

How to Build a Profitable Prescription Delivery Service

Your Patients Will Love

Report & Workbook



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The Demand for Delivery


If you're like most pharmacy owners and managers, you know that in 2022 prescription delivery service is no longer an option, it's a necessity. Ask anyone in pharmacy about the benefits of offering delivery service and often the first thing that comes to mind is patient convenience.

We live in a time where your patients can order just about anything for delivery, at the click of a button. From food and alcohol to Amazon next-day delivery on almost anything, and of course groceries. And while delivery was on the rise before the COVID-19 crisis, the need for safety during the pandemic skyrocketed the demand for delivery.



As a result, consumers have come to expect fast delivery across all industries.

That includes pharmacy; patients expect convenience, and if you don't offer it, it's easier than ever for them to simply go to someone who does.



How has the pharmacy industry responded to the increased demand for prescription delivery?

Throughout North America, all pharmacy chains offer prescription delivery. Shoppers Drug Mart in Canada and CVS in the United States are just two examples of chains that offer same-day service.

Patients can call in refills or request them through their app. They then receive their prescriptions on their doorstep within hours.

Currently, 70% of independent pharmacies in the U.S. offer delivery to patients.

"Prescription delivery is revolutionizing the way people interact with their chosen pharmacy,"

-Spencer Turbitt, co-founder and CEO
iApotheca Healthcare Inc.



Studies have shown that implementing a delivery service can raise revenue by as much as **6-8%** in the first few months.

Other benefits include improved medication adherence, a decrease in return-to-stock medication and with the right tools, better use of pharmacy resources.

A well-managed delivery service has the potential to help you fill prescriptions faster and with increased accuracy, thus reducing labour and error costs. It can also extend your hours and services through online ordering, which can cut down on staffing costs.

In other words, a well-managed prescription delivery service has the potential to improve both your patient care and finances, both in the short term and over time.

How Prescription Delivery Service Can Increase Revenue

Offering prescription delivery can increase revenue in several ways. To start, it can help you keep your current patients happy while attracting new patients to your pharmacy.

Delivery Helps Retain Current Patients

Patient retention is an important benefit of offering delivery, and it's about more than just showing up at the door with a package. It shows your dedication to patient care, especially in times of crisis.

It conveys a message to your patients; that their health matters and that they're more than just a transaction.

Building patient relationships like that makes it far more likely that they'll reward you with their loyalty.

Patient loyalty has obvious benefits for you; continued refills, for example. But it also offers other opportunities for you to increase revenue.

Increased front shop sales, for example: by making front shop sales available for delivery, you can boost online sales.



Even more important is that patient loyalty often leads to referrals.

Chances are, if you offer a wonderful patient experience, your patients will tell their friends, coworkers and families. The more word gets around, the more new patients will want to try your service. And as your delivery service grows, these referrals will continue to roll in.

And that makes any investment in your delivery service a smart investment.




Delivery Expands Your Territory

Another benefit of offering prescription delivery is that it expands your serviceable territory without you needing to invest in a new location.

In the past, most people liked to shop in their own neighbourhood for essentials; it was the most convenient option. You stopped by the grocery store on your way home, headed to the pharmacy as you were getting the kids to soccer practice. Many people didn't even think of switching where they shopped for essentials, even if they weren't thrilled with the service.

It was all about location, because closer usually meant more convenient.





But with delivery service, people everywhere have the luxury of combining convenience with the best service.

Offering delivery service means you're able to service a wider variety of people, regardless of location.

It expands your reach to patients who may not normally be driving by, but who prefer the patient experience you offer over that of their neighbourhood pharmacy. If you offer a better patient experience or better deals, delivery makes it easy for those prospective patients to switch to you.

