RETAIL MANAGEMENT



## Break the vicious cycle

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Principle of creative destruction: Process of industrial mutation that incessantly revolutionises the economic structure from within, incessantly destroying the old one, incessantly creating a new one.

he key to the sustainability of retail community pharmacy is to break the vicious cycle of the 'culture' embedded in what people, particularly pharmacists and owners, do in their day-to-day activities and why they think they are there.

The technical and supply culture is passed from owner to young partner, manager to staff member, pharmacist to pre-registration student, professor to student. As a consequence, little has changed in the culture of community pharmacy.

Yet this culture-driven model no longer works as competitive and financial pressures are rising, including the ongoing customer drift to warehouse and supermarkets. To counter this trend we must break the cycle to allow a new business model, delivered by new strategies, to evolve.

In last month's column I discussed 'Culture school two' as the model community pharmacy should develop to build a sustainable future. But to do this pharmacies must break or interrupt the vicious cultural cycle by making fundamental changes to 'why are we here?' and 'what do we do?'.

The first element required to achieve this is re-organise pharmacist and staff roles with the objective of freeing the pharmacist to engage the customer.

Once this is achieved the next phase can be implemented: better allocate various duties and responsibilities between both professional and nonprofessional staff.

## **ASSISTANT-DELIVERED SERVICES**

Trained pharmacy assistants, including dispensary technicians, can: undertake roles commonly performed by a pharmacist and preregistration student; support the delivery of various health services; plus deliver some health-related services themselves.

Dispensary technicians handle the 10 tasks a pharmacist should not do, including: script in; keying in the script; pick the product; assemble paperwork; package for pick-up; signing; paying; stock replenishment; order stock; and order stationery. Modern scanning technology helps reduce errors considerably.

Trained pharmacy assistants:

- answer phones, screen calls and 'gate-keep' queries;
- medical certificates—take history;
- asthma management program handle bookings, paperwork, surveys, follow up, spirometry test

test, machine maintenance;

- basic woundcare with training, direction and supervision; and
- assemble dose administration aids.

These changes are necessary to free the pharmacist because, in the words of one who has done it: 'I can't check 250 scripts each day plus counsel, advise on and sell Schedule 3 medicines, issue medical certificates, manage an opioid service, offer compliance services, plus do the stuff that bogs me down'

## **PHARMACIST-DELIVERED SERVICES**

Now that the pharmacist has been freed of the non-productive 'stuff that bogs me down' he or she can better engage the customer and deliver meaningful service(s) that improve health outcomes such as:

- check script processing accuracy;
- medication counseling;
- sell and advise on Schedule 2 and 3 lines with focus on the condition, not just the product. (Pharmacist availability and focus on condition are key to delivering primary healthcare remunerated by higher

illness recommendations;

- opioid service: and
- HMRs and PMPs.

This is about bridging from the old model to a new one utilising existing capabilities found in the pharmacy today, particularly the underutilised skills of pharmacists. From client results we know this:

- neutralises price as the overwhelming issue;
- re-instates customer growth by giving them extra reasons beyond just convenience to choose a particular pharmacy over another; and
- grows sales and profit.

Pharmacy owners who have followed this approach have said:

- 'It creates a significant point of difference to the warehouse pharmacy offer'; and
- 'tt is much more satisfying professionally and customers view the pharmacist and pharmacy in a completely different light!'

Too many choose the path of least resistance by lowering prices past the necessary known value items (KVIs). This tactic is risky because 'pricing builds or destroys value faster than almost any business action'<sup>2</sup> and price will only build value in warehouse and supermarket formats. For those with no desire to prove correct the principle of 'creative destruction', <sup>1</sup> the first step is to break the vicious cycle.

- 1. Joseph Schumpeter. Capitalism, Socialism and Democracy (1942).
- 2. S Silverthorne. Yes, you can raise prices in a downturn. Harvard Business School. Harvard Executive Education. 26 July 2010.

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and interview set up;

- patient medication profiles—help prepare information and history;
- administer and deliver weight management service;
- administer and support pharmacistdelivered quit smoking and sleep apnoea services;
- help deliver diabetes services consumable supply, blood glucose

margin lines, taking emphasis off price and giving customers a reason to return apart from simply convenience.)

- medication compliance programs;
- diabetes—holistic patient diabetic services;
- asthma—advice and broader consultation:
- medical certificates—interview and