

**ESTABLISHMENT OF A SMALL BUSINESS – PHARMACY
AT A DEPRESSED AREA
IN GREECE**

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ABSTRACT

In the economical crisis that the country of Greece is going through, the unemployment of young people is very high. So the young ones try different ways to find a job and one of them is to establish their own small business. In order to do that, they have to take some important decisions so that the business can operate.

In this particular research, we focused on explaining the steps that young people have to follow in order to establish a new business and especially a pharmacy. More specifically, there will be an explanation of the important factors that young people have to take into consideration in the establishment of a new business.

Firstly, those who try to establish a new business should know what type of business they will run and depending on the type, they should focus on selecting the right location for their business. This research will analyze the types of businesses in general and then focus on the types pharmacy.

Furthermore, this research analyze the different types of legal structure that the businesses have according to the Greek Law. What types of legal structure are available to the people, the conditions for the establishment of each type and lastly the key features of each legal entity.

Another factor that will be analyzed in this research is the selection of the personal. The employees are responsible for the customers, so their selection is very important. There will be a report in the procedure of the selection of the personal. There will also be an job description for both a pharmacist and the assistants. There will be a reference to additional personal that the pharmacy has to use.

However, a business cannot operate without any money. That is why there will be chapter for the financing of the business. There will be an analysis for the ways of funding a business as well as a business plan for a pharmacy. Moreover, there will be an analysis of the competition that the pharmacies face as well as the market strategy, the different segments of the customers and the sales forecast

Finally, this research will present the data that was accumulated by the questionnaires from the owners of pharmacies. The results will be analyzed and discussed as they are the opinions of the owners of operating pharmacies. The results will show the preferences for the factor that were analyzed above.

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Chapter one : Introduction

1.0 INTRODUCTION

In the modern technological area, there is an economically crisis that leads many people to unemployment. Especially the young people have the highest unemployment rate. This rate is even higher in the depressed areas. By the depressed areas we mean the areas that are remoted areas, areas that are far from urban centers, not easily access and no transportation. In this time of crisis, one way for the young people to escape unemployment is to establish a small business. However, the establishment of a new business has many factor that affect the operation of the business. In this report, there will be specialized for the establishment of a small business – pharmacy.

There will be an extensive report to the factor that affect the establishment of a small business. The choice of the location of the establishment of the business is one of those factors. The location of a business is very important because if there are no customers for the business, then there is no profit. Also the selection of the legal form of the business as well as the ways of financing a business. This way, the owner will know what obligations there are to the country. There will also be an analysis on the competition of the pharmacies, their target customers and a forecast of the sales. Pharmacies usually need the pharmacist as well as the pharmacist assistants in order to operate. However, the services of some professionals, outside the pharmacy, are needed too.

Moreover, there are some data collected from the questionnaires that was answered from pharmacies. Those results are reflecting the opinion of operating pharmacies for each of the factors that will be analyzed.

1.1 PURPOSE OF THE STUDY

The purpose of this study is to identify and examine all the parameters in establishing a new small business -pharmacy in Greece. This research will analyze important facts for the choice of the location. More specifically, there will be an analysis of types of businesses and factors that help in choice of the appropriate location.

Furthermore, there will be an analysis of the possible legal structure that the owners of the company should choose. The conditions of establishment as well as the key features for each type of entity.

There will be an analysis about the selection of personal for a pharmacy and the job descriptions for each job. Also there will be a reference to the professionals that the pharmacy requires occasionally. Moreover, there will be an extensive financial analysis. There will be an report on the ways that a owner can find ways to finance the business. Also there will be a business plan about a small business – pharmacy. There will also be an analysis of the competition and marketing.

Finally, there will be an analysis of the results that was collected from the questionnaire and a discussion of the results. The questions are focused on the above factors and specifically to the pharmacies.

1.2 MOTIVATION

The main reason for choosing this subject, is that I personally am a licensed pharmacist that does not have a business on his own. This topic will help me and the other young pharmacist to understand the factors that play a major role in the establishment of a pharmacy. It will also help in programming what kind of legal structure the business will have and how to select skilled employees. Moreover, it will help to understand the market and its competitors. Lastly it will be important to create a business plan like the one on the paper in order to finance the business and the money necessary for the business. All this will help the young people before starting a new business to understand what is necessary in order to operate correctly.

1.3 METHODOLOGY

In the attempt to obtain information for this study, a research on literature was needed. That includes books, publications, journals and documents that covered and analyzed several aspects on the topic. However, in order to verify the facts and the views of the owners of pharmacies, a questionnaire was developed and a sample was collected that was showing the opinion of the owners of pharmacies.

Firstly, there will be a primary research from the literature about our topics that this research covers. Later there will be a secondary research with a questionnaire that will help to collect data to support the results from the literature. Those data will also be analyzed as they are data collected from the opinions of the pharmacists.

There are two types of questions the opened and closed ones. The open questions is that usually need long answer in order to achieve the requested answer while the closed ones involve small answers which usually is a single word. The answers of the questionnaire will be analyzed with the usage of SPSS a program for statistic analysis. Moreover, there will be calculated the minimum and the maximum for each variable, the mean of each variable, the standard deviation and the correlation. The mathematical formulas are the following :

Mean of a sample $x_1, x_2, \dots, x_n$ is the sum of the sampled values divided by the number of items in the sample :

$$\bar{x} = \frac{x_1 + x_2 + \dots + x_n}{n}$$

Standard Deviation measures the amount of variation or dispersion from the average :

$$s_N = \sqrt{\frac{1}{N} \sum_{i=1}^N (x_i - \bar{x})^2}$$

where $\{x_1, x_2, \dots, x_n\}$ are the observed values of the sample items and $\bar{x}$ is the mean value of these observations, while the denominator N stands for the size of the sample.

The statistical correlation is measured by what is called coefficient of correlation (r). its numerical

value ranges from +1.0 to -1.0. It gives us an indication of the strength of relationship. In general, $r > 0$ indicates positive relationship, $r < 0$ indicates negative relationship while $r = 0$ indicates no relationship (or that the variables are independent and not related). Here $r = +1.0$ describes a perfect positive correlation and $r = -1.0$ describes a perfect negative correlation.

Internet was a very useful tool in the research and was greatly used in order to obtain access to information. In this regard as a primary tool, search engines such as Google were used, and when the particular literature was reached, the usage of the university library services were utilized as necessary. Also, subscriptions to online library services were obtained.

1.4 CHAPTERS

The chapters in which this work is divided are thereafter listed, and briefly outlined.

Chapter 1 : Has a brief introduction on the topics that will be analyzed on the paper. It also has the purpose of the study and the reason why this topic was chosen. Lastly, there a analysis of the methodology used.

Chapter 2 : A review of the relevant topics of the literature that was used on the paper.

Chapter 3: The types of business available and the right choice of location for the establishment of a business. Retail businesses, Wholesalers and Manufacturers, and lastly the service businesses. Virtual location. And more specific qualities required for a pharmacy.

Chapter 4: The types of legal structure of the businesses. The conditions of establishment and the key factor for each legal entity.

Chapter 5: The procedure of selection of personal for the businesses, the job descriptions for the pharmacist and pharmacist assistant. There will be a report about the additional personal that the pharmacy can use such as an accountant, a lawyer and a consultant.

Chapter 6: there will be an analysis of market and a market strategy. There will also be a analysis of the competition and the competitive advantage. Lastly, there will be a sales strategy and the sales forecast for the period of 3 years.

Chapter 7: There will be an analysis of the ways of funding a small business and an business plan for a pharmacy. There will be calculated the break-even point, the profits and losses as well as the cash flow and the balance sheet for a pharmacy for the period of 3 years.

Chapter 8: In this chapter there will be an analysis of the results of the questionnaires and the calculation of the mean, standard deviation and the correlation between the different variables. Those results are the opinion of the pharmacists that already have operating pharmacies.

Chapter 9: In this chapter there will be a summary of the paper and a conclusion concerning the subjects that were analyzed at the paper. Moreover, there will be mentioned the limitations of the study and suggestions for further research.

Chapter two : Literature Review

2.0 Introduction

In this chapter there will be an extensive analysis of the literature that was used in this paper as well as reports concerning to what extent some topics were researched.

2.1 Literature Review Part 1

There are many reports about the factor of the topic. Some of them were specialized in for pharmacies too. In many countries, there is a restriction in opening a pharmacy. There are papers that investigate how pharmacies are positioned in the city area and analyzes the role of some factors relevant for gaining access to pharmacy services and competition. Some of the findings are that the pharmacies all over the city area is unbalanced. The number of residents in the surroundings is not a main determinant of location. In spite of the availability of competing outlets nearby, pharmacies tend to be situated in areas attracting visitors as part of the working and travel circuits. This contributes to good access to the extent to which consumers can easily get to the pharmacy from the doctor's office as well as from work or shopping. However, while multiple outlets are available in the areas offering better business opportunities, the other parts of the municipal district are often unsupplied. As a result, accessibility within the city area is not the same for all residents. Several aspects of the overall pharmacy market regulation prove unsuited for opposing this pattern of location.(ALFIA MANGANO, 2010).

2.2 Literature Review Part 2

Because of the rapidly changing business environment, the businesses has to find ways to continuously improve their operations. So they focus of re-engineering the processes of a business. The re-engineering is focused on improving the quality of products, services, customer service (John Wiley & Sons, 1998).

There are also studies that the investigate how the differences in ownership form affect managerial incentives and competitive pricing in different oligopolistic contexts (Govert Vroom, 2007).

2.3 Literature Review Part 3

There are many textbooks about small businesses. Some of those analyze the steps in order to start a small business and the factors that are necessary for the success of the business. They provide the options of starting a new business, buying an existing business or buying a franchise, becoming a social entrepreneur or even inventing a product. They mention the procedures of naming the company, developing the company's logo and designing the business cards. They also analyze the proprietary rights such as copyrights, trademarks and patents.

They analyze the factors of choosing the business location. They mention the different types of existing businesses and the virtual location and the requirements of each type of the choice of the

location and how to make the final decision.

Also they analyze the different types of legal entities such as sole proprietor, corporate business, general partnership, limited partnership, limited companies and limited liability companies. How to change the legal structure and the advantages and disadvantages of each type. The procedure of getting a license for the business and the registration of the business to the State Archives.

Another factor is the usage of the internet for communicating with the customers, or even establishing and operating an online business.

They analyze the methods of financing the business with debt financing or Equity financing and which method is less costly. They help to determinate if there is a need for additional funding and when . How to keep the books of the business and what kind of records should be kept. How to control the cash flow. And how to develop a marketing plan. They also analyze methods for planning the personal insurance of the owner.

Chapter three : Location Choice

3.0 Introduction

A very important role in the success of a business, is the established location of the business. At the passed years, most of the businesses were established at a commercial location. However, due to the today's technological world, the establishment of a business become more complicated. It is a process of thinking about the business and its particular needs for dealing most effectively with its customers (L.Pinson, 2006).

Firstly, we should take a closer look at the types of businesses that exist and the way that the location will support the needs of the customers. There are generally three types of businesses :
i)Retail stores, ii) Wholesalers and manufacturers and iii) Service businesses (L.Pinson, 2006).

3.1 Retail Stores

Retail Store are the businesses that sell goods and services to the end users, not for resale, but for use and consumption by the purchaser. If you are planning to open a retail store, the business has to be easily accessible by the customers. So the priority is to find a location available and frequented by customers that are likely to purchase the products of the business. That means that depending on the type of the products that the business will sell on the store, the owner has to choose a different location where there will be customers to buy the products.

In the case that the owner buys an existing retail business, the business will already have a location. In this case, the owner should determine how profitable is the current location to the business. The owner should first come to an agreement with the landlord for the rent and then enter into it. This process will most likely require the knowledge of an attorney, so that any issues can be resolved ahead of time. (L.Pinson, 2006)

In the event where the owner start a new retail business, the choice of the location of the business is very important. If there are no customers entering the store, then the products cannot be sold irrespective of their quality. In this case, the owner must find the needs of the business and then start looking for the right property. When looking for the property, it is wise to look for business brokers who specialize in finding available properties and helping to negotiate a lease agreement.

Moreover, there is the possibility to buy a retail franchise, the buyer should have already evaluated the franchise in terms of the concept and product. After that, they should look for an appropriate location, which should be visible to the flow of traffic and have easy access for our customers convenience. The franchisor will also control the area where the business will operate and will most likely help to the decision for the location and will help negotiate the terms of the agreement.(L.Pinson, 2006)

3.2 Wholesalers and Manufacturers

The wholesalers and manufacturers sell their products in large quantities (at a discount) to retailers who in turn sell those products to their customers. Thus, the choice of the location should not be driven by the consumer market. In this case, before choosing the location of establishment, the owners should consider some points that are necessary for the operation of the business.

Firstly, they must consider what type of product they will manufacture and with what operational procedure. After that they should consider the total square footage required for the company to operate. They should find the available choices for the business and they should calculate the cost per square foot of the available locations(L.Pinson, 2006).

Moreover, they should consider if the products can be easily distributed from the specific location to the customers (retailers) and if the location is suitable for manufacturing. Lastly, it is very important to find if they can get all the permits in order to legally operate the business in the specific location. Most likely, this procedure will require the assistance of a broker for finding the location and an attorney in order to check if they can get all the permits and so that there will be no issues later.

