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## Bruno's To Close 22 In-Store Pharmacies

By DAN ALAIMO

**BIRMINGHAM, Ala.** — Bruno's Supermarkets is closing 22 of its 40 in-store pharmacies, said Kent Moore, president and chief executive officer.

The pharmacies are in Bruno's and Food World locations here, Mobile and Montgomery, Ala., as well as in the Florida Panhandle. Inventory and prescription records will be sold to CVS/pharmacy, Woonsocket, R.I., he added.

"We are closing these pharmacies because of their consistently low performance over the last several years and the lack of prospect for turning them around," Moore said.

"Many factors contributed to our decision to close these pharmacies, including the changing landscape of pharmacy services," Moore told SN. "But this business decision in no way takes us out of the pharmacy business. With 18 strong and profitable in-store pharmacies, we have a model that works and will be considered for any future plans."

"I have been to many of Bruno's stores in several of their home market areas over the last couple of years and, as with other chains, they have had some low-volume pharmacies that were unprofitable, particularly in lower-volume stores," said Robert Gorland, vice president, Matthew P. Casey & Associates, Harrisburg, Pa. The company specializes in supermarket and pharmacy feasibility studies. "To me it's a very prudent move, because if it is a low-volume store, the pharmacy could be a major detriment to the bottom line."

In the short term, the revenue potential from selling

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the prescription records can be "enormous," he said. Such files are being sold in many areas for about \$520 per prescription, or \$260,000 if 500 files are transferred from one store, Gorland said.

"There are a lot of very successful chains and stores out there that do not have a pharmacy. It is not like closing a deli," he said. The fierce scope of pharmacy competition will force more chains to decide whether to close pharmacies, or

commit more resources to make them profitable, he noted.

On the other hand, there are thousands of profitable supermarket pharmacies. "Some chains are much more aggressive about marketing their pharmacies to make them profitable, whether it be by direct mail, in-store promotions or visits to nursing homes," he said.

Bruce Kneeland, a pharmacy industry consultant with Pharmacy Connections, Royersford, Pa., commented:

"As I travel around and observe the supermarket pharmacy industry, I am disappointed to see that far too many pharmacies are not fully integrated into the total supermarket experience." As extreme examples, he mentioned stores where customer-service people don't even know the pharmacy hours, or where the pharmacist's photo is not on the wall along with other department heads.

"Trying to measure the financial success of a pharmacy from simply the profit on the

prescriptions is not, in my opinion, the right metric. Nor is directing your pharmacists' knowledge and customer-

support role almost solely to prescriptions the best use of this health care professional," Kneeland said. Sales of over-the-counter remedies, as well as food items, can be increased with the involvement of the pharmacist, he said.

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**KENT MOORE**  
*president and CEO, Bruno's Supermarkets*