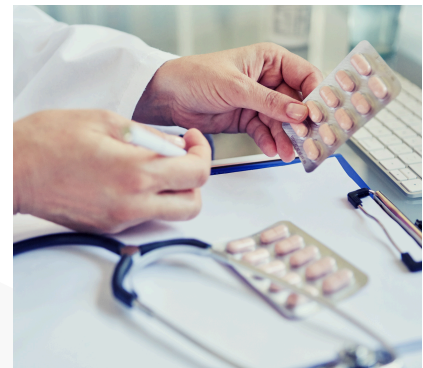
And that opportunity gets even better when you use marketing to get the word out about your delivery service. Combining delivery service with some simple digital marketing can help you expand your business at very little cost to you.

Tips For Making Your Delivery Service More Profitable

If you're thinking of expanding your delivery service, it's important to make sure it's profitable; that's a basic part of business.

When we speak to pharmacy owners or managers about growing their delivery operations, we often hear the same concerns:

- Most pharmacies offer free delivery, which means the pharmacy has to pay for the delivery cost; it hardly seems worth it.
- The pharmacy is just so busy that putting time into delivery doesn't seem as though it would be as profitable as some other day-to-day activities.
- Things are already so busy; growing and coordinating a delivery service just doesn't seem worth it somehow.



But with the right system in place, managing deliveries can be so simple, and there are several easy ways to maximize profit.



Four Must-Haves for a High-Profit Delivery Model

Whether you go with outsourced or in-house, you must structure your delivery service for the highest potential profit.

Here are four points to consider when doing that:

Adding multiple scripts to each delivery run (think Blister Packs or Med Pouches/Sachets).

Focusing on recurring patients.

Scheduling longer, more efficient runs (giving your driver more than one delivery when they leave the store).

Promoting your delivery service with a simple yet solid marketing strategy.

Follow these four simple steps to make your delivery service the most profitable.

Multiple Scripts Per Delivery

Multiple scripts mean multiple dispensing fees, which means more profit. So, say you're running a pharmacy in Ontario, Canada.

According to a 2018 Manion-Wilkins report, the average dispensing fee in Ontario at that time was around \$12.

If you're doing 25 deliveries per day, and each of your deliveries has an average of 3 scripts in it, you're making around \$36 per delivery.

If these are standard, next-day deliveries, you can send them out through the EconoRoute™ courier network for \$6 each, which leaves \$30.00 per delivery for you.

That's \$750.00 per 25-order run.

And while there is the argument that you could keep all that if you weren't doing deliveries, that's not realistic in 2022.

One thing we hear from some pharmacies is that they don't have enough deliveries to make it worth it. If you're just starting out with delivery, the numbers may not look as good.

Maybe you only have 5-10 deliveries per day right now.

Given the price of gas, many couriers require a minimum of 3 deliveries to take advantage of low-cost deliveries. This is understandable as without that minimum the couriers wouldn't be able to stay in business.

But even if you have 3 deliveries with an average of 2 scripts, that's \$24.00: minus delivery costs it's \$12.00. That's not great money, of course.

But as you've seen, if you work your way up to 50+ deliveries a day, which is completely doable, these numbers start looking pretty good. And you're keeping your patients happy, while attracting new patients.

Focus on Patients with Recurring Scripts

Recurring patients are ideal for building your delivery service; particularly those with more than one prescription.

Chances are you already have quite a number of patients like this.

In an August 2019 brief by the NCHS, 69% of U.S. adults aged 40-79 reported using at least one prescription drug during the past 30 days. In Canada that number was a touch lower, coming in at 65%.

And around 1 in 5 reported using at least five prescription drugs.

By marketing to patients with recurring prescriptions, you're guaranteed to drive regular profit. Getting them set up on an automated weekly delivery schedule means it's taken care of week after week.

Consider our earlier example; you're doing 25 deliveries per day at a profit of \$30 per delivery.

For one thing, that number would be higher if your patients averaged 5 prescriptions per run. Your profit would then be \$54 per delivery for a total of \$1350.00 per day.

Now imagine if those runs catered to patients who needed their meds delivered weekly. You'd have predictable revenue from your delivery service.