3.3 Service Businesses

The service businesses have a different nature compared to the other types of businesses and because of that, there are some options regarding the choice of the location. The location can be the place where the customers will be served or it may be used only for administrative purposes. Of course it can also be used for both reasons.

There are many service businesses that are wholly depend on being able to serve their customers at their location. Businesses like that are usually medical offices, beauty salons, shoe and jewelry repair shops, dry cleaners, day care facilities and professional (legal and accounting) practices. Although some of those businesses could legally operate from a home location, they might have a commercial location to be perceived as more credible and high-end by their customers(L.Pinson, 2006).

Cases like those, should be considered the same as those of a retail business. The location should be easily accessible to the customer, especially if the clients use the service only when the occasion arises and the business is dependent on consistently attracting new customers.

In the occasion that the location will be used only for administrative purposes and no customer goes there, then it would be wise to consider a low-cost location that will adequately serve our business and that will not require extensive travel time to and from work.

Small service businesses can offer benefit by having their administrative offices at home. However, there are some restrictions regarding licensing an home-based business.

3.4 Virtual Location

As the technology continues to advance, another type of business location was created, the virtual location. This way many product and service businesses exist entirely on the internet and there are no limits to the ways that they operate.

Retailers put their products on their websites and use online marketing strategies to reach and sell to their target markets via shopping carts. Also affiliates set up web sites and sell other people's products without handling the merchandise. They merely advertise the product, take the order, and use the manufacturer for fulfillment (L.Pinson, 2006).

Virtual service professionals utilize company websites and email databases to simultaneously market their services and keep clients abreast of the latest industry information. Then they serve the customers via electronic communications, sometimes to never physically meeting face to face.

In the virtual locations, the customers only care for the product or service to fill their needs in term of quality and timing. Virtual locations have limitless opportunities and can be used not only from their homes but also from the smart phones and other communication devices.

3.5 Decision for the establishment location

As we can see from the above, in order to choose the location of the business, we have to consider the nature of the business, the target group (customers) and how the choice will affect the business's profitability. Some businesses require commercial locations while others can operate in non commercial locations. Also if the business grows or changes, we can re-evaluate the location needs. It is very important to make the best choices for the initial location needs. That will help us to get our company to the right direction.

3.6 Pharmacy

In our case, the business is a pharmacy (drug store) which is a service business. Customers usually go to the pharmacy to take their medications and some para-pharmaceutical products. So the business should be located, like the retail stores, to an easily accessible to the customers place.

Furthermore, there are some restrictions on the pharmacies by the law. There should be specific criteria so that a pharmacist can open a pharmacy in a specific location. Firstly, there is the population limit, which implicates that every one thousand people there is one pharmacy and another pharmacy can open when there are two thousand and one people (2001). Also there are some restrictions on the square meters of the store and how those are distributed.

Chapter four :Choice of Legal structure

4.0 Introduction

It is known that when a new business starts, the owner(s) must select its legal structure. Every business in the world has a legal entity and depending on the type of entity, each country behaves accordingly. In this chapter, there will be an analysis of the possible legal entities of the businesses, the conditions of establishment and the key features for each entity.

Generally, there are two types of legal entities i) Sole Proprietor /Individual business and ii) Corporate Businesses.

4.1 Sole Proprietor / Individual Business

When there is only one sole owner of an unincorporated business and if the sole owner is self-employed, then the owner is a sole proprietor or the business is an individual one. The sole proprietor reports his income, expenses and net profit from the business or profession on a schedule. There is no tax effect if money are transferred to or from the business. Also sole proprietors pay estimated income taxes to the Revenue Service on a quarterly basis based on the net earnings from the business and self-employment taxes usually monthly according to the insurance fund.

This form is especially prevalent. The main advantage of this legal entity, is the great flexibility in business decisions relating to the type of activity, the selection of the techniques and , to some extent, the size of the production. The benefits are substantial especially for small and medium-sized businesses, in which the personal supervision and initiative are crucial. Of course, when the nature of the work requires the development of a large size, then the corporate form of business is often the most appropriate.

4.2 Corporate Business

The corporate business owned by two or more individuals, partners, associated with a specific relationship, corporate, fixed according to the type of company. Basic forms of corporate business are: a general partnership, limited partnership, forming the partnerships and limited company and limited liability company which are the so-called capital companies.

4.2.a General Partnership (GP)

In general partnerships (GP) all the partners are jointly and severally liable with all their property for the activity and the company's debts. Further subject to detention when they are unable to repay their creditors.

In order to establish a general partnership, there must be at least two parties that will join or as the expression of the law indicates, obliged mutually to pursue a common purpose (Article 741, Civil Code). The founding members of the general partnership may be natural or legal persons. Individuals must be at least eighteen (18) years old (according to Article 127 of the Civil Code, as amended by Article 3 of N.1329/83). Minors in establishing a partnership is permitted only with judicial authorization.

The most important characteristics of the general partnership are the following :

- The partners of a GP are responsible with all their property for all obligations of the Company, with joint and several liability.
- After the dissolution of the company, the existing partners remain responsible for any company debts.
- The limited partnership does not need a notarized document in its compilation, instead a private contract is enough.

4.2.b In limited partnerships (EU)

In limited partnerships (EU) at least one partner (the ommorythmos) is responsible with all his property for the debts of the company and subject to imprisonment for non-repayment.

In order to establish a limited partnership business, there must be involved at least two parts or as the expression of the law indicates, obliged mutually to pursue a common purpose (Article 741, Civil Code). The founding members of the limited partnership may be natural or legal persons. Individuals must be at least eighteen (18) years old (according to Article 127 of the Civil Code, as amended by Article 3 of N.1329/83). Minors in establishing a partnership is permitted only with judicial authorization.

The most important points are the following

- The partners of the limited partnership fall into two categories : general partners and limited partners. The liability of general partners towards the creditors of the company are jointly and unlimited. The liability of limited partners is limited and can not exceed the amount of the contribution to the company.
- The limited partnership does not need a notarized document for set up, instead a private contract is enough.

4.3.c Limited companies / Societe Anonyme (SA)

In limited companies (SA), which is equity, each partner (shareholder) is solely responsible for its shareholding, ie the number of shares it has. Shareholders may participate in the election of management, in the formulation of general policy principles and profits, depending on the number of shares available. At a general meeting of shareholders, each shareholder has as many votes as there are shares held. In case of loss or bankruptcy is liable up to the amount paid for the shares, that is, in the worst case, the shares lose their value completely.

Establishing a public limited company must be involved at least two parties or the expression of the law in this chapter should be taken at least two founders (Article 8, Law 2190/20). The participation ratio of the founders is not defined.

The founding members of the limited liability company may be natural or legal persons. Individuals must be at least eighteen (18) years of age (according to Article 127 of the Civil Code, as amended by Article 3 of N.1329 / 83). Minors in establishing limited company is permitted only with judicial authorization.

The founding members of the limited liability company may be natural or legal persons. Individuals must be at least eighteen (18) years of age (according to Article 127 of the Civil Code, as amended by Article 3 of N.1329 / 83). Minors in establishing limited company is permitted only with judicial authorization.

Lower threshold for establishing generally limited company is sixty thousand (60000) euros and there are cases where the law requires a much larger amount of capital. Eg derived from the merger or conversion under the provisions of Decree 1297/72 and Law. 2166/93 limited companies must have a minimum share capital of 300000 euros. According to N.2842 / 2000, the minimum share capital for establishing SA defined by 1/1/2002 at 60.000 Euro. For existing companies provided the opportunity to continue to operate with 2.5% subordinated capital (ie. 58.500 Euro).

Key Features

The key features of the limited liability company are:

- The relatively large capital required for the establishment.
- The division of capital into equal shares, incorporated in the documents, shares
- Stringent conditions publicity at its inception and throughout the life of
- The long duration (usually 50 years)
- The limited liability of shareholders
- The majority voting
- The existence of two bodies, namely the General Meeting of Shareholders and the Board.

4.2.d Limited Liability Companies (LLC)

A Limited liability company (LLC) is an intermediate type between partnerships (OE and EE) and the limited liability company. The main feature of these companies is the small capital needed for their formation and limited liability of shareholders until the height of the deposited capital, as is the case with public companies, unlike partnerships.

According to Article 3 of N.3190 / 1955, the limited liability company is a commercial company, even though the purpose of this is not a commercial enterprise, and certain activities are prohibited, such as banking, insurance, brokerage, securities portfolio management, fund management funds, leasing, factoring, investment promotion and implementation of high-tech (only venture capital) and sporting activities.

Establishing a limited liability company requires capital which can not be less than 18000 euros. And should be paid in full at the signing of the Statute (Article 4 paragraph 1 of N.3190 / 1955 as replaced by the paragraph 3 of the arthr.11 N.2579 / 1998). At least half of this amount must be paid in cash. There is no limitation on the amount of capital. For existing companies provided the opportunity to continue to operate with 2.5% subordinated capital (ie. 17.550 Euro).

According to Article 43a of N.3190 / 1955 as amended by Article 2 of Decree 279/1993, Limited Liability Company may recommend a single person or an already-established EIA be converted to single-member. However, the single-LTD is void if the partner (natural or legal) that is recommended by the sole member of another single-EIA, or whether established by another single-EIA.

Key Features

- The division of capital into "units of participation" each of which consists of share.
- Specific terms of publicity at its inception and throughout the life
- The fixed duration (although the omission of the reference time is not a ground for invalidity of the company)
- The limited liability of shareholders
- The decision by a majority of more than half of the total number of partners, representing more than half of the total capital
- The existence of two bodies, namely the General Meeting of shareholders and the manager or managers.

4.3 Choice of legal form

The choice of the legal form of a business is not an easy decision. However, before taking a decision, the owners should take a closer look at the legal entities and at their personal situation. They should consider some factors like the size of the company, the number of the owners and their personal assets.

4.4 Pharmacy

As we mentioned above, the owners of a pharmacy as any business can be more than one person. However, the pharmaceutical legislation provides three kinds of companies for pharmacies a) companies of housed pharmacies, b) companies with a licensed pharmacist and a financial partner pharmacist or a relative up to second degree of the licensed pharmacist, c) companies by combining the above (mixed companies).

4.4.a Companies of housed pharmacies

The companies of housed pharmacies are always created with a notarial deed in the form of a general partnership. Furthermore, there are two types of housed pharmacies provided by the overlapping between the articles of Law 12 of 5607/1932 (as amended by Article 7 of Law. 1963/1991) and article 36 par. 6 N. 3918/2011.

According to article 12 of Law 5607/1932 provides for the possibility of co-location between two or more operating pharmacies or pharmacy operated by a newly established pharmacy, with the requirement for a general partnership between the company and provided, in the latter case that the "old" pharmacist will retire within six months of co-location or age, or health reasons, or finally, by death (inheritance pharmacy). In these cases, there is not a specific percentage of shareholding in the capital of the co-located partner.

The Article 36 par. 6 of Loverdos Law (3918/2011) provides the opportunity for a new pharmacist (to create jobs) to receive authorization to open pharmacy exceptionally criteria of population, without the obligation of the old pension pharmacist, but with the following additional commitments and implications:

- Do co-location pharmacy (new pharmacist) with an already operating pharmacy.
- In case of resignation of the "old" pharmacist, the new pharmacist is licensed to continue operating as a sole proprietorship business.
- The retired "old" pharmacist, after the dissolution of the co-location pharmacies and the dissolution of the company, can establish a new pharmacy, under the terms and conditions of Article 36 par. 6 of the same law.

Also in all companies of co-located pharmacies, shareholding in the capital of the co-location partners are allowed to formed more freely without any restriction.

4.4.b Companies with a licensed pharmacist and a financial partner pharmacist or a relative up to second degree of the licensed pharmacist

a) According to the par. 1 of Article 17 of Law 5607/1932, as amended by Article 6 para. 1 N. 328/1976 and Article 14 of Law. 1821/1988, anticipates the establishment of a general partnership or limited partnership between a licensed pharmacist and one (or more) financial partner of the pharmacist. The shareholdings in the capital now stands freely.

b) The Paragraph 7 of Law. 5607/1932 anticipates the establishment of a general partnership or limited partnership between a licensed pharmacist and relatives up to the second degree. The percentage contributions of the partners in the company were formed always free. There are also decisions of the Council of State for this subject.

In both cases a and b, the licensed pharmacist is required the general partner and responsible with the personal property for corporate debts.

4.4.c Companies by combining the above (mixed companies)

The joint ventures between companies of co-located pharmacies involving additional partners as economic partner or other pharmacists (without their license), or relatives of licensed pharmacists of co-located pharmacists up to second grade.

