

# Go with the Phlo: the future of pharmacy?

Launched at the end of last year, Phlo is on a mission to become the UK's leading on-demand digital pharmacy. Maddyness spoke to Adam Hunter, Chief Commercial Officer, about health innovation in the time of COVID-19.

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COVID-19 saw GPs close their doors to all but the most urgent of cases. As a result, accessing more routine medication – from antibiotics to contraception – became a bit of an obstacle course. At the very least, it was a forced step towards digital healthcare for a public still primarily accustomed to face-to-face GP appointments and waiting in line at Boots.

Maybe this is one of the reasons why Phlo's crowdfunding campaign, currently live on Crowdcube, has overfunded with plenty of time left to go. "Life can be difficult as it is, accessing your medication shouldn't be," the pitch reads knowingly.

Phlo is an online pharmacy promising on-demand, same-day prescription delivery of NHS and private prescriptions. Average delivery time in London is two hours.

The journey started when founder and CEO Nadeem Sarwar, who is on a regular repeat prescription, became frustrated with "the existing service of travelling to a pharmacy with restricted opening hours, long waiting times, lack of stock and incomplete prescriptions."

I spoke to Adam Hunter, Chief Commercial Officer, about what lies ahead for the enterprise that seeks to unite the principles of great tech, design and

patient service.

## [Maddyness] What differentiates you from other digital pharmacies?

[Adam] All the major players in the online pharmacy space operate out of a central hub delivering prescriptions via courier providers. This service is adequate for the repeat medication market as the dispensing cycle is predictable and can be scheduled in advance.

There are however two major challenges with this structure, both of which Phlo addresses:

Firstly, the reliability of mail order: Once a prescription leaves a pharmacy there is always a chance that this package can go missing due to the actions of the courier provider. Our market research suggested patients were uncomfortable receiving their prescriptions via the mail as they were not convinced as to the safety and reliability of the service.

Phlo's on-demand, same-day service of prescriptions empowers patients to schedule a delivery slot at a time and place that suits them. Patients can then track their order from our pharmacy to their door in real-time. We believe that this gives patients added assurance and peace of mind that their medication will arrive safely and on time.

During COVID-19 we scaled our own mail order facility to provide patients across the UK a mail order service. Our biggest challenge during Covid was delayed deliveries by our courier partners. On the other hand, our same-day service operated seamlessly. We want to scale our same-day offering across England so patients can benefit from a safer, more convenient and reliable service.

Secondly, acute prescriptions: Acute or 'one-off' prescriptions are prescribed by clinicians for those one-off illnesses that require a short but intense round of medication. These prescriptions are not predictable and patients who use traditional online pharmacies find the service is not fit for purpose.

The main reason for this is speed. An online pharmacy using a traditional mail order service will take on average three days to get the medication to the patient. If a patient has an acute illness, they need their prescription as soon as possible. Therefore, they will usually be left with the only option of visiting a bricks and mortar pharmacy to source the prescription.

*To truly disrupt the wider pharmacy sector and increase market penetration of the online pharmacy sector you need to be able to deliver acute prescriptions.*

Phlo provides a 'complete digital' pharmacy service by being able to deliver acute prescriptions via our on-demand service. This means our patients in our same-day delivery zone do not need to source their acute prescriptions from a traditional high street or community pharmacy. We have experience of delivering this acute service in London and our aim is to scale this out to other major cities in England.

## Have you seen an increase in business during COVID-19?

COVID-19 has certainly accelerated the wider adoption of tech across society and pharmacy is no different. Our business has increased dramatically as patients were looking for a safe and convenient pharmacy partner during these uncertain times.

*We are proud of the small role we have played in tackling the spread of the virus and helping our patients shield and access their medication.*

## What kind of work do the medical experts on your team do?

We are a fully authorised NHS pharmacy registered with NHS England, the General Pharmaceutical Council (GPHC) and the Medical & Healthcare Products Regulatory Agency (MHRA).

Our pharmacy team is led by our chief pharmacy officer Naila Dad (ex-head of operations at Pharmacy 2U and Co-Op Ventures). We have three further pharmacists and three pharmacy dispensers on the team. This team is responsible for the day to day operations of the pharmacy, ensuring that Phlo is complying with the relevant regulatory requirements and our patients receive excellent care.

## What is your business model?

Phlo operates in two distinct areas: NHS and private prescriptions.

Like all pharmacies operating in the NHS, we purchase medication from our wholesalers and dispense these medications to our patients. We are then paid by the NHS for each item we dispense at a set amount dictated by the NHS. In short, we make a gross margin on every item dispensed.

For private prescriptions, the same model applies i.e. drugs are purchased from our wholesalers we then apply a margin which is charged to the patient. There is no set margin, and this differs depending on the medication and the private healthcare provider we work with.

We also have a number of paid delivery options as well as one free service.

## How much of the future of medicine do you think is online?

One of the impacts of COVID-19 has been to accelerate the adoption of tech solutions to help better manage the way we provide healthcare services.

My view is that this will continue to grow in the future and will benefit the speed and quality of the healthcare services in this country. That being said, there will always be a need to balance digital care solutions and face-to-face care. Technology should be deployed to improve our healthcare system.

## What are your thoughts on private sector intervention in public healthcare?

The NHS is one of the great institutions of the UK and these days one of the few government agencies that unites everyone on its importance. In the pharmacy sector all pharmacies are in effect “private” organisations as they operate via an NHS contract, Phlo is no different.

The relationship between private and public is too simple a distinction and the focus should be about the quality of the end care provided to patients firstly. And secondly how we as a young organisation can help the more mature organisations within the NHS, innovate at pace.

And finally, COVID-19 has shaken up everyone's routine in a big way. Not everyone lives like Mark Wahlberg, but at Maddyness we're interested in the tips, tricks and rules the people we interview live by.

So, we're asking everyone we interview: do you have a ridiculous CEO-style morning routine? If not, tell us how your days normally unfold and the rules you live by.

I don't have any ridiculous CEO style morning routines. I suppose my only quirk is as soon as I get up, I make my bed, meaning my first task of the day is completed. This sets me up to get the next task completed and so on. Plus, if it's been a particularly tough day at least my bed is made when it's time to turn in. Also, plenty of decent coffee, a good breakfast and the Today programme.

*Discover Phlo*