Making this your daily routine would mean a profitable delivery service. Especially if you were delivering to long-term care facilities.

And the best part?

Your patients benefit in more ways than one. Yes, they have the convenience of not having to go into the pharmacy, and that's big.

But studies have also shown that prescription delivery is effective in encouraging adherence. And pairing delivery with blister packs can go a long way toward helping patients stay on their meds.

Schedule Longer, More Efficient Runs

Organizing your deliveries into longer runs is more efficient and it adds to your profit.

If you outsource your deliveries through the EconoRoute™ Prescription Courier Network, for example, adding more than three orders to a run can get you lower rates. If you don't have more than three deliveries per day, setting up bigger runs on a regular day each week helps save you money.

If you have an in-house driver, longer runs are more efficient as your driver is making one trip: with route optimization you're spending as little money on gas as possible.

This can be a particularly important point for pharmacies who don't do a lot of deliveries. In this case, the pharmacy often treats the deliveries casually. We've talked to a lot of pharmacists who say they do their deliveries themselves.

Often, they don't bother to schedule or organize them, they deliver as the orders come in through the day. At first glance, this seems like a great way of doing it.

After all, it doesn't cost you anything to jump in the car and take a 30-minute drive, right?

You head out with a script or two, you're gone for a while and then you're back to your tasks in the pharmacy. Until the next delivery comes along. And then you're hopping back in the car, spending another 30-45 minutes on the road before heading back.

No big deal for a small pharmacy without many deliveries. Except that it really is a big deal, for a couple of reasons.

First, when you're focused on profit, time becomes important, because in business time is money, as they say. Which means that if you're a pharmacist doing even just an hour of deliveries per day, how much is that costing you?

According to Indeed.com, the average salary for a pharmacist in Ontario in 2022 is around \$46.85 per hour. So if you're driving for an hour, it's costing you \$46.85 to make those deliveries.

That's a whopping big cost. Especially when you consider that you could send those orders out through EconoRoute™ for \$6.00 - \$8.00. If you do that every day, you're costing yourself anywhere from \$38.00-\$40.00 a day. That's a minimum of \$190.00 a week of wasted money, and definitely not profitable.

If any of your staff is doing deliveries and they're worth more than \$6.00-\$8.00 an hour, you're not making any profit.

But what if you're not busy? What if you take off during your slow time and you have an hour to kill?

As a pharmacy owner or manager, your time is best spent on getting more business in the door, because you can never have too much. Or brainstorming ways to provide better patient care. Training staff. Streamlining processes.

Or growing your delivery service.



Promoting your Delivery Service

Promoting your delivery service is so simple. You can get the word out there and pique interest in just a few easy steps.

One of the most important ways to get the word out is to simply tell your customers that you deliver.

And not just the patients that come in to see you.

If you've got some down time, export a list of all your patients and call to let them know you offer delivery.

Check in to see if they need anything, or if there've been any changes in their health recently; they'll appreciate the call.

Another important way to promote your delivery service is through online marketing. It's as simple as a banner on your website and a few social media posts a week.

If you want to know more about simple online marketing for pharmacies, you can take a look at our articles on how to use your website and your social media to connect with your patients.

You can also print flyers and pop them into each bag that goes out of the store to let people know what you're doing. If you've got certain doctors or facilities that refer patients to you, put a flyer in their office and let them know you're expanding your services to delivery.

It doesn't take a lot of effort, but with a little promotion, you can grow a profitable delivery service.



Part Two:

Planning Your Delivery Service

For independent pharmacies, offering delivery service is a means for keeping up with the larger pharmacy chains. Every major chain in North America now offers delivery service, because it's what patients want.

And while offering delivery does take a bit of work, there are several ways to optimize your delivery service to keep things streamlined and profitable.

Here's what you need to consider.

Getting Started

When first starting with delivery, many pharmacies begin with a somewhat cobbled-together in-house system. Many use spreadsheets to organize their deliveries, and many start off by having pharmacy staff or even the pharmacy owner themselves doing the deliveries.