Chapter five : Selection of Personal

5.0 Introduction

Naturally, a business cannot operate without any employee. So another basic factor in the operation of a business is the selection of the personal. Recruitment involves searching for and attracting candidates to fill job vacancies. Selection is a later stage of the recruitment process which involves “choosing individuals who have relevant qualifications to fill existing or projected job openings”. The table 5.1 shows that the goal of the selection is to maximize “hits” and avoid “misses”. Hits are accurate predictions, and misses are inaccurate ones. The cost of one type of miss would be the direct and indirect expense of hiring an employee who turns out to be unsuccessful. The cost of the other type of miss is an opportunity cost – someone who could have been successful did not get a chance to contribute to the company. In general, the design of the selection program is the responsibility of Human Resources Department. However, the final decision for hiring is made by the manager. (Snell,A. ,Bohlander,2012)

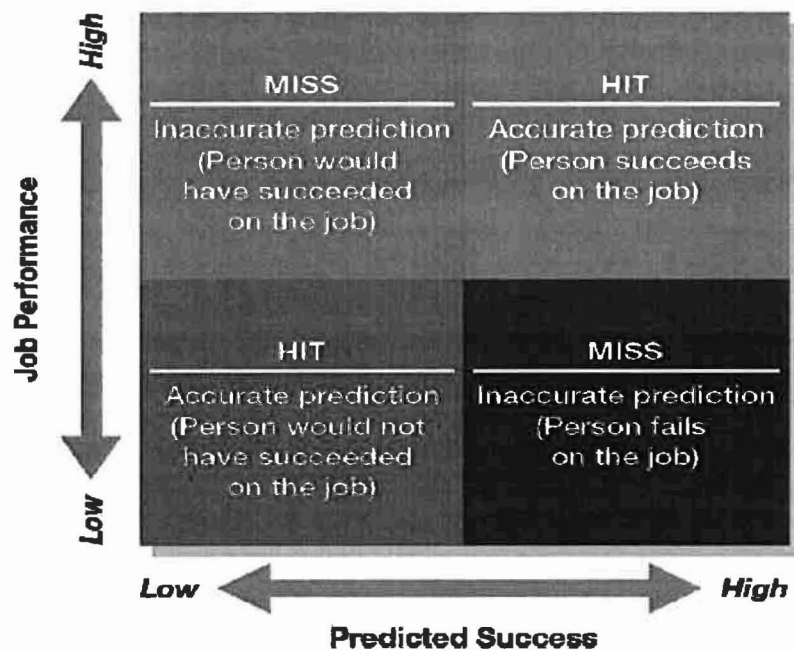


Table 5.1 : The Goal of Selection

Before going to the recruitment, the business should first identify its needs. In order to achieve that, the owners should identify the needs of personal for the business, the positions available. After that, the business should make a job analysis and a job description for each available position. Usually, those characteristics of the jobs, are specified through a job analysis interview. However, the small

businesses and especially the new ones, do not have the resources to spent on this analysis and that is why the owner(s) specify the characteristics of the job from job descriptions of big companies or they ask the services of companies who can provide the necessary skills. A job analysis interview is displayed in the appendix. (Snell,A. ,Bohlander,2012)

After collecting qualified recruits, we must weed out the unqualified ones and then select the very best remaining candidate(s) for the job. The selection process will yield information about the candidates skills and weaknesses. A Human Resource specialist must determine which selection tools are most appropriate for purposes of selecting the best candidate.

The steps in the selection process and their sequence will vary, to each company, and from the type and level of jobs to be filled. There are 8 steps that usually make up the selection process as shown in the table 5.2. Not all applicants will go through all of those steps, as some of them will be rejected after the preliminary interview, other after taking tests and so on.

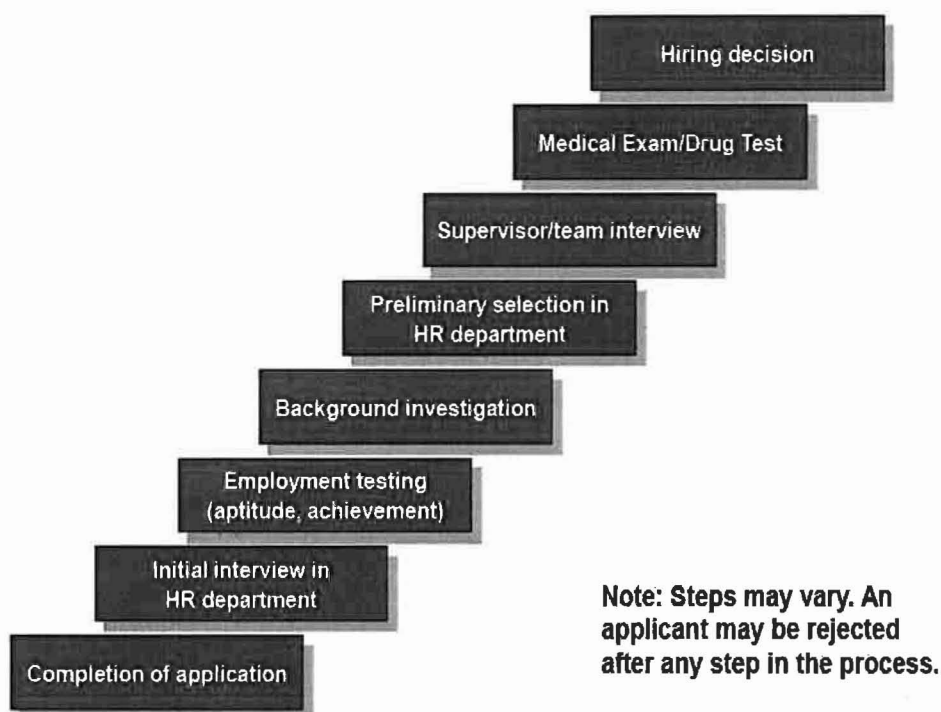


Table 5.2 : Steps in the selection Process

Also the applications can be internet-based, which can help the business attract a broader and more diverse applicant pool.

Despite all that, small business do not usually have money to hire a Human Resource specialist and follow the steps mentioned above, nor the time needed. That is why they create a job analysis and hire the person with the most qualifications after testing the candidate from two weeks to one month.

In the case of the pharmacy, there should be at least one licensed pharmacist and a pharmacist assistant or just an aide. Below there are a job description for a pharmacist and for pharmacist assistant.

5.1 JOB TITLE : PHARMACIST

Division :

Department :

Job Analyst :

Date Analyzed:

Wage Category:

Report to :

Job Code:

Data Verified:

5.1.a JOB DESCRIPTION

Supervises the work of assigned staff and coordinates pharmaceutical services for a pharmacy, serves the patients by preparing medications, providing drug education to the patients, monitoring patient drug therapies.

5.1.b ESENTIAL FUNCTIONS

- 1) Oversee the daily operations of a specific pharmacy site. Responsibilities include the preparation and dispensing of prescriptions to the patients, counseling the patients and medical providers regarding the nature and use of drugs, maintaining paper and automated records of prescriptions by individual recipient and assuring adequate staffing.
- 2) Assure the pharmacy is operating in accordance with the country's Public Health policies and procedures and that the pharmacy is able to pass an Health Inspection.
- 3) Maintain inventory control and monitor purchasing, receiving, stocking and return/recall of all drugs and pharmacy supplies through the use of an automated reporting system.
- 4) Supervise assigned staff by performing the full scope of supervisory responsibilities such as hiring, training, performance evaluations and disciplinary actions.
- 5) Dispense prescriptions and maintain paper and automated records of prescriptions by individual recipient.
- 6) Monitor drug therapy by evaluating patient medical history, clinically significant drug interactions, adverse reactions, therapeutic duplications, drug dosage and compliance with prescription order.
- 7) Provides pharmacological information by answering questions and requests of health care professionals; counseling patients on drug therapies.
- 8) Maintains pharmacological knowledge by attending educational workshops; reviewing professional publications
- 9) Act as preceptor for pharmacy students.

5.1.c JOB SPECIFICATIONS

- A Degree of Pharmacy school
- A License for exercising the profession
- Knowledge of usage of software

- Communication skills
- Work experience (not required but advisable)
- Knowledge of English
- Knowledge of other foreign languages (advisable)
- First aid knowledge.

5.2 JOB TITLE : PHARMACIST ASSISTANT

Division :

Department :

Job Analyst :

Date Analyzed:

Wage Category:

Report to :

Job Code:

Data Verified:

5.2.a JOB DESCRIPTION

A Pharmacist assistant help the licensed pharmacists with administrative duties in running a pharmacy, helps the pharmacist if required, maintain good relationship with the patients.

5.2.b ESSENTIAL FUNCTIONS

- Establish and maintain patient profiles.
- Prepare insurance claim forms;
- clean pharmacy equipment, help with the maintenance of equipment and supplies.
- Manage the cash register.
- Accurate record keeping to avert drug interaction.
- Keep inventory of prescriptions and over the counter medications

5.2.c JOB SPECIFICATIONS

- Knowledge of software.
- Communication skills.
- The ability to read and carry out instructions.
- Knowledge of pharmaceutical service skills (advisable).
- First aid knowledge.
- Knowledge of English
- Knowledge of other foreign languages (advisable).

5.3 ADDITIONAL PERSONAL

Many small businesses nowadays, have to use outsourcing. That means that they have to use the services of another business or person because that is more affordable than another option. Any small business does not want to spend money on employees that do not produce daily any work and bring any profits to the business. Also the services for some specialists is required only on specific times and events. Some of the specialists whose services are required are mention below.

5.3a Accountant

Accountant is a professional who performs accounting functions such as audits or financial statement analysis. They can either be employed with an accounting firm or can set up an individual practice.

The pharmacy requires the services of an accountant on monthly basis. The accountant is responsible for keeping the books of profits and expenses and update them monthly. Also, it is imposed that the monthly and quarterly reports of a business to the Public Financial Service should be signed by a professional accountant.

The usual monthly cost of the services of the accountant starts from 50 euros per month and is proportion to the size of the business as well as its legal structure.

5.3b Lawyer

The Lawyer or attorney, is a professional who has graduated from law school and who is licensed to represent clients in legal matters. There are occasions that the owners of a business will require the assistance of a lawyer. Usually, the lawyer gives advices for the legitimacy of an action that the owner(s) want to take and inform them of any possible traps.

5.3c Consultant

There are professionals who provide professional or expert advice in a particular area such as security, management, human resources, marketing, finance, engineering, science or any other specialized fields.

The owners of the small businesses, visit consultants for their opinion about a subject of their business. The consultant gives to the owners answers to their problems in operating usually their business. For example a consultant can give a better operational or marketing plan for the business as well as finding and improving the financial of the business.

Chapter six : Marketing -Competition

6.0 Introduction

In this chapter there will be an analysis concerning the market and the competition that a pharmacy has to face. There will be a market analysis, a market and a strategic plan and a forecast for the sales.

6.1 Market Analysis

The new business should possess good information regarding their market and the target segments that they wish to serve. In our case, a pharmacy will leverage this information to better understand who is served, their specific needs and how can they provide better service to them. The pharmacy's target market consists of two different groups, those who go for medications with their prescriptions, those who buy para-pharmaceutical products.

- Medications with their prescriptions customers : this is a group of customers who are looking for their drugs sold only on the pharmacies. They usually go to their doctor to get their prescription for their medication and after that, they go to a pharmacy to get their drugs. This group is most of the times the most loyal customers of a local pharmacy. They have to get their medication every month and they pay for their drugs irrespective of the cost as it is the same to all pharmacies. These patients usually have close personal relationship with the pharmacist. However, it would be wise to give them some gifts.
- Para-pharmaceutical Products buyers : this is a group of customers that will buy the para-pharmaceutical products if their price is cheap. This group consists of customers that will go to the cheapest price. So in order to attract them, the pharmacy has to have low prices and make some additional gifts to the customers. Moreover, the para-pharmaceutical products can be sold on the internet. So the size of the target group is bigger than the first group.

The sales of the pharmacy is based on generating long-term relationship with the patients. In order to achieve that we have to impress the patients with our services. The employees have to be friendly and provide a good service. Also by providing some sort of gift (an agenda or maybe a discount) to the patients and by keeping things simple, we may establish long-term relationships with the customers who will become loyal customers.

Market Analysis			
Potential Customers	Year 1	Year 2	Year 3
Prescriptions	400	600	700
Para-pharmaceutical	64	550	650
Total	464	1050	1350

Table 6.1 : market analysis

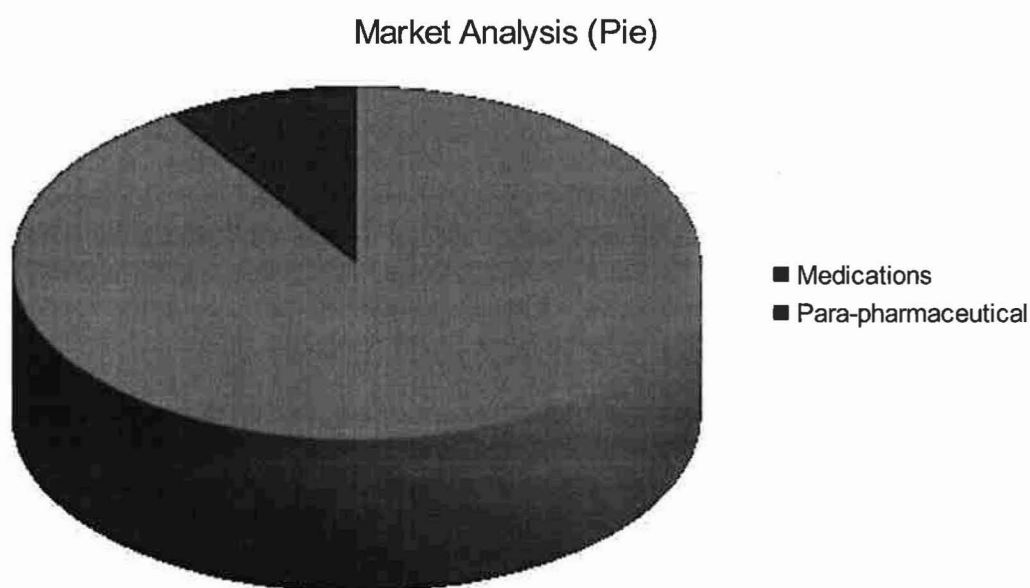


Table 6.2 : Market Analysis (Pie)

A Pharmacy has to attract the two different groups of customers and must have two strategies to attract them.

