

Two Different Games: Independent owner-operator service & a data-driven core range vs corporate models

A comparison for pharmacy owners, staff, and suppliers

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The Strategic Choice

Independent community pharmacy does not win by becoming a smaller version of a corporate pharmacy. It wins by being something those models cannot be: a disciplined, data-led health retailer wrapped around a trusted clinical relationship.

This handout contrasts the two approaches to help you explain your strategic direction to staff and suppliers.

The Unichem and Life Pharmacy Paradox

Unichem and Life pharmacies sit under the corporate Green Cross Health umbrella and represent a middle ground - branded as local health destinations but structurally driven by central buying, national supplier deals, and head-office marketing targets.

While individual pharmacists may deliver excellent care, the business model often pulls them toward price and promotion to hit corporate KPIs. They struggle with the same tension: trying to be local and clinical while operating within a template designed for scale and margin extraction to satisfy shareholders.

The IPG's data-driven core-range model avoids this conflict entirely. You control the space, the inventory, and the service mix. Decisions are driven by your local data and your clinical vision, not a national supplier-funded corporation.

What This Means in Practice

For Staff Conversations:

"Why are we reducing our range?"

"We're not reducing choice for customers - we're reducing confusion, clutter and waste. We're keeping the proven best-sellers and clearing the slow-movers that tie up our money and make it harder to keep top products in stock. This makes your job easier and gives customers faster, clearer answers."

"But Chemist Warehouse has everything!"

"And they need to, because 'everything' is their brand. Our brand is being the best local health professional. That means a smart, curated range that supports our clinical work, not a warehouse trying to compete on price with every other discounter."

For Supplier Conversations:

"Why won't you range our new line?"

"Every new product must pass our Core Range Decision Flowchart. If it's not doing a different job from what we already stock, not a proven best-seller or up-and-comer, and not offering clearly better margin, efficacy, or promotional opportunity, we won't add it. We're protecting our capital and shelf space for products our customers actually ask for."

"But the chains are all ranging it!"

"The chains range everything because they can afford to and because their model depends on visible choice. Our model depends on expert advice and a range our staff can confidently recommend. If your product becomes a proven winner in the market, we'll reconsider - but we're not taking a punt on every new SKU."

The Bottom Line: Two Different Games

Corporate Discount Pharmacy Game	Core Range Independent Pharmacy Game
Win on price and range	Win on trust and expertise
Cheapest warehouse	Most trusted clinic
High volume, thin margin	Sustainable margin, quality transactions
Controlled by head office	Controlled by owner using local data
Customers chase specials	Patients seek advice
Commoditised and vulnerable	Differentiated and future-proofed

Your Strategic Position

Independent pharmacy wins by being disciplined, data-led, and different. You don't have to beat Chemist Warehouse at their game - you change the game entirely. Focus on core healthcare, cut the clutter, invest the savings in clinical and retail services and consulting rooms, and build the customer experience and local relationships that corporates cannot copy.

That's how you stand apart rather than being squeezed between corporates at both ends.

Key Messages for Your Team

- We are choosing to be **different**, not cheaper
 - Our range is **curated by data and clinical purpose**, not supplier catalogues
 - Every product on our shelves has **earned its place**
 - We're investing freed capital into **services, people, and premises**
 - Our reputation rests on **expert service and advice and continuity of care**, not price points
 - This strategy **protects our business and your jobs** in a changing landscape
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Key Messages for Your Suppliers

- We use a rigorous **Core Range Decision Flowchart** - new products must pass clear tests
- We prioritise **proven best-sellers and strategic partnerships**, not speculative ranging
- We measure **GMROI, stock turn, and dead stock** - poor performers are cleared quickly
- We're open to **promotional opportunities with key suppliers** that align with our OTC formulary
- We're focused on **long-term profitability**, not short-term rebate chasing
- Partner with us on **clinical education and service support**, not just product push