While this approach may work for the first while as the delivery service grows, it can eventually become highly inefficient. At that point, some pharmacies may hire an in-house driver, which generally costs between \$15.00-\$20.00 an hour.

On top of that expense, there is insurance to consider, as well as gas and vehicle maintenance for pharmacies who choose to use their own branded vehicles. Keeping your deliveries in-house does have its advantages, with the main being that you have full control over your deliveries from the moment they're called in until the moment they're delivered.

Yet more and more, pharmacies are finding that a simple low-cost software and outsourcing is a safe way to go, as well as being the most cost-effective.

The Advantages of Outsourcing

Many pharmacies like the idea of outsourcing deliveries because of the cost-effectiveness; things are a lot simpler without having to hire a driver, pay insurance and keep up on gas and a vehicle. Outsourcing has become an even more popular option in recent months with the increase in gas prices.

In most cases outsourcing wins hands down as the best option for delivery, regardless of the size of the delivery operation. But there are a few things that you should keep in mind when looking to outsource.

First, you need to outsource to a company who has a stake in your pharmacy's growth; your patients must be a priority. The company you choose to go with should have a history in the pharmacy industry, as well as a good idea of what your patients want.

A company that understands pharmacy gives you a much better chance of representing your pharmacy in a safe and professional way. Outsourcing your delivery to a company that's aligned with your patient care goals can help ensure that their drivers will always be professional when interacting with your patients.

They can also help ensure that your parcels will be delivered properly, with the proper proof of delivery provided. Outsourcing to a company that understands pharmacy will add to your patient relationships. And when you're dealing with a company that has a grasp on industry regulations, you can be sure you're compliant.



Planning for Success with an Outsourced Service

Outsourcing your delivery helps to keep things simple, but there are still a few things you should go over in the planning process to keep things running smoothly.

It helps if you can sit down with your team to answer the following questions:

What will your delivery schedule look like?

This depends on delivery volume and will change as you grow but it's important to lay things out at the start so you can tell patients what to expect. For example, perhaps at the start you're sending out a run on Tuesday and Thursday, but as you grow, you're adding a third day.

What territory will you cover?

If you decide to go outside your current service territory, you may want to come up with a couple of simple marketing initiatives to attract new patients in those areas.

What are the shipping times once your delivery service picks them up?

If you're using the EconoRoute™ platform, shipping times may vary depending on what provider you choose on a given day. How will you convey this to your patients?

Will you charge a delivery fee?

If so, how much?

What will your average shipping fees be?

Depending on your needs, most deliveries in the EconoRoute™ tend to be around \$5-\$6 in the GTA, and this is great for most parcels. If you're shipping something that needs more care though, you may pay a little more; perhaps around \$7-\$8.

How do delivery fees fit into your profit?

Remember, it may be tempting not to grow your delivery operation so you don't have to pay the fees, but doing so will bring in more patients, and therefore more profit.

What software platform will you use to manage your orders?

It's important to be sure that you're keeping your workflow as streamlined and efficient as possible. And for that you need a great delivery tracking system.

Once you've clarified these points, it's time to look for a software that helps you manage your deliveries with ease. We've included a workbook in the second part of this document to help you iron out some of the more pertinent details.

When searching for the right software, here are a few other things to keep in mind to make your delivery service the best it can be:



Managing Deliveries

Missing and late deliveries are disastrous for any delivery service. If you're not managing your deliveries well, there are a whole host of issues that can crop up. Angry patients, for one. Damage to your pharmacy's reputation for another.

The way you manage your deliveries is the most important factor in the success of your service.

The bottom line is patient satisfaction.

If your delivery service makes your patients happy, this will lead to referrals; if it doesn't, it could result in lost patients and revenue. If you're plagued by mistakes or slow service, for example, that will work against you.