Firstly, the pharmacy should focus on the customers who come with their prescriptions. In order to do that, the pharmacy should provide them with the necessary medications and some gifts that will help the patients. Also the employees should in a manner that is attractive to the customers and they should be ready to provide any services that are required from the patients (e.g. shots).

For the second groups of customers, it is necessary to have low prices. Usually, in this category are young people and the majority of them are women. This group is a very large pool of customers as the para-pharmaceutical products can be sold at the internet. So in order to attract more customers, the pharmacy should have a web page where the customers can order those products at low prices. In this case, the pharmacy should be advertised at magazines and on sites on the internet that people use. Furthermore,

depending on the purchase order, the pharmacy can provide an extra discount.

6.2 Competition

Small businesses usually have to compete with big firms. However, the pharmacies have their own legislative framework. This way, the drugs can be sold only in pharmacies. Also all the pharmacies have the same prices on the drugs as it is defined by the Ministry of Health twice a year. So the choice of a pharmacy is irrelevant to expenditure, but access costs for the patients are higher if they have to travel more to collect their medication. Also advertising is prohibited and price competition is not allowed for prescribed medicines, but a substantial support to the economic viability is provided by a wide range of retail goods that are not subject to price constraints. Pharmacists can strive to build up a personal relationship with their customers so as to weaken the sensitivity to either the price of products or access costs and increase consumer loyalty.

The local pharmacies can compete with each other for the customers with prescriptions by offering more gifts to the customer and better services. Those are the pharmacies where the pharmacist knows the patients and their medical history. Moreover, those pharmacies can be located to the in a nearby village or at a city depending where exactly the pharmacy will be located.

The local pharmacies also offer para-pharmaceutical products at different prices and on the internet too. In this case, the competition is even higher as there are other pharmacies who sell para-pharmaceutical products online and those can be in a different city or even country.

6.3 Competitive advantage

In order to obtain a competitive advantage and attract more customers, the pharmacy should provide the necessary services at a lower price and also provide extra services. To do that, the pharmacy should have low costs. That is the reason why there is one pharmacist and the void is fill with assistants. As long as a pharmacist is on site during the hours of operation, the use of assistants is preferable than the use of another pharmacist.

Moreover, by attracting more customers, the pharmacy can increase its profits which will lead to the decrease of the price of para-pharmaceutical products. By selling those products at low prices, the customers will increase as they can find those products at the internet where the number of customers is very big.

6.4 Marketing Strategy

The marketing strategy will be based on targeted advertisements, appealing to the customer's sense of value. The marketing campaign's goal will be to increase awareness of the pharmacy with their target market.

6.5 Sales strategy

the sales strategy is based on generating long-term relationships with the customers. To facilitate that, the employees will be trained to provide friendly and knowledgeable customer service. For some customers, medications are an integral part of their lives, so establishing long-term relationships will ensure a large and loyal customer base. Also the customers will be given some gifts

for choosing the specific pharmacy.

6.6 Sales Forecast

During the first month, the pharmacy should focus on setting up the store and generating customers from both groups. Sales activity will begin from the first month and will slowly increase. The sales during the first year for the para-pharmaceutical products will be low because it will not be easy to have low prices. However, the sales for customers with prescriptions will increase steadily till the second year.

Monthly Sales

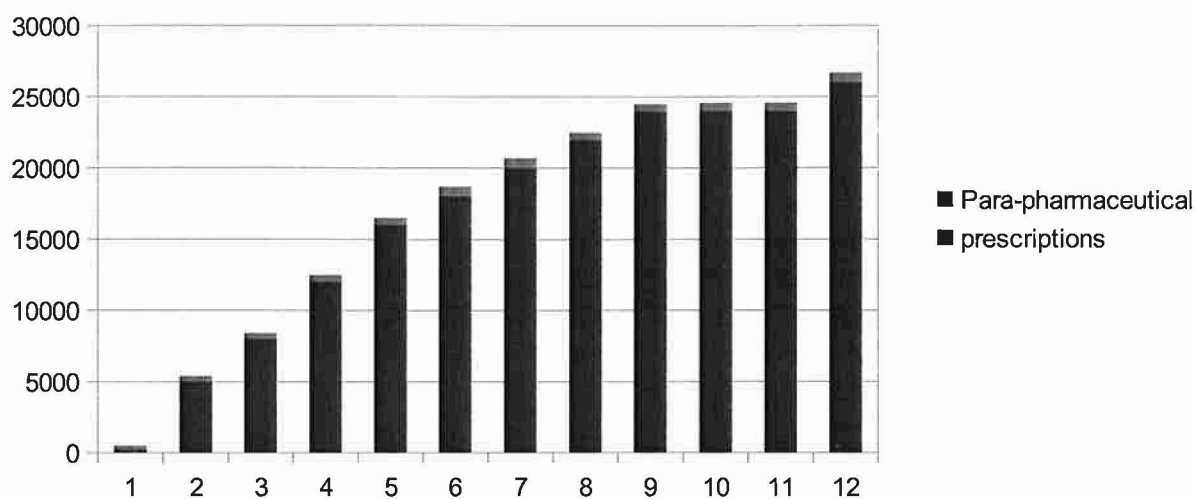


Table 6.3 : Monthly Sales

Sales Forecast			
	Year 1	Year 2	Year 3
Sales			
Prescription customers	201200.0	360100	399500
Para-pharmaceutical Customers	20250.0	36500	57800
Total Sales	221450.0	396600	457300
Direct cost of Sales			
Prescription customers	171020.0	306085	339575
Para-pharmaceutical Customers	13162.5	23725	37570
Total	184182.5	329810	377145

Table 6.4 : Sales forecast

	Year 1	Year 2	Year 3
Pharmacist	14400	15600	15600
Pharmacist assistants A	10200	10200	10800
Pharmacist assistants B	8500	10200	10700
Total payroll	33100	34800	37100

Table 6.5 : Personnel Plan

Chapter seven : Financing the Business

7.0 Introduction

A very important factor in establishing a new business, is the way that it will be funded. It is necessary to understand the financial needs of the company so that we can avoid making costly errors that may pose a threat to the company. In order to do that we need to create a business plan for the company. If according to the business plan we require additional financing, then we have to determinate the time and the amount of money needed.

7.1 Methods of Financing

Most small companies are funded by the owners capital. However, that capital may not be enough to support the company or the owners put only an initial amount of money and do not want to spend any more of their money. In those cases, the company has to borrow money from other resources (Snell,A. ,Bohlander,2012). Some of those resources are the following :

- Friends or Relatives : some people borrow from friends and relatives because it is the most available source. Although this method is usually the cheapest in terms of money, but it may cost in terms of personal relations if the repayment schedule is not timely.
- Traditional Lending Institutions : Banks and commercial finance companies have been the major sources of business financing, principally as short-term lenders offering demand loans, seasonal lines of credit and single-purpose loans for fixed assets.
- European programs : For small businesses there are programs that give to new people the opportunity to start a new business. Depending on the programs, the owners are given money to cover partly the cost of equipment or even an initial capital for the businesses.

Nowadays, banks also offer loans in corporation with the European programs. One of those is that the banks offer loans at the half interest rate because the other half is covered from the programs.

However, before deciding the method of financing the business, we should take some time to understand the terms of agreement and the final cost. Usually the least expensive money to use is our capital, after that are the money coming from friends and relatives and after that are the banks and the traditional lenders.

7.2 Financial Plan

In this case, we are talking about a pharmacy, so in order to understand the needs of our company and if we need an additional amount of money and when exactly, we create a business plan.

As we are establishing a new company, we should also include some start – up equipment costs. Some of those are the following :

- office equipment (chairs, file cabinets, desks).
- front counter, storage bins, cash register.
- Two computer terminals.
- Main computer server with a laser printer and back-up system.
- Software
- telecoms system.
- Start-up inventory.
- Rent, utilities, insurance.

Start – up Requirements	
Start – up Expenses	Euros
Legal	1000
Rent	800
Utilities	400
Telecom System	400
Insurance	200
storefront	5000
Expensed Equipment	2000
Website development	700
Total Start- up Expenses	10500
Start – up Assets	
Cash required	80000
Start – up Inventory	5000
Other Current Assets	0
Long-term Assets	4500
Total Assets	89500
Total Requirements	100000

Table 7.1 :Start – up Expenses and Assets

Start-up Funding	
Start-up Expenses to Fund	10500
Start-up Assets to Fund	89500
Total Funding Required	100000
Assets	
Non-cash Assets from Start-up	9500
Cash Requirements from Start-up	80000
Additional Cash Raised	0
Cash Balance on Starting Date	80000
Total Assets	89500
Liabilities and Capital	
Liabilities	
Current Borrowing	0
Long-term Liabilities	0
Accounts Payable (outstanding bills)	
Other Current Liabilities (interest-free)	0
Total Liabilities	0
Capital	
Planned Investment	
Seed Funding	15000
Owner	40000
Friends and Family	30000
Additional Investment Requirement	15000
Total Planned Investment	100000
Shortage at Start-up (Start-up Expenses)	-10500
Total Capital	89500
Total Capital and Liabilities	89500
Total Funding	100000

Table 7.2 : Start-up Funding

7.3 Break-even Point

The break-even point represent the sales amount – in either unit or revenue terms- that is required to cover total costs (both fixed and variable). The total profit at the break-even point is zero. So in this case, the break-even analysis calculates what will be needed in monthly revenue to reach the break-even point.

Break-even Analysis	
Monthly Revenue Break-even	8500
Assumptions :	
Average Percent Variable Cost	40.00%
Estimated Monthly Fixed Cost	5100

Table 7.3 : Break-even Analysis

$$\begin{aligned} TR &= TC \Rightarrow TR = TFC + TVC \Rightarrow TR = 0.4TR + TFC \Rightarrow 0.6TR = TFC \Rightarrow TR = 5100/0.6 \Rightarrow \\ TR &= 8500 \end{aligned}$$

7.4 Projected Profit and Loss

the following table and charts present projected profit and loss.

