

## **MOTO DRUG STORE**

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Everywhere people get sick or have a condition that requires medication and hence, this presents an opportunity to be able to provide a valuable service to the community while being able to earn a living.

In Kenya, it's the law that we can only operate a chemist business if we have training and knowledge of drugs. So we need to have a certification that is in the medical field or partner with someone who has the relevant papers.

Once the certification is as required then we can request the pharmacy and poisons board in writing for the required license.

To apply for the license from the pharmacy and poisons board can be registered in three forms:

As a partnership, especially if we the entrepreneur does not have the required medical certification.

As a sole proprietorship

As a limited company.

This documentation will be handed in together with the other requirements when applying for the pharmacy and poisons board licenses.

### **Requirements to start a chemist business in Kenya**

The application to start the pharmacy will be forwarded to the pharmacy and poisons board together with the academic papers and forms 27 which are the application papers for the annual practice license.

Form 4 for application of the registration of premises and annex 1 which is a private questionnaire designated for premises to be run by a pharmacist.

This will be accompanied by the floor plans of the chemist and the lab technology if any within the premises.

The premise construction should be permanent.

There should be basic equipment like a refrigerator weighing machine and measuring cylinders

### **Cost of starting**

It so happens that before the pharmacy and poisons board approves the request to operate a chemist business in Kenya we need to have a minimum of Ksh.650,000 as start-up capital for the chemist business.

We will also need to do interior works on the shop to install shelves for displaying medicines

### **Starting costs**

<b>Annual practicing licence</b>	<b>Ksh.3,500</b>
<b>Premises registration</b>	<b>Ksh.7,000</b>
<b>Wholesale dealers licences</b>	<b>Ksh.7,000</b>
<b>Trading licence</b>	<b>Ksh.15,000</b>
<b>Rent (3 months)</b>	<b>Ksh.30,000</b>
<b>Electricity and Water</b>	<b>Ksh.3,500</b>
<b>Fridge</b>	<b>Ksh.35,000</b>
<b>Weighing machine</b>	<b>Ksh.6,000</b>
<b>Cost of Interiors</b>	<b>Ksh.70,000</b>
<b>Stock deposit (minimum)</b>	<b>Ksh.500,000</b>
	<b>TOTAL Ksh.677,000</b>

There are also areas that we will be required to pay goodwill and this is set to raise the start-up cost higher.

### **The target market**

A chemist should be set up in a developing area or an area that is highly populated and is quickly developing with new buildings being built and more people relocating to the area.

There should also be new single homestead homes being built in the area and there shouldn't be much stiff neck competition.

Also, we can locate the chemist near a hospital so that once patients get prescriptions in the hospitals around us, they can visit the chemist to buy the drugs.

### **Initial capital**

The start-up capital required to start a chemist business which will also be a wholesale pharmacy will be from Ksh.650,000 to Ksh.800,000.

The board allows for a minimum of Ksh.550,000 to approve the license and operation requirements.

The drugs can be purchased from the factories in Nairobi. Factories like Medisel and Ben med.

The chemist will make requests from the factories and the medicine will be delivered to their premises or we can arrange to pick from the factories and transport to the premises for sale.

While stocking, it is important to start by stock drugs that do not need a prescription from the doctor. Those that need prescription can be stocked later depending on the availability of capital as the business goes by.

Drugs like anti-malarial drugs, antibiotics, and cough syrups ensure a steady flow of income as the business continues to pick up.

### **Profit margin**

Pharmacy business can generate good income especially if it has been set up in an area that has got high traffic flow and availability of a range of drugs that are sold in the chemist such that when the customers come to the shop they always find whatever drugs they have sorted out to find.

All factors put into place the business generates from between Ksh.2,000 to Ksh.20,000 or more as profit daily depending on the size and location.

This could mean that the investor could get a return on investment within a very short

time of setting up the chemist business.

A chemist can also be run concurrently with a money transfer platform e.g Mpesa, Equity agent e.t.c that will increase the profit margin that the business achieves.

### **Final word**

Being in good health is generally what we always hope for but unfortunately, some people are not able to enjoy this due to accidents or to other causes that eventually cause health problems.

Due to gene mutations and other causes of life, some people require over-the-counter prescriptions like vitamin supplements and others to be able to live a healthy life.