

We appreciate the opportunity of letting us tell you about our company. For over 45 years, Store Planning Associates has always strived to give our customers the best possible service. Anyone can sell a fixture. Our business has been built on service.

We hope that this guide is informative and helps you make some of the important decisions about your pharmacy. If any of your concerns are not covered, please let us know.

Our clients are not just business relations; they are friends and family as well.

**STORE PLANNING ASSOCIATES INC.
1923 Rolling Green Circle
Sarasota, FL 34240**

800-226-4026, 941-377-4000, Fax: 941-377-9287

WWW.STOREPLANNINGONLINE.COM

In Ft. Lauderdale: 954-463-1301, Fax: 954-524-1149

Our Full Service Includes...

Store Planning

- We will give you total store development from the initial drawings to the final installation, rather than just a piece meal placement.
- We will arrange your store so that the customer pulling departments are located in spots that control traffic and increase impulse buying.
- You can get more in stock in sight and in reach with no added floor space.
- Highlight specialty areas in your store such as Compounding, D.M.E., Diabetic Care, and Wellness Departments.

Fixtures & Equipment

- No other single component of the store is more directly related to the primary purpose of selling merchandise than fixturing.
- We will organize your store so that the fixture will perform almost all the functions of a sales clerk except receiving money.
- Anyone can sell a fixture. We're experts in store planning and merchandising.
- We can supply a wide array of equipment.
- We'll take care of all the details.

Pharmacy Planning

- Give you the ability to fill prescriptions quickly and efficiently.
- Help you reduce potential for errors
- Utilize modern, up to date equipment
- Set up a proper work flow for incoming and outgoing prescriptions.

Décor

- We will show you new ideas in décor and design that will set your pharmacy apart from all others.
- A selection of professional signing, colors and finishes gives your store a whole buying atmosphere that has personality, distinction and warmth.
- Your store is seen as a whole, so all areas should be coordinated.
- Merchandise will sell easier and faster in a pleasant atmosphere.

Installation

- Dependable – Pleasant – Neat.
- Remodels & New Installations.
- No Interruption of Sales during Remodels.
- We Eliminate the Risks.

“What To Look For When Evaluating Your Pharmacy”

1) General Appearance of the Store

- a) Would you like to shop there?
 - i) Is the store clean?
 - ii) How is the lighting?
 - iii) Is the merchandise displayed in an orderly fashion?

2) Traffic Flow

- a) Placement of the pulling departments
 - i) Prescription
 - ii) Magazines & books
 - iii) Cards
 - iv) Coffee bar/Soda Fountain
 - (1) Could it create traffic?
 - (2) Franchise or lease
- b) Placement of service/control areas
 - i) Checkout
 - (1) Is it in the proper location?
 - ii) Security cosmetics
 - iii) Post office sub station
 - iv) Money orders, utility payments & copies

3) Merchandising

- a) Is related merchandise located in several places instead of one?
- b) Do related departments flow together?
 - i) Security cosmetics to beauty aids
 - ii) Cards & gifts
 - iii) Camera & film
 - iv) Rx department & drug merchandise
- c) Is seasonal/promotional in high traffic areas?
- d) Are the end displays used to their best advantage?

- e) Does the store have department identification or does the store say; “what you want is in here some place”?

- i) Numbered gondolas
- ii) Wall signing

- f) Do you eliminate non-movers from the shelves?

- i) Discount them to move them out?

- g) Use the end displays?

- h) Use the seasonal/promotional gondolas?

4) Services

- a) Does the store emphasize the service it provides?

- i) Delivery
- ii) Charge accounts
- iii) Customer records
- iv) Compounding
- v) Consultation
- vi) Testing programs

5) Prescription Department

- a) Is the workflow efficient?
- b) Does it create the impression of professionalism?
- c) Is a robotic system in your future?
- d) Are you planning on a drive-up window?
- e) Is it highlighted?
 - i) Soffit
 - ii) Lighting
 - iii) Signage

6) Fixturing

- a) Is the equipment doing what it's suppose to do
 - i) Perforated backs or slatwall for pegged merchandise
 - ii) Can the shelves be slanted for small merchandise
- b) Does the store provide small shopping carts or hand-held baskets?

What Will It Cost You...?

To upgrade your store, make it more efficient, make it a more comfortable place to spend your working hours, but most important of all --- what will it cost you to increase your sales, your profit, and your return on investment?

Here is one way to calculate what you can spend on upgrading/modernizing your store.