Monthly Gross Margin

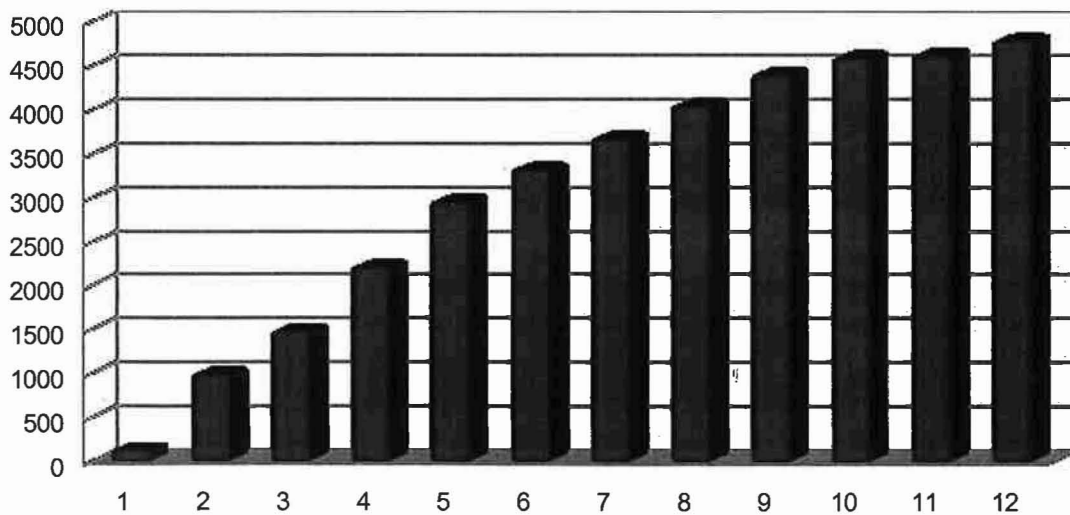


Table 7.4 : Monthly Gross Margin

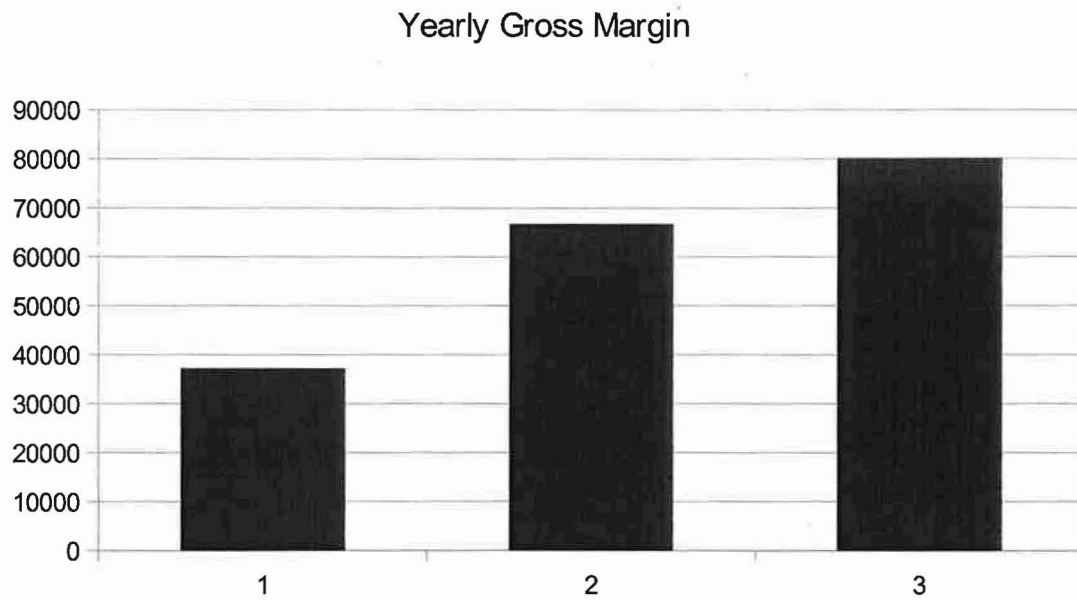


Table 7.5 : Yearly Gross Margin

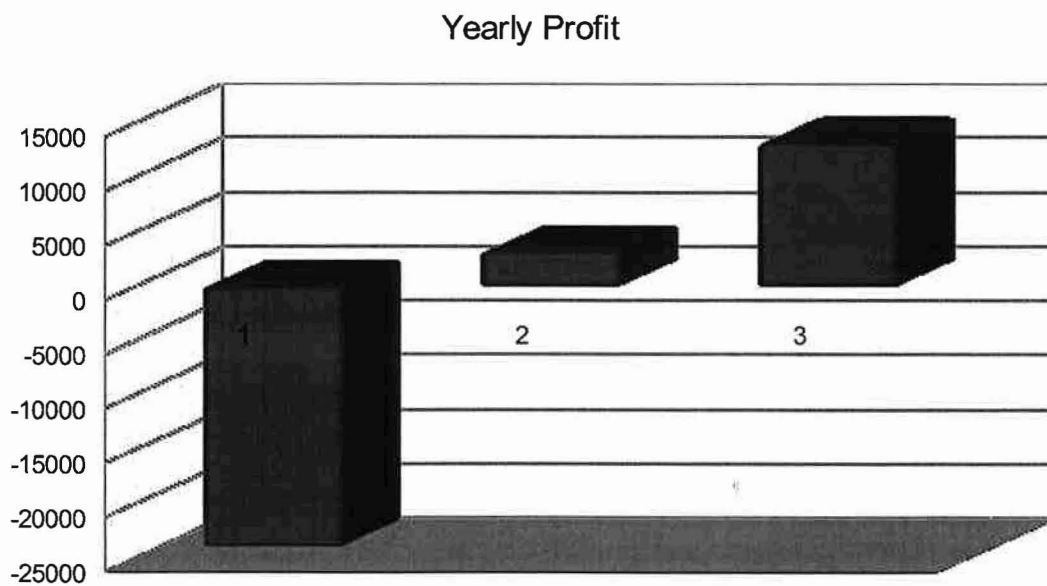


Table 7.6 : Yearly Profit

Pro Forma Profit and Loss

	Year 1	Year 2	Year 3
Sales	221450.0	396600	457300
Cost of sales	184182.5	329810	377145
Other production expenses		0	0
Total cost of sales	184182.5	329810	377145
Gross margin	37267.5	66790	80155
Gross Margin %	16.82%	16.84%	17.53%
Expenses			
Payroll	33100.0	34800	37100
Depreciation	1200.0	1200	1200
Leased Equipment	0.0	0	0
Utilities	4800.0	4800	4800
Insurance	2400.0	2400	2400
Rent	4800.0	4800	4800
Payroll taxes	14895.0	15660	16695
Total operating expenses	61195.0	63660	66995
Profit before interest % taxes	-23927.5	3130	13130
EBITDA	-22727.5	4330	14360
Interest expenses	0	0	0
Taxes (23%)	0	0	0
Net profit	-23927.5	3130	13160

Table 7.7 :Pro Forma Profit and Loss

7.5 Projected Cash Flow

Pro Forma Cash Flow

	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	221450	396600	457300
Subtotal Cash from operations	221450	396600	457300
Additional Cash Received			
Sales Tax	0	0	0
New Current Borrowing	0	0	0
New Other Liabilities	0	0	0
New Long term liabilities	0	0	0
Sales of other Current Assets	0	0	0
Sales of Long term Assets	0	0	0
New investment Received	0	0	0
Subtotal Cash Received	221450	396600	457300
Cash Expenditures			
Cash Expenditures from operations			
Cash Payments	33100	34800	37100
Bill Payments	199305	244175	244175
Subtotal Spent on Operations	232405	278975	281275
Additional Cash Spent			
Sales tax	0	0	0
Principal Repayment of current borrowing	0	0	0
Other liabilities Principal Repayment	0	0	0
Long-term liabilities Principal Repayment	0	0	0
Purchase other current assets	0	0	0
Purchase long-term assets	0	0	0
Dividends	0	0	0
Subtotal cash paid	232405	278975	281275
Net cash flow	-10955	117625	176025
Cash balance	69045	186670	362695

Table 7.8 : Pro Forma Cash Flow

7.6 Projected Balance Sheet

Pro Forma Balance Sheet			
	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	69045.0	186670.0	362695.0
Inventory	5000.0	10000.0	10000.0
Other Current Assets	0.0	0.0	0.0
Total Current Assets	74045.0	196670.0	372695.0
Long term Assets			
Long term assets	4500.0	4500.0	4500.0
Accumulated depreciation	1200.0	2400.0	3600.0
Total Long term Assets	3300.0	2100.0	900.0
Total Assets	77345.0	198770.0	373595.0
Liabilities & Capital			
Current liabilities			
Accounts Payable	11773.0	130067.5	291733.0
Current Borrowing	0.0	0.0	0.0
Other Current Liabilities	0.0	0.0	0.0
Subtotal Current liabilities	11773.0	133367.5	291733.0
Long-term liabilities	0.0	0.0	0
Total Liabilities	11773.0	130067.5	291733.0
Paid in capital	100000.0	100000.0	100000.0
Retained Earnings from previous years	-10500.0	-34427.5	-31297.5
Current year earnings	-23927.5	3130.0	13160.0
Total Capital	65572.5	68702.5	81862.5
Total Liabilities & capital	77345.5	198770	373595.0
Net worth	66572.5	68702.5	81862.5

Table 7.9 : Pro Forma Balance Sheet

7.6 Ratios

	Year 1	Year 2	Year 3
Percentage of Total Assets			
Inventory	6.46%	5.03%	2.68%
Other Current Assets	0.00%	0.00%	0.00%
Total Current Assets	95.73%	98.94%	99.75%
Long term Assets	4.26%	1.06%	0.24%
Total Assets	100%	100%	100%
Current Liabilities	15.22%	65.43%	78.09%
Long term Liabilities	0.00%	0.00%	0.00%
Total Liabilities	15.22%	65.43%	78.09%
Net Worth	84.78%	34.56%	21.91%
Percentage of Sales			
Sales	100.00%	100.00%	100.00%
Gross Margin	16.82%	16.84%	17.53%
Operating Expenses	27.64%	16.05%	14.65%
Advertising Expenses	0.00%	0.00%	0.00%
Profit Before Interest & taxes	-10.80%	0.79%	2.88%
Main Ratios			
Current	6.29	1.54	1.28
Quick	5.86	1.44	1.24
Total debt to total Assets	15.22%	65.43%	78.09%
Net Profit Margin	-10.80%	0.79%	2.88%
Return on Equity	-0.37	0.046	0.16
Inventory Turnover	44.29	39.66	45.73
Total Assets turnover	2.86	2.00	1.22

Table 7.10 : Ratios Analysis

Chapter eight : Analysis of Findings

8.0 Introduction

In this chapter, there will be an analysis of the results of the primary research, using charts and diagrams. This questionnaire was given and answered by pharmacists who already have an operating pharmacy. Also the questions was divided in parts concerning the different subjects that were discussed above.

8.1 Ownership – Legitimacy

The results from the questionnaires shows that the majority of the pharmacies that answered the questions have only one owner as the mean is 1.46. Also there is a direct relationship between the ownership and the choice of legal form as it is shown at the table 8.2. Furthermore, as the correlation between those ownership and legal form is 1, means that depending on the number of owners, they choose the respective legal form.

Descriptive Statistics For Ownership and Legal Structure					
	N	Minimum	Maximum	Mean	Std.Deviation
Ownership	35	1	2	1.46	0.505
Legal Form	35	1	2	1.46	0.505
Valid N (listwise)	35				

Table 8.1 : Descriptive Statistics for Ownership & Legal Structure

Correlations for Ownership and Legal Structure			
		Owners	Legal Form
Owners	Pearson correlation	1	1.000
	Sig. (2-tailed)		0.000
	N	35	35
Legal Form	Pearson correlation	1.000	1
	Sig. (2-tailed)	0.000	
	N	35	35

Table 8.2 : Correlation for Ownership & Legal Structure

8.2 Analysis of the financial findings

The second part of the questions is relevant with the ways of financing the business (pharmacy). The majority of the pharmacists who answered the questions, prefer to finance their business from their own capital. As the mean is over 4. Also they do not want to borrow money neither from their friends or family members nor from the banks. Many people do not want to borrow money at all because of the economical crisis and the high interest rates.

However, they are willing to use European programs from their businesses, as they can renovate their businesses or use the programs in order to pay less for their business. But even with those programs, there are not lots of pharmacists that agreed as the mean is a little over 3 (3.43). Moreover, they are not even sure if they want to use a combination of the choices they have as the mean is 3 (3.06). The choice of the form of funding the business is does not have a weak correlation with the ownership. Also the way of financing the business has a weak correlation with the numbers of owners as it can be seen in the Appendix VI.

Descriptive Statistics For the Financial Findings					
	N	Minimum	Maximum	Mean	Std. Deviation
Capital	35	4	5	4.69	0.471
Friends/Family	35	1	4	2.74	0.852
Banks	35	1	4	2.94	0.805
EU Programs	35	2	4	3.43	0.558
Combination	35	1	4	3.06	0.725
Valid N (listwise)	35				

Table 8.3 : Descriptive Statistics of the financial findings

8.3 Analysis of results for Selection Personnel

Another factor that is important for the business is the selection of personal. The owners of the pharmacies prefer to have skilled employees as it is given. According to the results, the employers prefer to hire a skilled person than an unskilled. However, if there is a dilemma for hiring a skilled local person and a skilled person who does not live at the area, the majority prefers hire the local person. That is usually given because this way, the business has better relationship with the locals and this way they can attract more local customers too. The choice of the personal has a weak correlation with the other factors of the business (Appendix VI). It is given that any employer wants the best employees for himself.

Descriptive Statistics For Selection of Personnel					
	N	Minimum	Maximum	Mean	Std. Deviation
Skilled person	35	4	5	4.34	0.482
Skilled local	35	4	5	4.46	0.505
local	35	2	4	3.14	0.772
Skilled local over skilled	35	3	5	4.23	0.547
Valid N (listwise)	35				

Table 8.4 : Descriptive Statistics of results for Selection Personnel

8.4 Analysis of findings for competition

Also as we can see from the following table (8.5), the majority of the pharmacists do not want to have near them any other pharmacies. That means that they want to have an area alone for themselves so that they can have at least a minimum number of prescription customers. The bigger the number the better for the business. The price of the drugs is a factor that affects the customers towards a pharmacy too. While the relationship between the pharmacist and the customers is not a factor that affect the business a customer will go.

Descriptive Statistics of competition findings					
	N	Minimum	Maximum	Mean	Std. Deviation
Near others	35	2	4	2.69	0.530
Alone	35	3	5	3.69	0.530
Price	35	2	5	3.43	0.778
Relationship	35	1	4	2.60	0.847
Valid N (listwise)	35				

Table 8.5 : Descriptive Statistics of findings for competition

8.5 Analysis of findings for location choice

The location of the establishment of the pharmacy is another factor that place major role in the business. As the answers show, the majority of the pharmacists can choose to open a pharmacy anywhere except from areas that the population is lower than 600 people. That can be seen as the mean is below 3. The other questions have mean over 3 which means the pharmacists are more positive at

the other locations.

Descriptive Statistics of findings for location Choice					
	N	Minimum	Maximum	Mean	Std. Deviation
Health center	35	3	5	4.20	0.677
Hospital	35	3	5	4.20	0.677
City Center	35	2	5	3.80	0.833
Over 600	35	2	4	3.17	0.618
Lower 600	35	1	3	2.23	0.770
Depressed area	35	2	4	3.26	0.741
Village	35	3	5	3.69	0.530
Valid N (listwise)	35				

Table 8.6 : Descriptive Statistics of findings for location choice

Chapter nine : Summary & Conclusion

9.0 Introduction

In this research, there was an analysis of the factors that play a major role in the establishment of an small business so that it can be successful. Especially, for the establishment of a pharmacy. There will be a description of the different types of businesses and what should the owners pay attention when establishing each of those businesses. Specifically, the pharmacy is a service business that should be located like the retail stores to a place where the customers have easy access and a place where there are people passing.

In order for each business to operate, the owners should choose a legal form. So there will be an analysis of the legal entities according to the Greek Law. The conditions for the establishment and the key features of each legal entity. However, because of the Greek legislation, there are only specific types of legal entities for the operating pharmacies and there is a restriction on the ownership as there should be at least a pharmacist among the owners.

