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Future-proof your
pharmacy: **A practical
guide to
digital transformation**

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Market trends reshaping the industry

As digital transformation accelerates, pharmacies must adapt to evolving regulations, streamline operations, and meet rising patient expectations. Consider the [market size of retail pharmacies in Australia](#), which has grown at a compound annual growth rate of 2.9%, reaching an estimated \$27 billion last year. In addition to this, a [recent global review](#) of the pharmacy sector predicts a significantly higher growth rate of 14.42% in the digital pharmacy market specifically. This is a clear sign that digital transformation for pharmacies is no longer just a nice-to-have, it's critical for success and sustainability.

Reinforcing the need for pharmacies to embrace digital transformation, patients now expect the same flexibility and efficiency they already enjoy with their supermarket or banking apps, plus the many other digital platforms they use daily. [Deloitte's Connected Consumer Study 2023](#) reports that 75% of respondents believe digital technology has a positive impact on their lives, enhancing convenience and safety. In addition to this, healthcare providers such as GPs, specialists and the Australian government will increasingly require pharmacies to adopt efficient and reliable pharmacy digital solutions such as electronic prescriptions and digital payments. The Australian government has committed \$20 billion to support innovation and transformation as part of their [Digital Health Blueprint](#).

[Research](#) shows that more individualised and efficient patient care and medication adherence are among the many benefits of digitisation. A pharmacy, Harris Health based in America, that introduced [automated](#)

[prescription processing](#) and home deliveries to improve medication adherence saw an 18% reduction in emergency centre visits. Community pharmacies are also increasing adherence to medication by embedding 'pill reminder' technology into their apps.

Pharmacy POS systems are another area of notable growth. Online merchant facilities increased by [6.8% from 2021 to 2023](#) and spending for online pharmacies increased during the same period by 7.8%, illustrating the increased adoption of e-commerce options. Taking it one step further with a truly streamlined digital checkout process, pharmacies can save time and eliminate waste, improve liquidity, combat cyber threats, and deliver more customer choices.

For smaller community and compounding pharmacies that are yet to fully embrace the digital revolution, the time has never been more pertinent. While the opportunity to enhance operations is seemingly limitless, failing to adapt could result in increased labour, operational inefficiencies, more human error and, ultimately, lost customers.

14.42%

Growth rate of digital pharmacy market

Are outdated systems holding your pharmacy back?

Digitisation plays a vital role in overcoming many of the common challenges independent pharmacies face, like slow manual processes, cumbersome inventory management, cash flow issues and exposure to data security issues and cyber attacks.

Community and compounding pharmacies often employ traditional banking methods which can create significant inefficiencies, especially when managing cash flow and supplier payments. Delays in payment processing can disrupt inventory replenishment, leading to stock shortages and dissatisfied customers.

Other more manual systems, such as maintaining a spreadsheet with customer credit card details or tracking prescriptions and inventory by hand, are not only clunky and time-consuming but also fraught with risks. Human error can lead to data loss or inaccuracies, impacting customer satisfaction and operational efficiency. Additionally, sensitive information stored in unsecured formats is highly vulnerable to cyberattacks, such as ransomware or phishing schemes, which can cripple a small business.

Failing to adequately protect this data also exposes pharmacies to significant legal and financial repercussions due to non-compliance with stringent privacy regulations like the [Australian Privacy Act](#).



For small community pharmacies, which often operate on tight budgets and resources, these challenges can be overwhelming, jeopardising customer trust and long-term business sustainability.

Recognising the need to move away from cumbersome and labour-intensive procedures, the Pharmacy Guild of Australia has now developed its 2025 vision, a [Framework for Change](#), which focuses on automation, digital health and modification of back office systems.

The digital innovations that are driving success



Automation and AI

Automation diminishes the incidence of human error while also reducing labour costs and administrative overheads. Robots are already improving operations in some Australian healthcare facilities by providing safer and more [efficient distribution of medication](#), saving staff a whopping 5 hours a day. A [recent Deloitte survey](#) revealed that automation has the potential to reduce the average time and associated costs of transaction processing in MedTech businesses by 60 - 80%. At the same time, it reduces errors by 70-99%. The long-term effects of automation and subsequent increased efficiency has been proven to open up new revenue streams for pharmacies, ultimately [increasing their profits](#).

Automation of inventory management, order tracking and invoicing – including the role of AI in pharmacy inventory – presents considerable opportunity for compound and community pharmacies. It can significantly reduce the burden of the critical pharmacy inventory control standards on which so many lives depend. Reordering is based on optimum stock levels and demand forecasts, expiry dates are tracked, data analysis is conducted and reports on trends, sales and profitability are generated, increasing productivity. AI-enabled supply chain management can improve logistics costs by 15%, inventory levels by 35% and service levels by 65%, according to a [McKinsey report](#).

Online platforms and mobile apps also give patients the convenience of managing electronic prescriptions, tracking orders and communicating with pharmacy staff without having to make a trip to the pharmacy. Studies show that ordering prescriptions online is the [top factor for customer satisfaction](#), however only 18% of customers say their pharmacy offers a well-designed digital experience.





Electronic prescriptions

Electronic prescriptions are the way of the future for Australia. Over [219 million electronic prescriptions](#) have been issued in Australia since May 2020. Around [71% of Australian pharmacies can now receive electronic prescriptions by email](#), and 66% can process them via a mobile app by scanning a QR code.

