

## Community pharmacy management

### Perception of the community pharmacist

- Accessible health professional
- Provides advice to patients on health issues
- Professional charge is not clear: patrons believe that they can receive counselling without being charged
- Patients may feel more comfortable in a pharmacy setting rather than a clinic environment

### Changes occurring in the community pharmacy setting

- Availability of new drugs
- Ageing population
- Alternative dispensing systems: automated dispensing, domiciliary services, mail order, internet services
- Change to non-prescription medicine status

### Challenges in the community pharmacy setting

- Financial viability
- Preservation of market share as opposed to competition from supermarkets, internet pharmacy and other sources to get drugs
- Cost containment
- Keeping up with ethical and legal considerations; the misconception that having a good business aspect is inconsistent with good clinical practice is very often discussed

- Use of computer technology to connect with prescribers and maintain patient's profile
- Time management to allow for new patient contact interventions required.

### **Business operations**

- Accounting: keeping records
- Finance: monitoring cash
- Personnel management: managing people, training and development
- Production: time-and-motion studies
- Administration: payments, legal requirements, ordering.

### **Personnel management**

- Appointing and dismissing of staff: issuing contracts and drawing up job descriptions
- Health, safety and welfare
- Training and development.

Good management improves the satisfaction of patients with professional pharmacy services and meets expectations regarding the quantity and quality of the care received

### **Starting a pharmacy**

- Plan the business
- Strategic planning and identifying legal form of business (proprietor, partnership, company)
- Capital needs: obtain financing
- Location and licences

- Set up records
- Insure the business
- Manage the business.

### **Plan the business**

- Review history: for already existing businesses, the sales and profit; for a new pharmacy look at potential for clients
- Assess condition of facilities and identify and cost any upgrades necessary
- Estimate maximum realistic profit that can be generated
- For already existing businesses, assess ability to transfer goodwill to new owner.

### **Strategic planning**

- Identify targets according to timeframes where the business should be
- Assess the impact of changes on targets
- Develop and implement procedures and policies.

### **Capital needs**

•Establish how to finance starting up business: enquire with banks regarding loans and repayments and work out how these conform with the expected profits

#### **•Set-up capital:**

1. buying or renting business and/or premises
2. insurance
3. fixtures
4. equipment

- Stock**

- Start-up capital:**

- a. Capital needed to get it started immediately prior to opening or during the first few weeks
- b. decorative fixtures
- c. office supplies

- Operating capital:**

- a. expansion
- b. cash shortages.

### **Location**

- Population: community demographic data
- Competition with other businesses
- Availability of physicians and primary care clinics, collaboration with prescribers in the area
- Retail shops close by may serve as a positive point in that the area is considered as a shopping centre
- Traffic direction may hinder access to the pharmacy or may have a positive influence on patron's choice, availability of parking space.

### **Product lines**

- Decision on what to stock:
  - a. not to delay dispensing a prescription

- b. not recommended to keep a product just in case someone needs something because overstocking may lead to money tied in stock or to stock that will become shop soiled or past its expiry date
- Carry out study sales
- Identify prescribers in the area and define drugs that they prescribe.

### **Buying merchandise**

- Right quality
- Right quantity
- Right supplier
- Right time

### **Policies and procedures**

Specific policies and procedures are needed for specific tasks to explain the procedure and who is authorized to:

- place orders and receive merchandise
- update legal records
- keep financial records
- check stock, update and maintain formulary

### **Sources of supply**

- Reliability
- Order-processing time

- Delivery
- Risk
- Credit extension.

### **Merchandise control**

- Expiry date
- Shop-soiled items
- Slow moving merchandise
- Stock levels.

### **Services offered**

- Methods of payment for clients: acceptance of credit cards
- Provision of domiciliary services and delivery to institutions and house-bound patients
- Dispensing services: emergency prescription dispensing, unit-dose dispensing, containers
- Patient profile cards
- Point-of-care testing: blood pressure monitoring blood tests (see Chapter 11) Patient monitoring, medication review and patient counselling
- Controversial issues: advertising and slashing prices, discounts.

### **Personal selling skills**

- Identifying prospective customers
- Approaching clients
- Attracting attention to the services provided

- Handling queries
- Follow-up of interaction with clients.