Moreover, the business have to hire some employees in order to operate correctly. Here, there will be an analysis of the procedure of the selection of personal. However, those employees should have some qualifications that are required and those can be found in the job descriptions. The small businesses do not have the means to have lots of employees and in the case where there is a need of a specialist, they purchase the services of the professionals.

All the small businesses have their competitions and all companies target specific groups. The same can be said for the pharmacies. However, in this case the pharmacies compete with each other cause the drugs according to the law can be sold only in the pharmacies. Also the prices of the drugs is defined by the law two a year so there can be no competition in the price of the drugs. The pharmacy's target groups are the customers that come with the prescriptions from the doctor and those who want to buy para-pharmaceutical products. The para-pharmaceutical products are products which can be sold in different prices in each pharmacy.

Another important factor for a business is the financing. There will a description of the ways that a business can be funded and a business plan for a pharmacy. There will be an analysis of the economics like the income statement, cash flow, balance sheet and the calculation of the breakeven point.

At the end of the paper there is an analysis of the answers of the questionnaire. The responders were all pharmacists – owners of already operating pharmacies. Those questions were related to the topics that were analyzed above. From those results, it is evident that the number of owners in a company is related to the legal entity of the company. However, all the other factor were not relevant to the numbers of the owners nor the legal form. Many pharmacists, prefer to use their own capital for the company instead of borrowing money. They also want to be located to places where the population is

over six hundred people and with no other pharmacy near them, so that there will be no competitors.

Lastly, there should be an improvement on the services provided from the pharmacies like small treatments for the customers. Also the medications can be delivered if required to the customers who have the difficulty of moving.

9.1 Limitations of the Study

A limitation of the current work is the sample size. Even though the sample was enough to have a representative result, it can be considered as relatively small for the Greek sample. Moreover, the sample composition shows that the responders were mostly between the age of 30 to 40. The number of responders were allocated equally to both genders.

The method used for collecting data was a modern, quick and easy to use. However, this method is common for people familiar with the internet and social media, which it was not easy for persons who prefer traditional methods such as hardcopy questionnaires and e-mails or have limited access to a computer of the internet.

Another limitation was the usage of the English as the language used. Both questions and answers were in the English language and that may have been an obstacle especially for the ones that are not familiar with some terms used.

9.2 Suggestions for further research

For further research, there should be a questionnaire in the Greek language, so that anyone can answer and the sample size should be over 1000. In this case, there will be also a big variety of the age of the responders. Moreover, there should be researches on the quality of the services required from the customers. There should also be researches on the ways to improve the provided services.

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APPENDICES

APPENDIX I QUESTIONNAIRE

General Information

1. Gender

A. Male

B. Female

2. Which category below includes your age?

☐ 16-20 ☐ 31-35 ☐ 46-50

☐ 21-25 ☐ 36-40 ☐ above 50

☐ 26-30 ☐ 41-45

3. What is the name of the organization for which you are working ? _____

4. In which department are you working? _____

5. Which shift do you normally work?

☐ Days

☐ Afternoon

☐ Midnight

6. What is your present position?

☐ line manager

☐ supervisor

☐ engineer

7. How long have you held your present position in this organization?

☐ less than 6 months

☐ over 6 months to 1 year

☐ over 1 year to 2 years

☐ over 2 years to 3 years

☐ over 3 years to 4 years

☐ over 4 years to 5 years

☐ over 5 years to 10 years

☐ over 10 years to 15 years

☐ over 15 years

8. How many years have you worked for your organization?

☐ less than 1 ☐ 4 ☐ 8

☐ 1 ☐ 5 ☐ 9

☐ 2 ☐ 6 ☐ 10

☐ 3 ☐ 7 ☐ 10-15

☐ over 15

9. What is the highest level of education you have attained?

- ☐ High School, but did not graduate
- ☐ High School graduate or equivalent
- ☐ Beyond high School (includes some technical college or craft or technical training)
- ☐ Higher Diploma or equivalent
- ☐ Bachelor's Degree
- ☐ Master Degree
- ☐ PhD
- ☐ Other Qualifications

What type of small business is a pharmacy?

- ☐ Retail business
- ☐ Wholesalers and Manufacturers
- ☐ Service Business

	Strongly disagree	Disagree	Maybe	Agree	Strongly agree
Would you finance your business from your capital?					
Would you finance your business from your friends or relatives?					
Would you finance your business from banks?					
Would you use a EU program for new businesses?					
Would you use a combination of the above for financing your business?					
Would you hired skilled personnel?					
Would you hired a skilled and local person?					
Would you hired a local person but no skilled?					
Would you prefer to hire a skilled person over a skilled local person?					
Would you open a pharmacy near a health center?					
Would you open a pharmacy near a hospital?					
Would you open a pharmacy near a city center?					
Would you open a pharmacy in a area of over 600 people?					
Would you open a pharmacy in a area of less than 600 people?					
Would you open a pharmacy in a depressed area?					
Would you open a pharmacy in a village?					
Would you open a pharmacy in an area with a competitor?					
Would you open a pharmacy in an area where they will be no other pharmacy?					
Do you think the customers are choosing a pharmacy for its price?					
Do you think the customers are choosing a pharmacy because of the relationship with the pharmacist?					
Does a depressed area have high unemployment?					
Are they areas in the mountains?					
Do the depressed areas have transportation?					
Are they away from cities?					

Are they usually plains areas?

APPENDIX II

THE JOB ANALYSIS INTERVIEW

1. Job Purpose

- What is the essence of work in your position? What is the job's overall purpose?
- How do you see your work contributing to the overall mission/purpose of the organization, now and in the future?

2. Job duties

- Describe your duties in terms of what they are, how you do them, how often you perform them, and how long they each take.
- Does the job have to be done in the way you were trained to do it, or do you see ways to improve it?
- Are you performing duties not presently included in your job description? Describe.
- Are the instructions you receive from your supervisor clear and consistent with your job description?

3. Job criteria/results

- Have work standards been established (errors allowed, time taken for a particular task, etc.)? If so, what are they?
- Describe the successful completion and/or end results of the job.

4. Background/Knowledge

- What personal attributes are needed to be successful in this position?
- Describe the level, degree, and breadth of knowledge required for this position.
- Indicate the education, certification, and/or license requirements for the job.

5. Training

- Describe the orientation you received when you first started in this job, and evaluate its efficacy.
- What sort of on-the-job training and length of training period are needed for this position?
- What sort of tools, equipment, or other resources are needed for sufficient training (not performance) for this position?
- What assessment tests are needed to establish competency in this position?

6. Abilities required

- What are the manual skills that are required to operate machines, vehicles, equipment, or to use tools?
- Do you use special tools, equipment, or other sources of aid? If so, list the names of the principal tools, equipment, or sources of aid you use.
- What reasoning or problem solving ability must you have?
- Are any supervisory or managing abilities required?
- What physical abilities such as strength, coordination, or visual acuity must you have?

7. Working conditions

- Describe your working conditions.
- Describe the frequency and degree to which you encounter working conditions such as these: contact with hazardous materials, strenuous physical labor, cramped quarters, moving objects, vibration, inadequate ventilation.

8. Authority

- What is the level of accountability, and to whom are you accountable?
- What kinds of independent action are you allowed to take?

9. Responsibilities

- Are you responsible for any confidential material? If so, describe how you handle it.
- Are you responsible for any money or things of monetary value? If so, describe how you handle it.

10. Evaluation/Compensation

- In what ways and how often is your performance evaluated and feedback provided?
- What criteria do you think should be used in the evaluation process?
- Considering your level of productivity and the skill level required to fulfill your responsibilities, do you think you are compensated adequately?
- Describe the criteria you think should be used to determine adequate compensation for the position: responsibilities, skills, experience, knowledge, work environment, safety hazards, etc.

APPEDIX III

Sales Forecast Year 1

	Month											
	1	2	3	4	5	6	7	8	9	10	11	12
sales												
prescri ptions	200	5000	8000	12000	16000	18000	20000	22000	24000	24000	24000	26000
Para- pharm aceuti cal	300	400	400	500	500	700	700	500	500	600	600	700
Total sales	500	5400	8400	12500	16500	18500	20700	22500	24500	24600	24600	26700
Cost of sales												
prescri ptions	170	4250	6800	10200	13600	15300	17000	18700	20400	20400	20400	22100
Para- pharm aceuti cal	195	260	260	325	325	455	455	325	325	390	390	455
Total cost of sales	365	4510	7060	10525	13925	15755	17455	19025	20725	20790	20790	22555

Sales Forecast Year 2

	Month											
	1	2	3	4	5	6	7	8	9	10	11	12
sales												
prescriptions	28300	29300	29500	30000	30300	30000	30000	30700	31500	30000	30300	30200
Para-pharmaceutical	2700	2850	2850	3000	2950	3000	2950	3100	3200	3150	3200	3550
Total sales	31000	32150	32350	33000	32250	33000	32950	33800	34700	33150	33500	33750
	Month											
	1	2	3	4	5	6	7	8	9	10	11	12
Cost of sales												
prescriptions	24055	24905.0	25075.0	25500	25755.0	25500	25500.0	26095	26775	25500.0	25755	25670.0
Para-pharmaceutical	1755	1852.5	1852.5	1950	1917.5	1950	1917.5	2015	2080	2047.5	2080	2307.5
Total cost of sales	25810	26757.5	26927.5	27450	27672.5	27450	27417.5	28110	28855	27547.5	27835	27977.5

Sales Forecast Year 3

	Month											
	1	2	3	4	5	6	7	8	9	10	11	12
sales												
prescriptions	32300	32000	32500	33000	32800	33100	33800	33500	34000	33800	34200	34500
Para-pharmaceutical	3850	4900	4500	4700	4350	4700	4800	4800	5400	5000	5300	5500
Total sales	36150	36900	37000	37700	37150	37800	38600	38300	39400	38800	39500	40000
	Month											
	1	2	3	4	5	6	7	8	9	10	11	12
Cost of sales												
prescriptions	27455.0	27200	27625	28050	27880.0	28135	28730	28475	28900	28730	29070	29325
Para-pharmaceutical	2505.5	3185	2925	3055	2827.5	3055	3120	3120	3510	3250	3445	3575
Total cost of sales	29957.5	30385	30550	31105	30707.5	31190	31850	31595	32410	31980	32515	32900

APPENDIX IV

Personnel Plan									
	Year 1			Year 2			Year 3		
	Pharmacist	Assistant A	Assistant B	Pharmacist	Assistant A	Assistant B	Pharmacist	Assistant A	Assistant B
Month 1	1200	850		1200	850	850	1300	900	850
Month 2	1200	850		1200	850	850	1300	900	850
Month 3	1200	850	850	1200	850	850	1300	900	900
Month 4	1200	850	850	1200	850	850	1300	900	900
Month 5	1200	850	850	1200	850	850	1300	900	900
Month 6	1200	850	850	1200	850	850	1300	900	900
Month 7	1200	850	850	1200	850	850	1300	900	900
Month 8	1200	850	850	1200	850	850	1300	900	900
Month 9	1200	850	850	1200	850	850	1300	900	900
Month 10	1200	850	850	1200	850	850	1300	900	900
Month 11	1200	850	850	1200	850	850	1300	900	900
Month 12	1200	850	850	1200	850	850	1300	900	900
Total	14400	10200	8500	14400	10200	10200	15600	10800	10700

APPENDIX V

Pro Form Profit and Loss Year 1												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Sales	500.0	5700. 0	8800. 0	13200 .0	17600 .0	19800 .0	21950 .0	24150 .0	26300 .0	27400 .0	27500 .0	28552. 0
Direct Cost of Sales	365.0	4705. 0	7320. 0	10980 .0	14640 .0	16470 .0	18267 .5	20097 .5	21895 .0	22810 .0	22875 .0	23757. 5
Other Expen ses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cost of Sales	365.0	4705. 0	7320. 0	10980 .0	14640 .0	16470 .0	18267 .5	20097 .5	21895 .0	22810 .0	22875 .0	23757. 5
Gross Margi n	135.0	995.0	1480. 0	2220. 0	2960. 0	3330. 0	3682. 5	4052. 5	4405. 0	4590. 0	4625. 0	4792.5
Gross Margi n %	27.00 %	17.46 %	16.82 %	16.82 %	16.82 %	16.82 %	16.78 %	16.78 %	16.75 %	16.75 %	16.82 %	16.79 %
Expen ses												
Payrol l	2050. 0	2050. 0	2900. 0	2900. 0	2900. 0	2900. 0	2900. 0	2900. 0	2900. 0	2900. 0	2900. 0	2900.0
Sales and Marke ting and Other Expen ses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depre ciation	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lease	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

d Equip ment												
Utiliti es	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0
Insura nce	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0
Rent	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0
Payrol l Taxes	922.5	922.5	1305. 0	1305. 0	1305. 0	1305. 0	1305. 0	1305. 0	1305. 0	1305. 0	1305. 0	1305.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operat ional Expen ses	4072. 5	4072. 5	5305. 0	5305. 0	5305. 0	5305. 0	5305. 0	5305. 0	5305. 0	5305. 0	5305. 0	5305.0
Profit before interes t &taxe s	- 3937. 5	- 3077. 5	- 3825. 0	- 3085. 0	- 2345. 0	- 1975. 0	- 1622. 5	- 1252. 5	-900.0	-715.0	-680.0	-512.5
EBIT DA	- 3837. 5	- 2977. 5	- 3725. 0	- 2985. 0	- 2245. 0	- 1875. 0	- 1522. 5	- 1152.5	-800.0	-615.0	-580.0	-412.5
Interes t Expen ses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes incurr ed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit	- 3937. 5	- 3077. 5	- 3077. 5	- 3085. 0	- 2345. 0	- 1975. 0	- 1622. 5	- 1252. 5	-800.0	-715.0	-680.0	-512.5

