



Centred Solutions ROI Report

2024

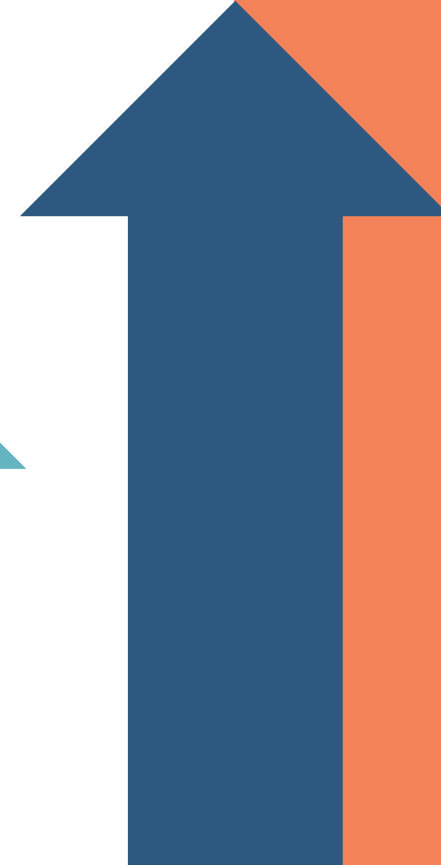
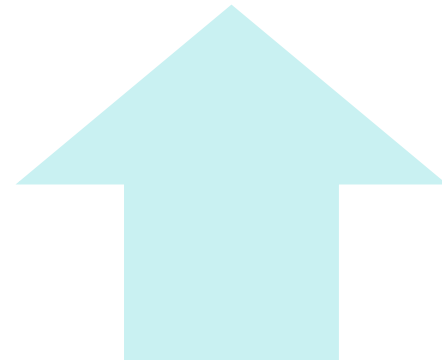


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I. The Challenge That Needs To Be Met

Pharmacies must gain efficiencies	Time and money is at a premium in pharmacy. Business owners must find ways to release time to provide services and to become more financially efficient or risk closing their stores.
Transparency and traceability	Regulatory agencies demand visibility into the supply chain process, including tracking of medications from production to delivery.
Availability and timely receipt of medicine	Pharmacists want to spend less time trying to source and dispense medication. Patients expect to receive their medications within 24 to 48 hours of their order.



2. Current State of Play for Hub and Spoke

- 1 Time and technology has moved on and hub and spoke is now affordable and accessible for all pharmacies.
- 2 Hub and spoke is available for pharmacies that operate under the same legal entity.
- 3 From January 1, 2025 it is expected that hub and spoke will be allowed between different legal entities.
- 4 This provides the opportunity for providing joint venture warehouses or hubs for smaller groups or independents.
- 5 It also opens up hub and spoke for pharmacy groups with stores under separate legal entities.



3. FLOWRx ROI at a Glance



An average pharmacy will see a return on investment from their FLOWRx Hub within 2 years.*



ROI can come from either redirecting time saved into delivering services, staff savings or a combination of both.



Moving to hub and spoke will take a minimum of 50% of total dispensing out your store (70-80% of repeat dispensing)



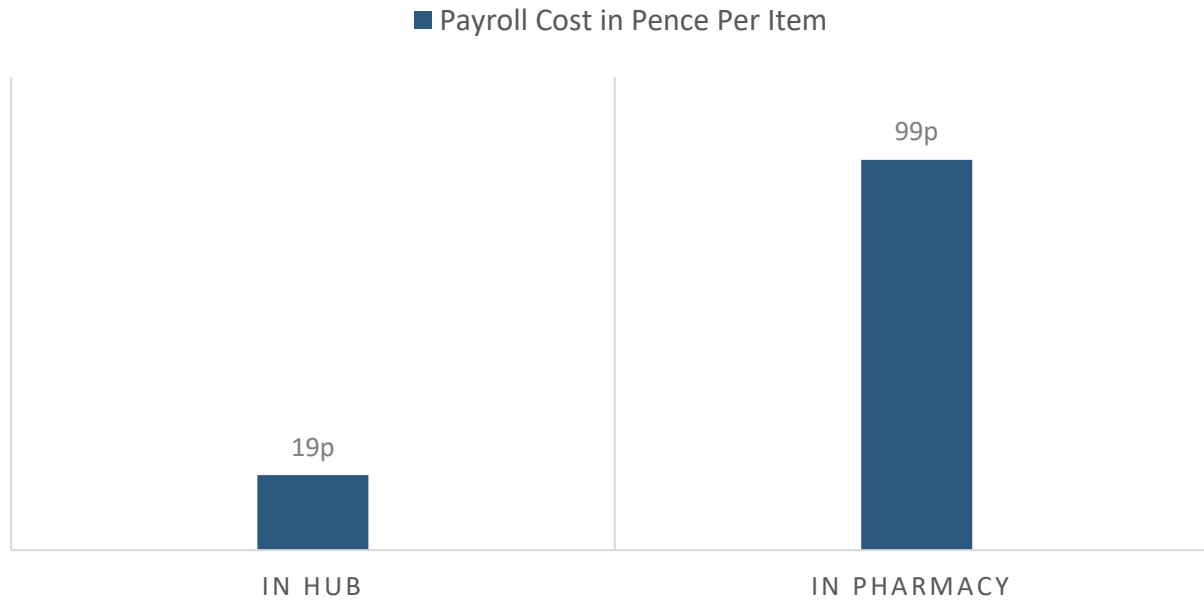
An average pharmacy will reduce stock in store by an average of 50% in year one by moving to hub and spoke

