

EXECUTIVE SUMMARY

CASE STUDY: STAND-ALONE PHARMACY

Optimization of Pharmacy Operations using **Automatic Distributed Vending System**

A-pharmacy™

Patent No. US 8,028,822

Automatic Distributed Vending System

Patent Pending No. US 13,335,954

**Optimization of Pharmacy Operations using
Automatic Distributed Vending System**

REV 2

December 14, 2013

LISTED DRAWINGS, ART – ARE NOT TO SCALE, AND FOR ILLUSTRATION PURPOSES ONLY.

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The CASE study is based on applying patented **ADVS-pharmacy™** technologies to optimize operation of a stand-alone pharmacy. For simplicity – a small town is selected, where there are two independent pharmacies serve the local community.

The pharmacy in this study will have only one pharmacy in the location. While reviewing the estimated data, it is important to underline that as at time of preparing this document, outside of patented **ADVS-pharmacy™** technology, there is no cost-effective technology available, which would allow a pharmacy to serve CUSTOMERS at such great speed and convenience, and guarantee the service to comply with 100% of quality medications in respect to specifications.

Service Locations	Average Distance	Prescriptions Daily	Customers Serviced at once	24-hrs Locations	Average Distance
1	12 mi	400	1	0	N/A

Table 1 – Existing parameters

Application of ADVS technologies will take place in two phases.

PHASE 1. INTRODUCTION of new technology will require an investment of \$68K within 1 year period to purchase and install the following ADVS equipment:

ADVS-pharmacy™ (based on 3 **AVM-200**). 1 independent location.

Specifications: re-configured existing pharmacy; on-site prescription processing and loading into Automatic Vending Modules (**AVM**) for direct dispensing to authorized CUSTOMERS; automatic dispensing of medications with 100% guaranteed compliance to specifications; service rates of up to 3 CUSTOMERS at once; dispensing rate per Customer - up to 10 medications in 15 seconds; 24-hours on-site dispensing to authorized CUSTOMES with 100% guaranteed quality, supported by **ADVS-pharmacy.connect™** real-time video/voice assistance; delivery of processed prescriptions to one remote location **ADVS-pharmacy.kiosk™** (below) via **ADVS-pharmacy.mobile™**.

NOTE: One **AVM-200** at the Pharmacy is configured to retain and dispense medications which require continuous refrigeration.

ADVS-pharmacy.kiosk™ (based on 1 **AVM-200**). 1 independent location.

Specifications: service rate - 1 CUSTOMER; dispensing rate up to 10 medications in 15 seconds; 24-hours on-site dispensing to authorized CUSTOMES with 100% guaranteed quality, supported by **ADVS-pharmacy.connect™** real-time video/voice assistance. Installations include: selected grocery stores, health care facilities, and other strategic locations with an opportunity to expand business.

Services Locations	Average Distance	Prescriptions Daily	Customer Serviced at once	24-hrs Locations	Average Distance	Dispensing Cost Savings
2	8 mi	430 total	4 total	2	8 mi	\$0.75 average
2 times higher	40% lower	8% higher	4 times higher	New feature	New feature	Annual Savings \$101K

Table 2 – PHASE 1, Enhanced parameters after introduction of ADVS vs. Table 1

PHASE 2. CONVERSION to new technology will require an additional investment of \$46K within 1 year period to purchase and install the following **ADVS** equipment:

ADVS-pharmacy.kiosk™ (total 3, each based on 1 **AVM-200**). 3 independent locations.
 Specifications: same, as listed in Phase 1.

As result, the converted **ADVS-pharmacy™**, in addition to the main pharmacy, will be supporting 4 independent **ADVS-pharmacy.kiosk™** via **ADVS-pharmacy.mobile™**.

Services Locations	Average Distance	Prescriptions Daily	Customers Serviced at once	24-hrs Locations	Average Distance	Dispensing Cost Savings
5	5	520 total	7 total	5	5 mi	\$1.00 average
5 times increase	2+ times lower	30% higher	7 times higher	New feature	New feature	Annual Savings \$163K

Table 3 – Enhanced parameters after conversion to ADVS vs. Table 1

In summary, it will require a stand-alone Pharmacy to investment \$114K over a period of 2 years to implement conversion of the existing pharmacy to patented **ADVS-pharmacy™** technology, and attain the following benefits for the owner of the Pharmacy and its CUSTOMERS:

1. Create balanced operating environment, with adequate support for qualified Pharmacist and support personnel to perform at their best, practically eliminating risks of mistakes
2. Meet Government regulations, including full accountability for all prescriptions, and compliance to specifications for raw materials (safety, environment)
3. Increase SERVICE locations 5 times, while lowering the distance between them by 2 times
4. Provide medications with 100% quality, guaranteed in writing
5. Introduce 24 hour operated locations at 5 independent locations within 5 miles each
6. Expand business presence at new locations with expected demand for medications (health facilities, grocery stores, retail stores, etc.), and attract new CUSTOMERS by providing convenient 24 hour services with significant reduction in wait times, and on-site real-time assistance via **ADVS-pharmacy.connect™**
7. Attract new CUSTOMERS by providing only **100% Factory-sealed QUALITY™** medications at convenient locations, via **ADVS-pharmacy.mobile™**, which will also allow for a reasonable fee, delivering medications to individual CUSTOMERS at their homes, care facilities, etc.

All of the above, plus potential annual savings of nearly \$264K, will make the investment into **ADVS-pharmacy™** technology pay for itself within 1 year after full deployment. Utilization of patented **ADVS-pharmacy™** technologies by a stand-alone Pharmacy, as described above, will also strengthen the competitive position of the Pharmacy within the service community.

The ownership of the Pharmacy, once experienced with the benefits, would be wise to re-invest and expand business based on ADVS, generating profitable growth, and outperforming other stand-alone and franchise pharmacies without ADVS.