Pro Forma Cash Flow

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Cash Received												
Cash from Operations												
Cash Sales	500	5700	8800	13200	17600	19800	21950	24150	26300	27400	27500	28550
Subtotal Cash from operations	500	5700	8800	13200	17600	19800	21950	24150	26300	27400	27500	28550
Additional Cash Received												
Sales Tax	0	0	0	0	0	0	0	0	0	0	0	0
New Current Borrowing	0	0	0	0	0	0	0	0	0	0	0	0
New Other Liabilities	0	0	0	0	0	0	0	0	0	0	0	0
New Long term liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0	0

of other Curre nt Assets													
Sales of Long term Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
New invest ment Recei ved	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtot al Cash Recei ved	500	5700	8800	13200	17600	19800	21950	24150	26300	27400	27500	28550	
Expen ditures													
Expen ditures from operat ions													
Cash payme nts	2250	2050	2900	2900	2900	2900	2900	2900	2900	2900	2900	2900	
Bill Payme nts	450	5130	7920	15840	15840	17820	19755	21735	23670	24660	24750	25695	
Subtot al Spent on Operat ions	2500	7180	10820	14780	18740	20720	22655	24635	27570	27560	27650	28595	
Additi onal Cash Spent													

Sales tax	0	0	0	0	0	0	0	0	0	0	0	0
Principal Repayment of current borrowing	0	0	0	0	0	0	0	0	0	0	0	0
Other liabilities Principal Repayment	0	0	0	0	0	0	0	0	0	0	0	0
Long-term liabilities Principal Repayment	0	0	0	0	0	0	0	0	0	0	0	0
Purchase other current assets	0	0	0	0	0	0	0	0	0	0	0	0
Purchase long-term assets	0	0	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal cash spent	2500	7180	10820	14780	18740	20720	22655	24635	26570	27560	27560	28595

Net cash flow	-2000	-1480	-2020	-1580	-1140	-920	-705	-485	-270	-160	-150	-45
Cash balance	78000	76520	74500	72920	71780	70860	70155	69670	69400	69240	69090	69045

Pro Forma Balance Sheet												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Assets												
Current Assets												
Cash	78000.0	76520.0	74500.0	72920.0	71780.0	70860.0	70155.0	69670.0	69400.0	69240.0	69090.0	69045.0
Inventory	5000.0	5000.0	5000.0	5000.0	5000.0	5000.0	5000.0	5000.0	5000.0	5000.0	5000.0	5000.0
Other Current Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Current Assets	83000.0	81520.0	79500.0	77920.0	76780.0	75860.0	75155.0	74670.0	74400.0	74240.0	74090.0	74045.0
Long term Assets												
Long term assets	4500.0	4500.0	4500.0	4500.0	4500.0	4500.0	4500.0	4500.0	4500.0	4500.0	4500.0	4500.0
Accumulated deprec	100.0	200.0	300.0	400.0	500.0	600.0	700.0	800.0	900.0	1000.0	1100.0	1200.0

iation												
Total Long term Assets	4400. 0	4300. 0	4200. 0	4100. 0	4000. 0	3900. 0	3800. 0	3700. 0	3600. 0	3500. 0	3400. 0	3300.0
Total Assets	87400 .0	85820 .0	83700 .0	82020 .0	80780 .0	79760 .0	78955 .0	78370 .0	78000 .0	77740 .0	77490 .0	77345. 0
Liabilities & Capital												
Current liabilities												
Accounts Payable	1837. 5	3335. 0	5040. 0	6445. 0	7550. 0	8505. 0	9322. 5	9990. 0	10520 .0	10975 .0	11405. 0	11773. 0
Current Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Current Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal Current liabilities	1837. 5	3335. 0	5040. 0	6445. 0	7550. 0	8505. 0	9322. 5	9990. 0	10520 .0	10975 .0	11405. 0	11773. 0
Long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities	1837. 5	3335. 0	5040. 0	6445. 0	7550. 0	8505. 0	9322. 5	9990. 0	10520 .0	10975 .0	11405. 0	11773. 0
Paid	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000

in capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retained Earnings	-10500.0	-10500.0	-10500.0	-10500.0	-10500.0	-10500.0	-10500.0	-10500.0	-10500.0	-10500.0	-10500.0	-10500.0
Earnings	-3937.5	-7025.0	-10840.0	-13925.0	-16270.0	-18245.0	-19867.5	-21120.0	-22020.0	-22735.0	-23415.0	-23927.5
Total Capital	85562.5	82485.0	78660.0	75575.0	73230.0	71255.0	69632.5	68380.0	67480.0	66765.0	66085.0	65572.5
Total Liabilities & capital	87400.0	85820.0	83700.0	82020.0	80780.0	79760.0	78955.0	78370.0	78000.0	77740.0	77490.0	77345.0
Net worth	85562.5	82485.0	78660.0	75575.0	73230.0	71255.0	69632.5	68380.0	67480.0	66765.0	66085.0	65572.0

Correlations

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capital	Pearson Correlation	.127	1	.215	.312	-.030	-.120	.011	-.052	.018	.000	.021	-.004	.020	.070	-.018	.108	-.000	.413	.199	-.144	.011	-.081
	Sig. (2-tailed)	.467		.112	.068	.866	.492	.754	.916	.299	.216	.299	.400	.697	.207	.209	.708	.207	.014	.252	.409	.940	.645
	N	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
	Pearson Correlation	-.112	.204	.508	.071	-.101	-.129	.397	.039	-.007	.249	.307	.030	-.003	.206	-.021	-.004	.200	.189	.009	.102	-.003	
	Sig. (2-tailed)	.461		.105	.067	.861	.495	.759	.918	.298	.217	.298	.400	.699	.208	.210	.709	.208	.015	.257	.409	.944	.643
friends	Pearson Correlation	.209	.123	.318	.350	.358	.358	.352	.359	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353
	Sig. (2-tailed)	.461		.105	.067	.861	.495	.759	.918	.298	.217	.298	.400	.699	.208	.210	.709	.208	.015	.257	.409	.944	.643
	N	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
	Pearson Correlation	.209	.123	.318	.350	.358	.358	.352	.359	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353
	Sig. (2-tailed)	.461		.105	.067	.861	.495	.759	.918	.298	.217	.298	.400	.699	.208	.210	.709	.208	.015	.257	.409	.944	.643
banks	Pearson Correlation	.209	.123	.318	.350	.358	.358	.352	.359	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353
	Sig. (2-tailed)	.461		.105	.067	.861	.495	.759	.918	.298	.217	.298	.400	.699	.208	.210	.709	.208	.015	.257	.409	.944	.643
	N	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
	Pearson Correlation	.209	.123	.318	.350	.358	.358	.352	.359	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353
	Sig. (2-tailed)	.461		.105	.067	.861	.495	.759	.918	.298	.217	.298	.400	.699	.208	.210	.709	.208	.015	.257	.409	.944	.643
euprogramms	Pearson Correlation	.209	.123	.318	.350	.358	.358	.352	.359	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353
	Sig. (2-tailed)	.461		.105	.067	.861	.495	.759	.918	.298	.217	.298	.400	.699	.208	.210	.709	.208	.015	.257	.409	.944	.643
	N	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
	Pearson Correlation	.209	.123	.318	.350	.358	.358	.352	.359	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353	.353
	Sig. (2-tailed)	.461		.105	.067	.861	.495	.759	.918	.298	.217	.298	.400	.699	.208	.210	.709	.208	.015	.257	.409	.944	.643

com binat ion	Sig. (2- taile d)	.1 1 9 2 1 0 9 7 6 6 0 7 9 7 1	.0 01	.47 4	.4 95	.75 4 3 0 0 0 0 0 0	1. 00	1 0	.2 0 4 5	.5 7 8 6	.72 8	.1 8 1 6	.4 8 3 1 4	.79 6	.07 0	.4 6 4 6 9 2	.79 3
	N	3 3 3 3 3 5 5 5 5 5	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
	Pear son	.2 2 4 3 5 7 4 8 1 4 6	.5 19	- .05	- .0	- 1	.2 75	.0 2	.0 1	.0 0	.19 1	.1 2	- 3	.02 1	- .08	.0 8	.10 8
	Corr elati on	8 2 8 4 **		8	73	4 0 2	7 5 5	9 3 3	4 4 4	2 2 2		0 5 8	0 3 7		8 2 8	4 4 4	
	Sig. (2- taile d)	.1 1 5 0 0 0 5 2 6 0 0 2 8 1 0	.0 01	.74 2	.6 75	.05 4 3 1 4	.1 09	.9 1	.8 8	.27 3	.4 8	.0 7	.90 5	.61 5	.6 4	.53 8 8	
skill edpe rson al	N	3 3 3 3 3 5 5 5 5 5	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
	Pear son	.1 1 8 0 0 0 8 3 0 7 0	.1 19	.0 0	.83	.14 0	.1 44	.0 1	.0 2	.1 0	.07 5	.2 0	- 3	.26 0	.1 8	.15 3	.15 0 1
	Corr elati on	3 3 8 2 0 4	25	58	2 9 4	4 9 4	2 0 0	4 2 3	9 0 3	2 0 3	2 4 7	2 0 5	87 7 3		5 4 0		
	Sig. (2- taile d)	.2 2 9 8 6 8 9 3 6 5 9 3 6 7 1	.4 74	.7 42	.2 93	.42 0 1 8 7	.4 08	.8 4	.5 6	.66 7	.2 1	.6 3	.62 0	.11 9	.4 3	.38 8 5	
	N	3 3 3 3 3 5 5 5 5 5	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
local skill ed	Pear son	.1 1 9 1 1 0 9 4 1 1 0	.1 19	.18 0	1 3	.14 3	.1 1	.2 2	.0 1	.0 2	.16 6	.1 3	.46 0	.0 1	.02 3	.02 6	
	Corr elati on	4 2 2 0 0 9 6	73		4 7 4	0 4 3	1 1 0	4 1 8	6 6 6	3 3 2	3 8 6	79 8 5		5 0 5			
	Sig. (2- taile d)	.2 2 6 4 4 9 6 4 9 6 7 4 2 1 2	.4 95	.6 75	.29 3	.41 0 3 0 4	.5 56	.1 5	.8 9	.34 1	.5 0	.3 6	.25 4	.00 5	.8 4	.88 9 0 8	
	N	3 3 3 3 3 5 5 5 5 5	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
	Sig. (2- taile d)	.2 2 6 4 4 9 6 4 9 6 7 4 2 1 2	.4 95	.6 75	.29 3	.41 0 3 0 4	.5 56	.1 5	.8 9	.34 1	.5 0	.3 6	.25 4	.00 5	.8 4	.88 9 0 8	

local	N	3 5	3 5	3 5	3 5	3 5	35 27	35 42	35 .29	35 .4	3 1	35 5	35 .01	3 0	3 5	3 6	3 1	3 0	35 7	3 1	3 4	3 1	3 4	35 90	35 1	35 .20	3 7	3 2	3 4	35 3
	Pearson	-	-	.	.	.	.1	.1	-	-	1	-	.0	.	.0	-	-	-	-	-	-	-	.0	.22	-	-	.	.	.11	
	Correlation	.2	.4	1	1	0	27	42	.29	.4	74	0	56	0	4	.	.0	.11	.	.2	.	.	90	1	.20	.0	0	0	3	
		4	8	7	2	1					**			6		1	7			0	6	0	4			3	7			
	Sig. (2-tailed)	.1	.5	.4	.5	.7	.68	.14	.08	.0		.95	.7	.	.7	.	.9	.50	.	.1	.	.	.6	.20	.23	.8	.	.	.51	
local over skill ed	N	3 5	3 5	3 5	3 5	3 5	35 55	35 .3	35 0	35 .14	3 1	35 5	35 1	3 0	3 5	3 5	3 5	35 4	3 5	3 5	3 5	3 5	35 3	35 3	35 .29	3 9	3 .0	3 1	35 .02	
	Pearson	.1	-	-	-	-	.0	-	.14	.1	-	1	-	-	.0	-	-	-	-	-	-	-	-	-	.29	-	.	.	-	
	Correlation	4	3	0	2	1		.30			0		.06	2	9	0	5	4	1	4	1	0	.05	3		9	5	1		
		3		5	4	7					1		0		3	8			5	9	5	9				7	4			
	Sig. (2-tailed)	.4	.1	.7	.1	.3	.53	.53	.42	.4	.	.2	.	.8	.	.7	.98	.	.7	.	.	.	.0	.21	.08	.5	.	.	.90	
health cen tre	N	3 5	3 5	3 5	3 5	3 5	35 00	35 75	35 4	35 .14	3 1	35 5	35 .20	3 0	3 6	3 0	3 8	35 9	3 1	3 9	3 1	3 4	35 46	35 .11	35 .26	3 .0	3 6	3 0	35 1	
	Pearson	.1	.	.	.	.	.0	.2	.14	-	.	-	1	1	-	-	-	.24	-	.5	-	-	.2	-	-	-	-	-	-	
	Correlation	5	5	1	9	8				.03	5	6		0	8	4	9		1	0	1	4		8	1	6	0	1		
		5		8	7	4					6			0	8	3	0		4	*	4	4				1	2			
	Sig. (2-tailed)	.3	.7	.9	.0	.2	.00	.09	.40	.5	.	.23	.	.2	.	.6	.15	.	.0	.	.	.	.1	.50	.12	.7	.	.	.90	
N	3 5	3 5	3 5	3 5	3 5	35 00	35 09	35 8	35 56	3 7	35 4	35	3 0	3 8	3 0	3 6	35 4	3 3	3 0	3 3	3 0	35 54	35 0	35 9	3 2	3 8	3 4	35		