About Compliance

In Canada, there are regulations for prescription delivery. You can find this information in your provincial legislation, such as the Drug and Pharmacies Regulation Act (DPRA) in Ontario, and the Narcotics Safety Awareness Act (NSAA).

And as with anything else, you must comply.

Depending on what you're delivering, there can be expectations as far as proof of delivery. It's often considered wise to have both photo and signature POD.

Then there are audit trails and record-keeping rules. So how do you avoid issues?

By using a delivery software geared to pharmacy operations to administer your service. And by having the right staff members working on the project. From your techs to your drivers, you need to know everyone is aware of the regulations. And onboard with compliance.

Delivery Times

We live in a delivery culture, and people have expectations as far as fair delivery times. Pharmacy delivery is no exception. Patients may not be willing to take on long wait times to get their prescriptions.

How long should your wait times be?

If you have a well-organized system that prompts for refills via text message a week ahead of a script running out, a week is fine. With that buffer time, the patient likely hasn't run out of their medication. However, patients calling in to refill a script that they ran out of that morning, require a different plan.

In these cases, many patients expect to receive their prescription within one to two days.

In North America, many chains offer standard same-day prescription delivery service. Next-day delivery may apply if the prescription is called in during the evening.

Most independent pharmacies or small chains tailor their delivery service to suit the number of deliveries they do. If they're still growing their service, many pharmacies organize their delivery runs to take place a couple of days a week.

This gives them time to fill each run for maximum value; for example, many couriers offer better rates for 3 or more deliveries.

However you choose to schedule your runs, once you've got your delivery times worked out, make it very clear to patients what they can expect.

As you grow, be sure to ask your patients and customers for feedback. If something isn't working, they'll let you know. It's fine to make small adjustments along the way as you learn more about what your patients want from your delivery service.

Marketing Your Delivery Service: The Basics

There are several simple yet effective ways to get your message out about your delivery service with very little time and effort.

Some of these include:

Putting a banner in a prominent place on your website and announcing your service on your social media. If you don't have a website or social media, you should. You can look at the iApotheca Blog for more information on building a pharmacy website or getting started on social media.

Tucking a small pamphlet into every prescription you give out. If you don't have a source for pamphlets, you can outsource them on sites like Upwork or Fiverr. It's inexpensive and their freelancers do great work. Or you can take a few minutes to design one yourself on Canva. Then find a local printer, order some copies and you're ready to go.

Tell your customers. Word of mouth is an excellent way to make people aware that you deliver. Have the conversation with your patients and tell them you're offering delivery to improve patient convenience and care.

Talk to local doctors and clinics who send patients your way. Let them know about your helpful new service and ask if you can put a pamphlet up in their office.

Go to your local media; write up a press release and call your local newspaper, radio or TV station.

Offering deliveries is important to the growth of your pharmacy, the trend continues to grow. Taking advantage of this huge opportunity could revolutionize the way your pharmacy does business.

Need a platform to help you develop your service? The EconoRoute™ Prescription Courier Network is a simple, all-in-one delivery service built especially for pharmacies. Just add your orders to a run, choose your rates and service, and click 'Send to Courier'.

It's the easiest and most cost-effective prescription delivery on the market today.

The EconoRoute™

Delivery Success Planner

Step One: Prepare Your Team

Which departments within the pharmacy will be involved in your delivery operation?

- Operations
- Billing
- Marketing & Sales
- Others:

Who will be the key employees in your delivery service and what will their roles be?

Who will be the key employees in your delivery service and what will their roles be?

- Involvement in taking orders.
- Ability to fulfill orders.
- Regular access to EconoRoute™.

Step Two: Define Your Delivery Process:

How will you take delivery orders?

How will you take payment for delivery orders?

Who will enter your delivery orders into EconoRoute™?

Who will pack orders for delivery?

What front shop products will be available for delivery?

Are there any situations/products you'll charge a delivery fee for?

What days will you do deliveries?

What is the minimum number of orders you'll include in each run?

Notes