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Create a culture of growth

IMPLEMENTING GROWTH MEANS CHANGING A PHARMACY'S CULTURE.

Achieving growth is the biggest issue facing many community pharmacy owners today because maintaining the status quo is tantamount to death by a thousand cuts.

A profitable and viable future is all about growth through innovation. The last major improvement in customer service came from dispensary computerisation in the 1980s, which cut the average dispense time to under two minutes. Very little has changed since except the warehouse pharmacy boom.

Pharmacy owners who have achieved 'real growth' have created a culture of growth throughout the whole of their pharmacy, rather than just trying to improve the same old model. And their profit growth speaks volumes for the success and customer attractiveness of their strategies.

Yet there continue to be two growth 'culture schools' among pharmacy owners, each with their own set of characteristics.

CULTURE SCHOOL ONE

- **'Tweak' current business model.**
- **Focus on getting the scripts done.**
- **Reduce waste and cut expenses.**
- **Minimise capital expenditure.**
- **Reduce prices and Send catalogues.**
- **Grow generics substitution and buy better.**
- **Increase private label, hence margin percentage.**
- **Install dispensary stock systems to cut time, hence cost.**
- **Pharmacy premises-centric.**

CULTURE SCHOOL TWO

- **Innovate and invest to grow.**
- **Offer and implement patient health solution services.**
- **Target specific customer groups.**
- **Mission is to improve patient health outcomes.**
- **Merchandise dominated by big health-related departments.**
- **Revolutionise the whole dispensary—script as opportunity to engage the customer and drive health outcomes.**
- **Manage key overheads (staff, floor space, communication and stock) to drive productivity.**
- **Expand customer 'touch points' in addition to store.**
- **Also buy well, substitute, reduce waste, send catalogues, selective KVI pricing and maintain margin.**

The main problem with 'Culture One' is there are no compelling initiatives to attract customers whose presence is virtually assumed by owners.

'Culture School Two' represents a more viable model for the majority of community pharmacies because the results prove it works. And these growth characteristics are within reach of any pharmacy owner anywhere.

Most owners I speak with agree that the 'Culture School Two' approach is the way to go, but all too often I hear about a range of 'obstacles' to implementation.

Having helped and observed pharmacies who adopted 'Culture Two' changes to their pharmacies, here is an assortment of things they did.

CONVERT THE CULTURE

Shift from a focus on convenience dispensing, technical, supply and product to customer solution services delivering valued health outcomes—and in the opinion of the customer, not yours.

This requires leadership by the owner and key staff to change the pharmacy collective mindset and daily behaviour. All too often we encounter 'service' that amounts to: 'would you like to buy the generic or private label?' All this reflects is a pharmacy culture at times hell bent on improving bottom lines rather than customer health or preferences.

RE-ORGANISE PHARMACIST AND STAFF ROLES

(a) Pharmacist quote—'I first had to remove the stuff that bogs me down.'

The best person to deliver valued customer health outcomes is the pharmacist, whether working owner, manager or employed. So these skillful and highly knowledgeable people must be relieved from the non-value-adding task of processing scripts so they can be available at all times to continually engage the customer.

(b) Train existing staff member(s) as dispensary technician(s), if not already qualified, to handle scripts in, keying in, picking, assembly, stationery, repeat, ordering and replenishment. Pharmacists should check the script and then work with patients to advise holistically, counsel, improve compliance, solution sell, recommend dose administration aids if appropriate, refer to another skilled person in the pharmacy (eg. quit smoking counsellor, naturopath, pharmacist diabetes educator, wound care nurse).

It's amazing what a pharmacist can do when released from the shackles of the dispensary process.

(c) Appoint a retail manager. Most appoint an existing staff member to take responsibility for the front-of-shop and retail activities (eg. roster, ordering, replenishment, promotions, sales performance, POS data management).

(d) Appoint a health and promotions manager. This can be an existing pharmacy assistant given additional responsibilities including health services marketing, in-store health promotions, training and role plays.

(e) As business grows, hire a second pharmacist (perhaps on a part-time basis initially) to run the dispensary and/or enhance the level of professional skill/knowledge available to customers and increase services. I recently came across a very successful pharmacy that employed only pharmacists and shop assistants. The strategy is to offer customers a very strong health-solutions offer by pharmacists in many departments and targeted customer health conditions, in addition to the dispensary.

(f) Hire and train interns to grow and expand the health offer.

This discussion on implementing growth strategies will be continued next month. These are strategies and tactics that have revolutionised a number of pharmacies to become healthcare destinations based on a highly differentiated and competitive strategy and, importantly, not founded purely on price. It's all about increasing customer satisfaction based on creating a culture of growth. ■