, effective and sophisticated financial performance tools in plain English, laugh-out-loud streaming video format right to your computer, so you can watch it any time (Normally delivered in a classroom setting over two days, the course is now easily and conveniently viewed 24/7/365 in bite-sized segments online). This CE is targeted for Pharmacist and Technicians that are Pharmacy Business Owners and Managers

## Practical Tools for Financial Control, Survival, and Success

Faculty: Steve LeFever, Chairman and Founder, Profit Mastery

ACPE# 0130-9999-17-022-H04-P&T | Learning Type: Application | Initial Release Date: 2/21/2017 | Expiration Date: 2/21/2020 | Activity Length: 17 hours or 1.70 CEUs | Faculty Disclosure: Owner of Profit Mastery

### At the completion of this activity, the participant will be able to:

1. Analyze the key areas in your pharmacy business that need management action to improve.
2. Create a "scorecard" for a business using ratios and pharmacy industry benchmarks, identifying strengths, weaknesses, and areas of opportunity.
3. Create a profit and loss statement for planning in your pharmacy business.
4. Calculate a yearly cash budget for your pharmacy business.
5. Prepare a twelve-month cash budget to determine short-term financing needs and negotiate with your bank for the amount of line of credit you will need for an entire year
6. Perform an annual customer satisfaction survey to discover what is most important to your best pharmacy customers
7. Demonstrate the effect of increased inventory turns in terms of growth capital required.
8. Identify the primary "driver" of asset increases in an expanding pharmacy.
9. Evaluate the effect of changes to the business to assess their potential impact on the cash budget to develop a growth plan.
10. Create a forecast of the resources that your pharmacy business will require to grow.
11. Create a loan proposal or financial business plan to present your business needs to bank.
12. Create a plan for debt in your pharmacy business that matches the length of projected repayment with cash flow or profit
13. Describe how to find resources for transition planning and business valuation.

### Instructions for getting CE credit: This CE activity has a total of 6 modules that must be completed in order to receive the 17 hours of CPE

#### Instructions for getting CE credit:

1. Watch all of the videos in each of the six modules in their entirety.
2. Take the exam at the end of each module and pass with at least a 70%.
3. Within 30 days of completing the program, send an email to Profit Mastery ([info@profitmastery.net](mailto:info@profitmastery.net)) requesting the evaluation form(s).
4. Complete and send the evaluation(s) to Maria Lieggi ([Maria@wsparx.org](mailto:Maria@wsparx.org) / 425-228-7171 x3) at Washington State Pharmacy Association (WSPA).
5. The cost of obtaining CE is \$10/hour of programming, payable to WSPA directly. Complete the *Request for CE Form* provided by Profit Mastery.
6. WSPA only has 60 days from the completion date to upload the CE to the CPE Monitor.



Washington State Pharmacy Association (WSPA) is accredited by the Accreditation Council for Pharmacy Education as a provider of continuing pharmacy education.

### **Module 1 - Introduction to Profit Mastery: Creating a Foundation for Change**

- Define a vision of success for their pharmacy.
- Apply the key drivers of success (or failure) in business to your pharmacy practice.
- Analyze the key areas in your pharmacy business that needs management action to improve.
- Apply financial ratios to your pharmacy's balance sheet information and analyze areas for improvement.
- Define key financial management terms.

### **Module 2 - Financial Position: Getting Your Arms around the Numbers**

- Identify the three uses of profits in a business.
- Identify the Financial Operating Cycle that operates in any business.
- Identify the critical need to consistently monitor financial position.
- Recognize the dynamic relationships that exist between the balance sheet and income statement.
- Create a "scorecard" for a business using ratios and pharmacy industry benchmarks, identifying strengths, weaknesses, and areas of opportunity.
- Evaluate the financial performance of their pharmacy.
- Identify the causes behind unsatisfactory performance using the Profit Mastery Cause-and-Effect Road Map.
- Differentiate between profits and cash flow.
- Use financial analysis as a tool to improve profits, increase cash flow.
- Apply financial algorithms to business ratios and financial statements for your pharmacy to assess the causes of poor or declining performance measures.
- Enhance relationships and ability to communicate with bankers and other financing partners.

### **Module 3 - Price - Volume - Costs: Using Break-Even to Grow Profits**

- Classify costs in your pharmacy based on their effect on the income statement as fixed or variable and calculate a break-even point for the business.
- Determine Break-Even sales for your pharmacy.
- Determine sales volume needed to earn targeted profits.
- Determine the necessary sales volume required to fund expansion – either staff or location.
- Determine where it is appropriate to raise (or lower) prices and cut costs.
- Create a profit and loss statement for planning in your pharmacy business.

### **Module 4 - Cash Flow: How to Prevent Your Cash from Going South When Your Sales Head North**

- Project the impact of seasonal sales variations to design a cash flow for your pharmacy business.
- Calculate a yearly cash budget for your pharmacy business
- Prepare a twelve-month cash budget to determine short-term financing needs and negotiate with your bank for the amount of line of credit you will need for an entire year
- Perform an annual customer satisfaction survey to discover what is most important to your best pharmacy customers
- Identify key patterns of cash flow.
- Identify the financial impact of different cash flow patterns.
- Identify the effects of short-term and long-term financial cycles.
- Define "cash flow" and how the definition has changed in the last decade.
- Determine the differences between net profit and cash flow.

### **Module 5 - Financial Gap Analysis: Managing Growth**

- Identify the four sources of capital available to fund the growth of a pharmacy business.
- Demonstrate the effect of increased inventory turns in terms of growth capital required.
- Identify the primary "driver" of asset increases in an expanding pharmacy.
- Evaluate the effect of changes to the business to assess their potential impact on the cash budget to develop a growth plan.
- Create a forecast of the resources that your pharmacy business will require to grow.
- Identify the financial consequences of management efficiency (or inefficiency) in a growing pharmacy.

### **Module 6 - Financing Properly and Planning for Transition**

- Create a plan for debt in your pharmacy business that matches the length of projected repayment with cash flow or profit
- Use financial analysis techniques to create an adequate picture of the past (financial statements), the present (break-even) and the future (cash budgeting and financial gap).
- Create a loan proposal or financial business plan to present your pharmacy business needs to bank.
- Identify what lenders and investors look for in a loan request.
- Identify what happens during the loan approval process.
- Recall how to find resources for transition planning and business valuation.