hosp ital	Pearson	.1	.0	.2	.14	-	-	1.	1	-	-	-	.24	-	.5	-	-	.2	-	-	-	-	-	-
	son	1	5	0	3	1	00	75	4	.1	0	.20	00	.1	.9	.1	4	46	.11	.26	.0	.02	.0	.02
	Corr	5	5	1	9	8				03	5	6	0**	8	4	9	1	0*	8	1	6	0	1	1
	elati	5		8	7	4				6				8	3	0	4	*	4		1	2		
	on														6		8	8	7			5		
cityc ente r	Sig.	.3	.1	.1	.40	.5	.23	.0	.2	.6	.15	.0	.1	.50	.12	.7	.90	.3	.7	.90	.3	.7	.90	.3
	(2- taile d)	3	7	9	0	2	00	09	8	56	7	4	00	8	0	0	4	3	0	3	0	54	0	4
		7	5	1	1	9	0				4			0	0	6		9	0	9	0			
		5		6	8	0					8			9				8		8	7			
	N	3	3	3	3	3	35	35	35	35	3	35	35	3	3	3	3	35	3	3	3	35	35	35
over 600	Pearson	-	.1	2	0	.90	.19	.02	.2	-.03	-	-	1	-	-	-	-	-	.25	.60	.1	-	.23	
	son	.1	2	0		90	19	9	24	0	9	.1		1	.0	.62	.2	.0	.2	5	4**	4	3	
	Corr	1	2	1	5	2				4		88	1	2	1	9**	2	8	2	4	00			
	elati	2	6	0	0	3				6			8	6	8		8	0	8	5				
	on	6			8								8				0	0						
lowe r600	Sig.	.4	.2	.9	.86	.1	.82	.2	.9	.9	.00	.1	.2	.13	.00	.3	.17	.2	.13	.00	.3	.17	.2	
	(2- taile d)	4	7	2	7	1	74	12	7	97	7	5	80	2	4	1	0	1	0	1	7	49	9	8
		7	2	2	7	6				9			8	7	7		0	3	0	9				
		2		6	7	9				4			0	2			3		3	6				
	N	3	3	3	3	3	35	35	35	35	3	35	35	3	3	3	3	35	3	3	3	35	35	35

depr esse dare a	Sig.	.5	.5	.5	.8	.56	.8	.74	.6	.9	.56	.5	.1	.14	.38	.8	.37
	(2- taile d)	5 6 2 4 6 76 91 9 83 9 1 06 6 1 8 7 5 3 5 4 75 5 8 2 5 5															
	N	3 3 3 3 3 35 35 35 35 3 35 35 3 3 3 3 35 3 3 3 3 35 35 35 3 3 35															
	Pear son	- .0 0 2 3 .0 91 5 .1 .00 46 2 .6 .0 3 3 3 .22 .26 .51 2 0 .30															
	Corr elati on	0 8 7 0 7 61 66 1 4 4 2 0 0 6 7 6 0 6 4 4 0 0															
	Sig.	.6 .7 .2 .66 .3 .98 .1 .0 .5 .4 .4 .12 .00 .8 .07															
	(2- taile d)	6 1 6 2 0 28 73 7 41 5 1 54 1 0 5 6 0 3 0 8 86 2 2 9 9 8															
	N	3 3 3 3 3 35 35 35 35 3 35 35 3 3 3 3 35 3 3 3 3 35 35 35 3 3 35															
	Pear son	- .2 .0 .0 .25 .3 .15 .1 .2 .1 2 .1 .1 .2 .0 .24 .30 .2 .26															
	Corr elati on	2 1 0 1 0 28 28 7 26 1 1 48 1 8 1 0 5 0 6 26 1 4 2 0 8															
villa ge	Sig.	.2 .8 .8 .13 .0 .38 .3 .1 .5 .03 .3 .8 .16 .07 .1 .12															
	(2- taile d)	2 1 7 2 8 71 71 6 56 5 7 98 3 0 5 4 3 8 0 1 81 2 6 9 6 0															
	N	3 3 3 3 3 35 35 35 35 3 35 35 3 3 3 3 35 3 3 3 3 35 35 35 3 3 35															
	Pear son	.3 .2 .1 .20 .1 .04 .5 .2 .1 .13 .1 .2 .09 .0 .06															
	Corr elati on	3 3 1 2 2 70 25 4 13 .04 90 5 .2 .0 7 .36 3 .04 8 .06															
	Sig.	.0 .1 .4 .23 .5 .77 .0 .1 .5 .43 .1 .59 .81 .6 .71															
	(2- taile d)	0 5 2 1 1 16 76 9 18 1 9 00 0 0 2 3 3 3 3 72 4 9 1 1 5															
	N	3 3 3 3 3 35 35 35 35 3 35 35 3 3 3 3 35 3 3 3 3 35 35 35 3 3 35															
	Pear son	- .3 .2 .1 .20 .1 .04 .5 .2 .1 .13 .1 .2 .09 .0 .06															
	Corr elati on	3 3 1 2 2 70 25 4 13 .04 90 5 .2 .0 7 .36 3 .04 8 .06															
near othe rs	Sig.	.0 .1 .4 .23 .5 .77 .0 .1 .5 .43 .1 .59 .81 .6 .71															
	(2- taile d)	0 5 2 1 1 16 76 9 18 1 9 00 0 0 2 3 3 3 3 72 4 9 1 1 5															
	N	3 3 3 3 3 35 35 35 35 3 35 35 3 3 3 3 35 3 3 3 3 35 35 35 3 3 35															
	Pear son	- .3 .2 .1 .20 .1 .04 .5 .2 .1 .13 .1 .2 .09 .0 .06															
	Corr elati on	3 3 1 2 2 70 25 4 13 .04 90 5 .2 .0 7 .36 3 .04 8 .06															
	Sig.	.0 .1 .4 .23 .5 .77 .0 .1 .5 .43 .1 .59 .81 .6 .71															
	(2- taile d)	0 5 2 1 1 16 76 9 18 1 9 00 0 0 2 3 3 3 3 72 4 9 1 1 5															
	N	3 3 3 3 3 35 35 35 35 3 35 35 3 3 3 3 35 3 3 3 3 35 35 35 3 3 35															
	Pear son	- .3 .2 .1 .20 .1 .04 .5 .2 .1 .13 .1 .2 .09 .0 .06															
	Corr elati on	3 3 1 2 2 70 25 4 13 .04 90 5 .2 .0 7 .36 3 .04 8 .06															

high une mplo yme nt	Pear	-	-	.	.	-	.0	.0	-	-	.	-	-	.2	.	.2	-	-	.0	-	-	.1	1	.00	.3	-	.29	
	son	.	.2	1	1	.	45	21	.08	.1	2	.21	.1	.	5	2	5	.26	.	9	.	.	36	8	5	.	7	
	Corr	2	8	9	8	0			7	98	2	3	18	1	5	8	2	6	2	3	2	0			7	4		
	elati	8	6	9	0	1					1			1	9			4		4	8			0				
	on	6				9							8					1		1	1			0		*		
	Sig.	.	.0	.	.	.	.7	.9	.62	.2	.	.21	.5	.	.1	.	.1	.12	.	.5	.	.	.4		.96	.0	.	.08
	(2-	0	9	2	3	9	96	05	0	54	2	9	00	5	3	0	4	2	1	9	1	6	36		4	3	0	3
	taile	9	6	5	0	1					0			0	9	9	5		6	4	6	4			5	1		
	d)	6		2	1	4					1			0		2			2		2	2			7			
	N	3	3	3	3	3	35	35	35	35	3	35	35	3	3	3	3	35	3	3	3	3	35	35	35	3	3	35
awa ycity cent re	Pear	.	.0	-	-	-	.3	-	.26	.4	-	.29	-	-	.6	-	-	-	-	-	-	-	.00	1	.2	-	.23	
	son	0	9	.	0	.	10	.0	8	64	.	9	.2	.	0	3	.1	.51	.	.0	.	1	.3	8	7	.	1	
	Corr	9	5	1	0	1		88		**	2		61	2	4	6	5	4**	3	4	3	6	52		2	0		
	elati	5		4	9	5					0		6	*	9	0		0	0	0	3	*			0			
	on			4		3					7		1		*			4		4					6			
	Sig.	.	.5	.	.	.	.0	.6	.11	.0	.	.08	.1	.	.0	.	.3	.00	.	.8	.	.	.0	.96	.1	.	.18	
	(2-	5	8	4	9	3	70	15	9	05	2	1	29	1	0	0	8	2	0	1	0	3	38	4	1	9	1	
	taile	8	8	0	5	8					3			2	0	2	8		7	9	7	5			4	7		
	d)	8		9	7	1					3			9		9		6		6	1				4			
	N	3	3	3	3	3	35	35	35	35	3	35	35	3	3	3	3	35	3	3	3	3	35	35	35	3	3	35
mou ntain s	Pear	-	-	.	.	.	.1	.0	.13	.0	-	-	-	-	.1	.	.0	.02	-	.0	-	.	.1	.35	.27	1	-	-
	son	.	.2	0	1	1	27	82	5	35	.	.09	.0	.	4	2	3	4	.	8	.	0	47	7	2	.	.05	
	Corr	2	1	1	2	8					0	7	61	0	9	2	8		2	9	2	9			0	8		
	elati	1	1	3	5	4					2			6		0		2		2	1				7			
	on	1									3			1				3		3					7			
	Sig.	.	.2	.	.	.	.4	.6	.43	.8	.	.57	.7	.	.3	.	.8	.89	.	.6	.	.	.4	.03	.11	.	.74	
	(2-	2	2	9	4	2	66	41	9	41	8	8	27	7	9	2	2	1	1	1	1	6	00	5	4	6	1	
	taile	2	4	4	7	8					9			2	2	0	7		9	0	9	0				5		
	d)	4		3	4	9					6			7		3			7		7	2				9		
	N	3	3	3	3	3	35	35	35	35	3	35	35	3	3	3	3	35	3	3	3	3	35	35	35	3	3	35
terra ins	Pear	-	-	-	-	.	.1	.0	.04	-	.	.15	-	-	-	-	-	.02	-	-	-	-	-	-	-	1	-	
	son	.	.0	.	0	0	20	44	0	.	0	4	.	0	.	.0	.1	0	.	.2	.	.	.3	.40	.00	.0	.	.16
	Corr	0	8	3	8	6				05	4		25	0	8	1	1		0	4	0	2	12	0	6	7	2	
	elati	8	9	7	3	7					7			2	2	9	2		8	8	8	4			7			
	on	9		0	.								5		1			7		7	3							

notransportation	Sig.	.6			.4	.8	.81	.9		.37	.8		.6		.5	.91		.1		.0	.01	.97	.6		.35
	(2-tailed)	610	6792	037	78	78	78	78	78	86	88	4220	6561	687	459	1									
	N	33333	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535		
	Pearson	-	-	-	-	-	.1	.15	.0	-	-	-	.2	-	-	-	-	-	-	.0	.29	.23	-	-	1
	Correlation	.0	0			.0	.08	1	.26	1	.02	.0		3	2	.1	.30		.0		.76	7	1	.0	
	on	04	800	46					11	21	03	65	2	26	20								51		
		45	139						3		2		35		64	67						86			
		5		37							1				8	89							2		
	Sig.	.7			.7	.5	.38	.8		.90	.9		.1		.3	.07		.7		.6	.08	.18	.7		
	(2-tailed)	799	685	93	385	80	5	80	5	604	971	7	17	8	11	16	63	3	1	4	3	1	5		
N	33333	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	353535	

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
legalform	35	1	2	1.46	.505
capital	35	4	5	4.69	.471
friends	35	1	4	2.74	.852
banks	35	1	4	2.94	.802
euprograms	35	2	4	3.43	.558
combination	35	1	4	3.06	.725
skilledpersonal	35	4	5	4.34	.482
localskilled	35	4	5	4.46	.505
local	35	2	4	3.14	.772
localoverskilled	35	3	5	4.23	.547
healthcentre	35	3	5	4.20	.677
hospital	35	3	5	4.20	.677
citycenter	35	2	5	3.80	.833
over600	35	2	4	3.17	.618

lower600	35	1	3	2.23	.770
depressedarea	35	2	4	3.26	.741
village	35	3	5	3.69	.530
nearothers	35	2	4	2.69	.530
alone	35	3	5	3.69	.530
price	35	2	5	3.43	.778
relationship	35	1	4	2.60	.847
highunemployment	35	3	5	3.83	.664
awaycitycentre	35	3	5	3.69	.631
mountains	35	2	4	3.29	.710
terrains	35	2	4	2.63	.690
notransportation	35	2	5	3.91	.818
Valid N (listwise)	35				