*Includes all hub set up and operational costs exc. transport

4. Payroll Costs Per Item

Putting in place a hub and spoke model can **reduce payroll costs by 80p per item on average from 99p to 19p. That's a reduction of 81%.**

PAYROLL COST PER ITEM



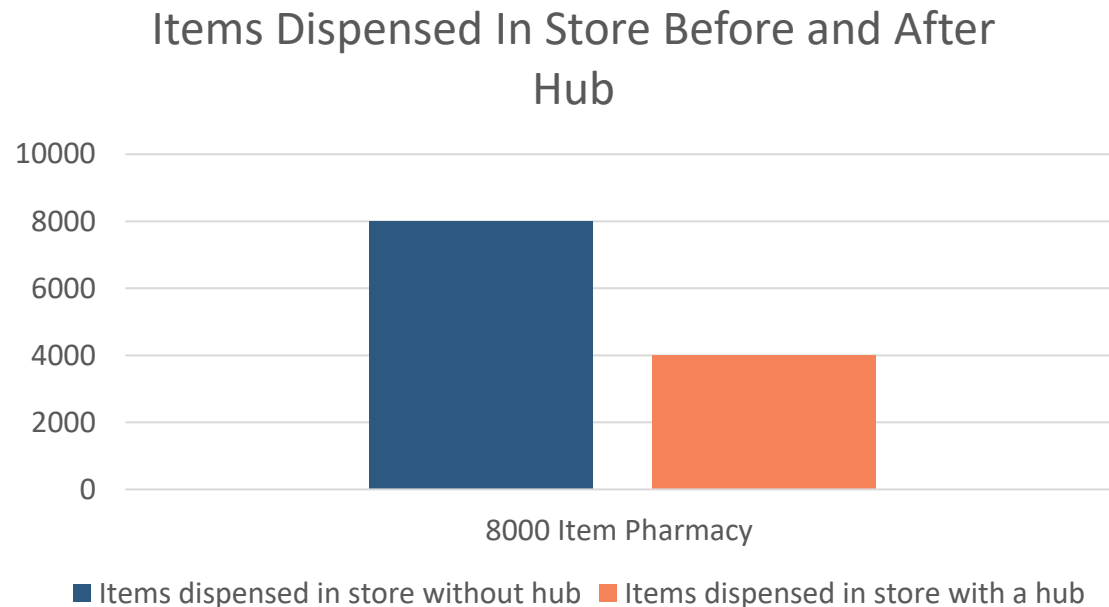
* Payroll costs including National Insurance and pensions. Excludes pharmacist cost in spoke but includes pharmacist cost in hub. Based on a hub that processes 126,436 items in 22 working days (based on 9-hour days). See slide 16 for more detail on calculations and methodology.



5. Time Reduction in Store

Centralising your dispensing process for repeat original packs means you reduce time spent on dispensing in store.

For example, in an average 8,000 item pharmacy operating 48 hours per week, central fulfillment allows you to reduce dispensing volumes in store by 50% resulting in a reduction of 48 dispenser hours per week and freeing up 24 hours of the pharmacist's time .



* All figures based on average pharmacy. See slide 16 for further detail.



6. Resource Redeployment

Service Potential

Using a conservative model for an 8,000 item pharmacy, with 50% of the pharmacist's time freed up used for services and 27% of freed up dispenser hours.



