

What do you think about opening a coffee shop?

A week doesn't go by without someone asking for my opinion on opening a coffee shop. Here is a list of other ideas that people have tossed at me: opening a card shop, gift shop, cupcake/bake shop, candy store, toy store, deli, massage parlor, nail salon, grocery store, post office substation, and anything that ends in "spa." Whether searching for an additional source of revenue or simply trying to utilize unused floor space, some basic questions have to be asked. I'm not trying to rain on your parade; I'm simply trying to remove some of the clouds.

The most popular reason that I am hearing for considering a new business is, "The only one in town has closed." The word closed is a red flag, while the phrase for sale at least offers hope. If you hear "closed," then you have to ask yourself what went wrong, and can you avoid the pitfalls that caused the original business to shutter. Here's the question to ask: "What happened and why?" Saying "the old owners just got tired of running the business" is not a real answer. Prior owners like to sell, not simply close.

Do you have any knowledge, experience, or at least passion for this new enterprise? How much of your time will be needed to get this business up, running, and profitable? Can you afford to take that time away from your pharmacy? If your key employee in this new business cannot come to work for three days in a row, can you easily cover the position? I'm thinking barista, baker, buyer, masseuse, or manicurist.

Some issues to consider often go overlooked. Do you have a clear understanding of how much you have to gross to make a respectable net profit? For example, how many cups of coffee do you have to sell a day to afford the space? Then there is knowing the cost of installing plumbing, electricity, a separate entrance, equipment, marketing, utilities, supplies, and employee salaries. Is there a franchise fee or a contract obligation? Don't forget the permits that are required! Fill in the blank: I need to sell ___ cups a day, six days a week to make a respectable profit.

Thinking of a post office substation, a drop-off spot for dry cleaning, or selling lottery tickets? Here is the one detail that most forget to think about: How will this new enterprise affect the parking situation for your pharmacy?

There are other options to fill space or create additional revenue. Consider remodeling to provide an even better and more inviting atmosphere in your store. You could open up aisle space or add a fitting room. Make room for niche lines such as wound care. Create a "leg health department" with compression stockings and orthotic insoles, and diabetes care selections. Expand your skin care section, consider a line of therapeutic teas, look into a pet health line, or create a natural product department that includes health and wellness items. Explore the possibilities of offering a weight control program. Most importantly, make sure you or someone on your staff have a passion for your next endeavor.