1. Estimate the increase in Gross Revenue modernizing will bring stated as a percentage of gross revenue. A very conservative estimate is 15% (we have had increases as high as 90%, although the average is between 22% and 45%).
2. To determine the dollar amount of the increase. Multiply your annual gross revenue by the percentage of increase (example, yearly gross revenue \$1,000,000 x 15% = \$150,000 per year increase or \$12,500 per month).
3. To calculate profit increase. Determine approximately how much of that increase will be profit by multiplying the increase by your profit margin, expressed as a percentage, using a conservative gross margin of 22% (example: \$150,000 x 22% per year = \$33,000 or \$2,750 per month). In this example, you can spend up to \$2,750 per month on remodeling and the project will more than pay for itself.

To illustrate this point further, the monthly payment for a 5 year, \$65,000 loan would be approximately \$1,100. Thus you could invest \$65,000 in the project, make the monthly loan payment and still net an additional \$1,650 per month.

Remember. This is a very conservative method of determining how much to spend – try the formula with your present volume and gross margin. You might be surprised.

What's it worth? Plenty!

Perhaps the most nagging question in our industry has been "What's it worth?" In our collective struggle to understand more about the dynamics of the store design marketplace, we've learned that retailers in North America spend in excess of \$8 billion annually on new construction and facelifts, but the question about its worth still remains.

Countless calls have come to us asking for hard, concrete facts and figures about the value of the contribution store design, fixtures, displays and visual merchandising make to the bottom line.

We've chosen to explore that very matter, as part of our mission not only to understand the industry better, but also to help the industry grow. After all, virtually every industry can justify itself to those who buy its product. Ours never could. That is, not until now.

Thanks to hundreds of exhibitors and thousands of attendees who built The Store Fixturing Show into an enormous success, the Show was able to commission an unprecedented, aggressive research project—the Retail Renovation ROI study—conducted by Deloitte & Touche TRADE, the nation's largest retail consultancy. The ROI study made news in *The Wall Street Journal*, and PBS' *Nightly Business Report* covered the study from the floor of The Store Fixturing Show.

The research, which is now available, succeeded in quantifying one area of the store design industry's efforts: renovation. By comparing performance of remodeled stores vs. comparable same-chain stores, the study revealed that renovation increased sales and profits in every case and always returned the investment.

While different types of retailers and different renovation costs determined the level of increase and the speed of the return, the numbers uncovered by the study are nothing short of staggering. Some chains realized sales increases as high as 41 percent to 67 percent over non-renovated stores. And some chains realized a 100 percent return on investment in as little as 19 months.

In an industry that has fought to save jobs (and careers) and battled to get every budget dollar approved, where had these numbers been? Where was the proof? And now that we have the proof, what will we do with it? It may be only a start, but what a start we now have. Other industries (including the parallel P.O.P market) have fueled triple-digit growth on less encouraging research results.

But before all retailers start renovating their entire chains, let's remember a couple things that perhaps are not so clear from the numbers alone.

First, renovation alone does not ensure success, although in every case

studied, it did increase sales. Rather, a complete and thorough plan, a well-thought-out strategy, is a better bet.

We've talked a great deal over the past few years about store design being so critical to retail identity. Part of strategy, combined with renovation, is making sure that the merchandise, design and service all say the same thing to the consumer.

To simply put in new fixtures and displays and to relamp a store just won't do; instead a comprehensive, integrated approach to the consumer must precede a renovation project in order to maximize results. Example? How about The Gap or Barnes & Noble?

Second, and possibly more basic, the study begs to ask: Why does renovation work? Why does it work in every case? What makes consumers spend more money in a renovated store than in one that is a little dog-eared?

Two answers come to mind. One, according to a study recently released by IMRA, coincidentally released the same month as the ROI study, consumers indicated that they would rather shop in an older store than a new one—as long as the older store was up to date.

And second, consumers like makeovers. Renovated hotels. Remodeled restaurants. Renovated stores. Renovated kitchens (which, according to NBC News, now tops America's "wish list," 1995 version. They ranked 5th in 1984). Old yet new. Familiar yet not. People love to see "what you've done with the place." And that evidently includes your stores.

Moreover, we'd submit that consumers like to feel that they're shopping in a store that has some idea what it's doing. A place that is organized; something that generally goes along with renovation: everything in its place in the new store plan. A store that cares about its customers, enough to invest in whatever will make it better.

By the way, for those of you who like the numbers as crunchy as possible, here are some to think about. Listen to the retail and financial analysts next time they evaluate a retail stock. See how chains get scored based on how recently they've been renovated or on how many stores have been redone versus chains the analysts see as shopworn and old. They've seen the value of renovation all along.



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Exterior of Building



The exterior of the building is the first thing seen. It should be easily identifiable by the customer; such as Walgreen's, CVS, & Happy Harry's.

