



Small pharmacy, big aspirations

When a small, rundown pharmacy in Nanango, Queensland came on the market, many potential buyers would have walked away. Despite the floor space being just 95sqm this small pharmacy had big aspirations. What happened next was to shape a small rural town and put this pharmacy on track to increasing its turnover by nearly \$1 million in 12 months. By Shannon McLaughlin.

Pharmacy Essentials is a growing Australian-owned pharmacy banner network which opened the door of its first pharmacy in 2008. Since then, this banner has bypassed the competitive metropolitan pharmacy market, and instead focused on regional centres of Queensland.

Director, Simon Hambrecht, worked in the Republic of Ireland for Boots The Chemist and it was this experience that inspired him to found Pharmacy Essentials.

“Our concept was developed after repeated complaints of the lack of service and value available in pharmacy retail these days.”

Pharmacy Essentials gauged what customers wanted by using a market research focus and according to Mr Hambrecht, the Pharmacy Essentials brand was “developed for the people, by the people.”

“We listened to our customers, developed an excellent concept that delivers a consistent offer based on offering a high level of convenience in conjunction with a high level of service, the type that people deserve.

“Pharmacy Essentials does not need to label itself as a ‘discounter’, as we are able to provide a high level of convenience, excellent service standards, and an extensive range of

products and services, all at everyday low and competitive prices.”

With five stores throughout Queensland, Mr Hambrecht and his team don’t try to take on the discount chemist chains, but instead differentiate themselves with knowledgeable and friendly customer service and a wide range of health, beauty and medicine products.

But he admits that it is more than the products and prices on offer, it is the complete strategy.

“We had to work hard with the design of our store. Our range is tailored to our demographic so our stores tend to have a lot more success.”

That core demographic is the female 15-65 year old market. In regional areas though, it is important to cover all demographics, to be everything to everyone.

Nanango is situated in the south-east corner of Queensland and has a population of around 10,000 people.

Barry Lonsdale was the inaugural owner for the first Pharmacy Essentials pharmacy in Kingaroy and had worked together with Mr Hambrecht for three and a half years.

“Barry’s Kingaroy pharmacy went from strength to strength.”

When the owner of the rundown pharmacy in Nanango decided to sell, Mr Lonsdale snapped it up immediately

and began the intensive plan to turn the pharmacy around. Mr Hambrecht estimates that the building was built around the 50s and when putting his new sign up he found four different signs behind it. Each new owner or change of name just meant that a sign was put over the top of the last one.

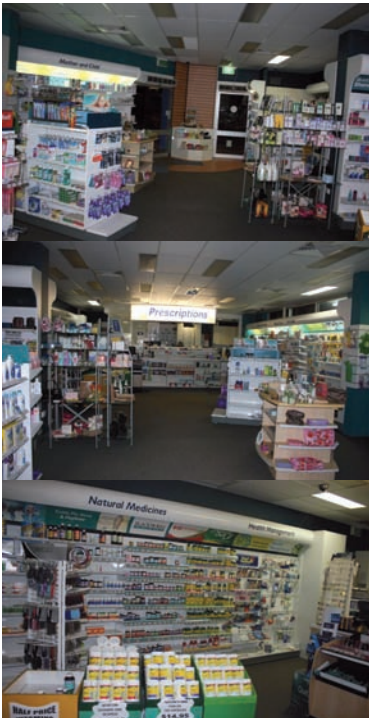
The sale was finalised in September last year and according to Mr Hambrecht, the plans began with earnest to transform the store. It was not long after that the Pharmacy Essentials concept was integrated into the business before the renovations were to take place.

“Between September of last year and January this year, consumer demand required us to upgrade the point of sale system to cope with the level of growth.

“We implemented our Loyalty Program and rolled out our service model – all before we even contemplated refitting the pharmacy.”

At the beginning of March this year, Pharmacy Essentials Nanango opened its doors to the cheers of the Nanango locals. Many customers come from neighbouring towns and due to its popularity; the pharmacy is on target to increase its turnover by nearly \$1 million in 12 months.

The renovations were not just bricks and mortar; it also meant changing the locals’ opinions of the pharmacy.