It's also an area of significant focus for the federal government, bolstered by government funding of [\\$111.8 million over four years and \\$24.2 million ongoing funding](#) announced in the 2024 federal budget. The Department of Health makes a forceful case for why electronic prescribing is important, listing the following points:

- ✓ **Greater consumer choice**
- ✓ **More efficient prescribing and dispensing**
- ✓ **Error reduction**
- ✓ **Supports hospital and aged care electronic medication charts**
- ✓ **Eliminates paper document handling and storage**
- ✓ **Supports telehealth services**
- ✓ **Promotes online transactions and therefore social distancing when necessary**
- ✓ **Maintains consumer privacy and personal data protection**

Electronic prescriptions also facilitate prescription tracking and go hand-in-hand with the provision of seamless and flexible payment options for customers.



Future developments for e-prescriptions

Electronic prescriptions are already evolving, with the current Electronic Prescribing Program enabling both electronic prescription tokens and [Active Script Lists](#) (ASLs). Pharmacies adopting these systems early, gain significant competitive advantages through improved workflow efficiency and enhanced patient satisfaction. The integration with [My Health Record](#) and upcoming developments in [real-time prescription monitoring systems](#) will further streamline medication management and help address prescription drug misuse.

Some global trends are emerging at the intersection of [AI and e-prescriptions](#), notably through AI tools that can predict adverse drug events, assist in medication reconciliation, and support personalised treatment plans by analysing patient data, including medical history and genetic profiles. In Australia, AI-powered pharmacy dispensing platforms like [Fred Dispense Plus](#) have been introduced to aid pharmacists in dispensing medications more efficiently and safely.

The Australian Digital Health Agency is also working on interoperability standards to ensure seamless data exchange between different healthcare systems. As patient expectations for convenient digital healthcare services continue to grow, practices investing in modern e-Prescription capabilities will likely see increased patient retention and operational cost savings compared to late adopters.





POS digital payments

In an increasingly competitive market, an efficient payment system is essential for pharmacies to streamline operations, enhance customer experiences and maintain healthy cash flow.

Digital payments, via pharmacy POS systems, lead to [faster payment cycles](#) and improved cash flow management, and can also reduce processing fees. It can take up to 3 business days for payments through traditional banking to clear and this can extend further due to weekends or bank holidays, adding friction to cash flow. In contrast, digital payments, like e-wallets, or instant payment systems clear much faster, often within seconds to a few minutes. These quick transactions improve cash flow and enable pharmacies to manage their finances more efficiently, especially when dealing with suppliers and inventory.

Some of the additional built-in benefits of digital payments include:

Reduced waste

Automated digital invoices can be produced at the time of payment, along with a digital receipt. [Digital receipts are already being used in pharmacies](#), reducing paper waste and promoting sustainability.



Improved cash flow

Cash flow management is easier with real-time digital payment processing. Pharmacies can immediately see that a customer payment is successful, and access their revenue without the delays often attached to legacy systems offered by traditional financial institutions.

Enhanced cyber security

The pharmacy sector is an attractive target for cyber attacks, given that, just like [Medibank](#), it is a storehouse of both healthcare and financial data. Pharmacies can help to protect their business, their customers and their reputation by accessing the enhanced security features of digital payment systems, including encryption, tokenisation, multi-factor authentication and constant monitoring for potential fraud.

More payment choices for consumers

The most advanced digital POS systems accept multi-channel payments, including smartphone payments, digital wallets and Buy Now Pay Later (BNPL) facilities such as Afterpay and Zip – which the RBA says are [used by more than 40% of consumers aged between 18 and 39](#).

With consumers increasingly using mobile wallets and BNPL services, pharmacies offering these options can improve the overall shopping experience, boosting both sales and loyalty.

The recent introduction of open banking, allowing consumers to grant third-party service providers with access to their banking data, facilitates integrated payment solutions for pharmacies. Customers can, for example, use an app to order medicines, and then receive and securely complete a remote payment request from the pharmacy via their phone, eliminating the need for debtor accounts and reconciliations.

These real-time payment options allow customers to pay directly from their bank accounts, eliminating the need for traditional card transactions and associated merchant fees. For pharmacies, this not only reduces operational costs but also speeds up the availability of funds. Instant access to payments enhances liquidity, enabling pharmacies to reinvest in inventory, manage expenses more efficiently, and maintain a steady cash flow.

Your path to digital transformation

The future is clearly digital and Novatti's [fintech solutions](#) can empower your pharmacy to operate more effectively. By accepting payments of all kinds, both in-store and online, pharmacies can ensure faster cash flow and reduce delays associated with traditional banking methods. Mobile and digital wallet POS payment support accelerates the payment cycle, while advanced fraud protection safeguards sensitive customer data against cyber threats. Additionally, an easy-to-use API and a merchant portal provide actionable insights into sales and customer behavior, helping streamline operations and make informed decisions.

Whether your aim is financial improvement, streamlined operations or better customer service, you can achieve all three by adopting digital platforms into your pharmacy operations.

Ready to streamline your pharmacy's operations and cash flow? Speak with a Novatti consultant today to explore our digital payment solutions and see how seamless transactions can enhance your business.

[Learn more here.](#)



A woman with dark hair, wearing a light blue short-sleeved shirt, is smiling and holding a white card. She is in a pharmacy setting, with shelves of various bottles and containers visible in the background. A yellow graphic overlay, consisting of a horizontal bar and a vertical line, is positioned over the left side of the image. The text "Take your payments to the next level" is written in black on the horizontal bar, and "Let's connect" is written in black on a yellow rectangular box at the bottom of the vertical line.

Take your payments
to **the next level**

Let's **connect**



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