

Navigating business challenges in the pharmacy sector



Pharmacies have always been a vital part of local communities, delivering essential healthcare services to millions of people. However, in today's financial climate, these pharmacies are facing bigger challenges than ever before.

Costs of running a pharmacy have been rapidly rising with increasing interest rates, staffing costs, energy prices, under funding from the NHS, and increased demands to deliver services, many pharmacies are under a lot of pressure. Operators can no longer rely on dispensing alone to remain financially stable and must engage in NHS pharmacy funded services like the Hypertension Blood Pressure Service, New Medicine Service, Discharge Medicine Service and Pharmacy First.

As the government looks to ease pressure on GPs, the demand for these services is expected to grow. With these pressures, we are seeing some struggles in the sector, leading to restructuring, owners considering the sale of their business, or in worst case closure.

We understand what these challenges look like, and we work closely with business owners to work through them and find the best way forward. Recently, we worked with administrators on the sale of a pharmacy business to an established operator in the North of England. The pharmacy had a strong local presence in the community operating for over 60 years. With such a strong presence, it was really important that the administrators found the right buyer and ensured the sale process was as smooth as possible to avoid any disruption to the business and its longstanding patients.

We did this by making sure our insolvency and healthcare teams worked closely together to ensure the smooth appointment of administrators and a swift exchange of contracts on the business sale, within just two weeks of issuing heads of terms. Knowing that it can take months for the NHS contract change of ownership application



to be approved, we also put in place a management agreement between the administrators and the buyer. This way we ensured that the pharmacy kept operating smoothly while the transaction documents were finalised benefiting all parties involved and the local community.

How we can help

This is just one example of how we can support you if you are facing similar challenges. We know how important pharmacies are to their communities, and we are committed to helping them keep their doors open and continue providing the care their patients rely on. The pharmacy sector remains strong, and there is a lot of interest from buyers looking to invest. With the right approach, there is a lot of potential for growth, especially as pharmacies continue to play a bigger role in delivering healthcare services. Whether through business restructuring, insolvency guidance or facilitating the sale of your pharmacy business, we are here to help.



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