Before the refit, the pharmacy was dark and uninviting with cluttered shelf space.

Many of the locals were travelling 20 minutes away to go to the Pharmacy Essentials store in Kingaroy. When Mr Lonsdale took over the Nanango pharmacy the locals already had brand recognition of the Pharmacy Essentials concept and many already had a loyalty card with the Kingaroy store.

Mr Hambrecht admits that the loyalty card (which is outsourced through the Restore Rewards program) is just one aspect of its marketing strategy.

“Many think that you can’t have a space less than 150sqm – this refit proves that you can offer exactly the same as a larger fitout.”

“We also provide exclusive customer offers in our e-newsletter and we keep in touch with our customers through Facebook and Twitter.

“We do all our research before breaking ground. We do an extensive amount of research so that there is a seamless transition as the operations and procedures are set to go.”

“We designed the space around what we had. Our aim was to take the design attributes from High Street stores (a typical outlet for most Boots the Chemist stores) with a small footprint. We were blessed with a very good shape but had to knock out a wall so the front area was 80sqm.

“I would have started earlier to get additional space – an additional 100sqm would have been great.”

The refit was completed while the pharmacy was still trading, and was completed with military precision.

“A refit can be done while you trade in a very short space of time – usually 10-14 days.

“It comes down to planning and we don’t outsource a lot with our shop fittings. With the imagery we use the one company because they are used to working within the brand and they know what we expect.”

The renovations of the Nanango pharmacy have inspired Mr Hambrecht and the Pharmacy Essentials team to not dismiss small spaces if another pharmacy came up in future.

“Many think that you can’t have a space less than 150sqm – this refit proves that you can offer exactly the same as a larger fitout.”

Mr Hambrecht says the little pharmacy, and it is little at just 95sqm, has been described by many industry identities as the “best use of floor space in a long, long time”. The pharmacy’s floor design can also be an inspiration for other pharmacists on how to maximise such a small space.

Every centimetre of space was maximised with clean lines and clear signing to denote each category. The pharmacy is bright and airy with a strong emphasis on making it easier for customers to select their products in a hurry or browse at their leisure.

Mr Hambrecht attributes the success of the Nanango pharmacy to its customers as well as the Head Office framework that has been set up by his company.

“Our licencees receive an amazing level of Head Office support through the training and the implementation of systems and procedures.

“We also put into place strong Human Resources policies and support, tailored ranging and pricing, effective and flexible marketing, and extensive buying terms.”

This involves Mr Hambrecht and his team providing new store owners with an intensive induction process and then their staff also goes through the process. According to Mr Hambrecht it is important for

pharmacists to also invest in their teams.

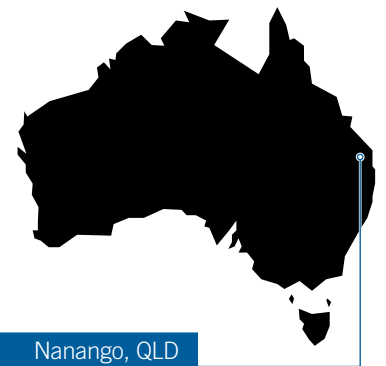
Rural centres such as Nanango are dependent on local employers such as Mr Lonsdale’s pharmacy. The pharmacy has seven staff members and opens from 8-6pm Monday to Friday and 8.30-12.30pm on Saturday. Customers needing a pharmacist outside these hours don’t need to go far as the Kingaroy store is open seven days a week.

Mr Lonsdale and his Nanango Pharmacy Essentials team are entrenched in the local community by sponsoring sporting teams, events and local charities.

“There is an element of ‘community’ with our stores – we support those who support them.

“Nanango, in retail dollars per square meters, is 25 to 35 per cent higher than other pharmacies in the group and we are on track to increase turnover in a year by approximately a million dollars.”

This success story proves how a little run-down pharmacy, in rural Queensland, could blossom and be embraced by its community to enjoy an amazing level of growth and success. **Rp**



Nanango, QLD



Pharmacy Essentials’ Director, Simon Hambrecht with Barry Lonsdale in front of the Nanango Pharmacy Essentials pharmacy.



↕ The transformation makes the pharmacy look bigger and brighter.