Questions:

1. What material will be used for the exterior.
Brick – Stucco – Wood – Other.
2. What type of roof will you use.
Flat – Pitched.
3. Where will the outside equipment be located.
Air conditioner, roof or ground – condenser or generator
4. What are the outside plumbing requirements
5. Where will the front door be located
6. Do you need a vestibule for the front door.
7. What type of doors will you use.
In/Out – Automatic
8. Where will the front windows be located, if any.
9. Where will the rear door be located.
10. Is a raised loading dock required.
11. Where will the outside lighting on the building be located.
12. What type of outdoor signage will you use.
Logo – Letters.
13. Will the surrounding area be lighted.
14. What is the amount of parking spaces required.
15. Will there be drive through service.

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Interior of Building



The buildings interior should provide a comfortable shopping environment for the customer. This is done with color, lighting, and materials of construction.

Questions:

1. What types of flooring will be used.
2. What type of ceiling will be used, and what height.
3. What type of general lighting will be used.
Strip – Lay in
4. What type of accent lighting will be used.
5. Where will the power box & controls be located.
6. Where will the lavatories be located. How many do you need, and what size do they need to be. Do some lavatories need to meet ADA requirements
7. Where will the plumbing be located.
8. Where will the partition walls be located.
9. Where will the stock room be located, and what size is needed.
10. Where will the office(s) be located, if needed.
11. Where will the break/lunch room be located, if needed.
12. Are there any other necessary areas that need to be located.
13. Will any areas of the store be on a platform.
Pharmacy – Manager's office.
14. Will a soffit be dropped over the pharmacy department – change in lighting.
15. Where will the lines/conduit be located for computers and registers.
16. Will there be a sound system for announcements &/or music.
17. What type of décor/signage & ambiance will be used.
18. Will there be an outside buzzer/bell to ring for deliveries.
19. Will the interior coolers be remote or self contained, if any.

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Retail Area



The retail area should be designed so you can control your customers' traffic patterns to gain "four corner penetration." Placement of the "pulling departments" is very important since approximately 40-60% of all sales are impulse, exposing the most customers to the most merchandise is paramount. Front checkouts should be used to allow customers to "buy" all the way out and control pilferage. The décor, signing, and ambiance should reflect the store's image.

Stores in the U.S. from 1,000 to 18,000 square feet all have controls of some kind. They use lots of wire, shelf talkers, and slanted shelves. Most stores of this size are well stocked, well organized, and well faced. Shelves are full of merchandise that customers want to buy, which insures the maximum amount of turnover. Anything that does not sell, does not stay!

A few selected demand items for special customers need to be carried. These size stores should offer good customer service, but when the clerk is not waiting on customers, they should be keeping the merchandise on the shelves well stocked and straight!

Questions:

1. What will be the store's hours of operation.
2. What will be the merchandise mix. Merchandise mix will help determine the general layout.
3. How many employees to work the store.
4. N/A
5. Will you have security type merchandise, such as cosmetics, electronics, jewelry.
6. Is a bag drop/security counter needed.
7. Are other security devices needed, such as turnstiles or electronics security systems.
8. Will you carry greeting cards & magazines/books.
9. Will there be any leased out departments.
10. What products or services that is unique to the area will be in the store.
11. What height do you like for your gondolas. In the U.S., 54"h to 66"h is common.
12. Do you plan on having the manager's office elevated up front, or at the rear of the store.
13. How much stock/storage space is required. Do you need a special area for marking/pricing merchandise.
14. Do you need a break area/lunch room for employees.
15. Do you need a play area for children while their parents shop.

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Prescription Department



The prescription department should create the impression of professionalism. It should be highlighted in some way, such as with lighting, signing, architectural elements.

The floor plan of this department is very important. A proper layout makes the work flow move fast and efficiently. Each pharmacist needs a minimum of 8 feet of working counter for filling regular prescriptions.

Questions:

1. How many projected scripts per day.
2. Do you need a separate area for compounding.
3. Do you need office space for the pharmacists.
4. Do you need a clean room for I.V.'s
5. Will there be a drive up window.
6. Does the prescription area need to be glass enclosed.
7. Do you need unit-dose/blister pack work stations for nursing homes & hospitals.
8. Do you need a buffer counter between the customers & pharmacists.
9. Do you need a separate lavatory for the prescription area.
10. How do you plan on handling the consultation services
Quick consultation counter – Private room (this could double for blood pressure & glucose screening).
11. Will you have delivery services.
12. What size waiting area do you need, and do you need the following: Space for literature, blood pressure machine, computerized info center, videos, coffee.
13. Will there be third party payment/assistance.
14. How do you plan on handling prescription drop off/pick up.
15. Will you be using a tele-fill type system for new & refill prescriptions
16. Do you have, or are you planning on installing a robotic system.

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