A group of **FIVE** pharmacies dispensing 8,000 items (40,000 item group)

£234,597

Profit Per Year After Year One



£909,712

Profit Over Five Years

Profit takes into account the capital expenditure and operating costs incurred with setting up a hub. See slide 16/17 for further information.



A group of **TEN** pharmacies dispensing 8,000 items (40,000 item group)

£521,930

Profit Per Year After Year One



£2,176,251

Profit Over Five Years

Profit takes into account the capital expenditure and operating costs incurred with setting up a hub. See slide 16/17 for further information.



A group of **TWENTY** pharmacies dispensing 8,000 items
(40,000 item group)

£1,189,605

Profit Per Year After Year One



£4,993,745

Profit Over Five Years

Profit takes into account the capital expenditure and operating costs incurred with setting up a hub. See slide 16/17 for further information.



**Book a meeting to
discover the potential
savings and service
earnings specific to
your pharmacy group.**



Appendix



Appendix

Data Methodology: Stock Processed at Hub

Data in this ROI report is based on the following principles in relation to the average volume that a pharmacy would be able to send for processing at a hub for their original pack repeat prescriptions.

77%

of all prescription items are repeat prescriptions

Source: [NHS England and Improvement June 2020](#)

80%

of repeat OPD dispensing can be processed at a hub
Source: Centred Solutions
Data based on over 12 established customers

61.6%

of a total pharmacies items can therefore be taken out of a pharmacy and filled centrally by a pharmacy hub.

50%

Based on the above, **we used 50%** as the average volume of total pharmacy items that could be dispensed by a hub rather than locally in a pharmacy store. This allows for a small buffer of stock to be left in the spoke.

Appendix

Data Methodology: Calculations and Sources

3. At a Glance – High Level Overview

- ROI figures based on detailed analysis and cash flow model by Centred Solutions Ltd. Costs include potential earnings and savings and include all Capex and Opex costs for a new hub (excluding transport).
- Stock savings based on the ability to move 50% of total dispensing out of store.

4. Payroll Costs Per Item

- Payroll costs include National Insurance and pensions. They exclude the pharmacist cost in spoke but include pharmacist cost in hub.
- Calculations for cost per item to dispense in branch have been provided by a large UK Pharmacy Multiple for 2023. These costs exclude the pharmacist and driver and include the dispenser. Total labour per item is £1.91 per item broken down as £0.99 dispenser/£0.83 Pharmacist or Locum/ £0.08 Driver.
- Calculations for cost per item to dispense in a hub are provided by a mid-size pharmacy multiple for 2023. Hub staff includes 1x Pharmacist and 9x operatives. Hub Payroll excluding NI and Pensions = £21,804. Hub Payroll including NI and Pensions = £23,972. Total items processed in 22 working days (based on 9-hour days) = 126,436 items. Labour cost/item excluding NI & Pensions = £0.17. Labour cost/item including NI & Pensions = £0.19.
- Scaled up costs per item are based on the assumption that 50% of prescriptions can be processed at the hub as outlined in slide 14.

5. Time reduction in store

- All data based on a pharmacy being open for 48 hours.
- Assumes reduction of volume in store of 50%

6. Resource Redeployment

- Pharmacist Time Freed up for Services for 8000 item pharmacy based on 50% of total time pharmacist saved = 12 hours per week
- Dispenser Time Freed up for Services for 8000 items based on 27% of total dispenser time saved = 13 hours per week
- Weekly costs based on 6 day working week, Monthly costs based on 24 day working month, Yearly costs based on 305 day working year

Appendix

Data Methodology: Calculations and Sources

4. Resource Redeployment

Potential pharmacy service revenue based on the below matrix for English pharmacies. Figures will differ for Wales and Scotland based on specific reimbursement models.

Service	Reimbursement fee if NHS Service /Potential charge private service	Appointment time
Contraception Service	£18	15 minutes
Hypertension	£15	15 minutes
NMS	Based on minimum of £25 – the amount per intervention starts at	20 minutes
Flu vaccination	£9.58	10 minutes
Discharge Medicines Service	£35	20 minutes
Pharmacy First	£15.00 per consultation plus £1000 monthly fee	20 minutes
Otoscopy	Charge £80	30 minutes
Travel Clinic (PHARMACIST)	Vaccinations range from £35 to £200. Our costs are based on average of £100 for travel vaccinations	30 minutes
Phlebotomy	£30	25 minutes
Health Clinic	Based on £25 per consultation	15 minutes
Cryotherapy	£50 - £80 for first treatment so our costs are based on average of £60	15 minutes



ROI Report produced by Centred Solutions Ltd in 2024.

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