## **Design and layout**

### **Physical environment**

- Promote atmosphere that is pleasing, conducive to shopping and professional
- Psychological effect or feeling created by physical characteristics of the pharmacy.

### **Pharmacy layout**

- Planning the internal arrangement of departments and allocating the amount of space for each department
- Designed to direct 'traffic' around the pharmacy
- Space allocated to specific departments depending on profitability
- Maximising exposure of products.

### **Product presentation**

1. Most saleable and profitable items in the most prominent locations
2. Products arranged by pack size, colour, brand, price
  - a. Eye-level positions rather than bottom or top shelves
  - b. Prepare impulse purchase items on counter
3. Identify fast moving products.

## Shop-window display

- Pleasing
- Matches image projected by the pharmacy
- Simple
- Clean and neat.

## Financial operating processes Journals

- Purchases journal: to record credit purchases (supplier, amount, when payment is due)
- Sales journal: to record accounts receivable
- Cash disbursements journal: to record purchases paid

## Balance sheet

A balance sheet is a statement of the financial condition of the business at a given point in time.

It reflects what is owned by the pharmacy, what it owes and what the owner has invested

## Assets

- Current assets: convertible into cash within a year (e.g. short-term stock)
- Fixed assets: not used within 1 year (e.g. computer, office equipment)
- Intangible assets: goodwill

## Liabilities

- Amounts owed to creditors.
- May be current liabilities (must be paid within 1 year) or long-term liabilities (e.g. bank loans).



## **Computers in pharmacy**

- Used for stock control, purchases and supplies
- Used for professional services

## **Computer use for professional services**

1. •Electronic patient records
2. •Presenting point of access to patient information on the web
3. •Management of prescribed medicines
4. •Promotion of healthy lifestyles: development of compact discs
5. •Pharmacy webpage, on-line pharmacy services.

## **Computer audit**

- Password to limit access to authorised personnel
- Back-up copies
- Keep up regular physical counts of stock and expiry dates.

## **Advantages of computerisation**

- Improved business information
- Increased work quality
- Better organisation of business
- Record keeping: patient profiles
- Stock status immediately available and controlled.

## Disadvantages of computerisation

- Initially demanding on staff
- Conversion from manual to computerised system may be traumatic
- Generates a large amount of information which may be of little value to business but distracts attention from major issue
- Investment required: computer hardware and peripherals (e.g. printers), software, back-up and storage.

## Steps in acquiring a computer

- Identify the activities that will be carried out with the computer system
- Select adequate hardware (including right memory) and software
- Select the vendor that provides the system according to specifications required and has after-sales services
- Install system and train the users.

## Question

How can satisfaction with pharmacy services be improved?

Answer

1. Establish targets and objectives
2. Assess standards of professional pharmacy services (see Chapter 70).
3. Measure patient satisfaction using reliable tools
4. Identify areas for improvement

## Historical perspectives of pharmacy practice

### Early definition of the pharmacy profession

- After the establishment of apothecaries in Baghdad, the pharmacy profession started developing in Europe.
- Early Middle Ages: monastic medicine.
- Late Middle Ages: in the eleventh century, public pharmacies in southern Italy and southern France were established.
- Drug formulary produced by Nicolas of Salerno which described compound formulae of galenicals.
- 1231–1240: the Liber Augustalis, an edict on the profession of pharmacy, was issued by the German emperor Frederick II. The edict defined the separation of the pharmaceutical profession from the medical profession, described the official supervision of pharmaceutical practice and outlined an obligation by oath to prepare drugs reliably according to skilled art, and of a uniform, suitable quality.
- Early nineteenth century: retail pharmacies developed a separate manufacturing area, which included an area for extraction and purification, necessary for extraction of plant alkaloids such as quinine from cinchona bark used for malaria. Boehringer and Merck have their origins in community pharmacies in Stuttgart (1817) and Darmstadt (1827), Germany, respectively.
- Late nineteenth century: separation of the manufacturing business from the retail community pharmacy.

## **Development of medicines**

- Seventeenth century: cinchona bark extract used for fever, chills – the principal active ingredient being quinine.
- Eighteenth century: foxglove plant used for the treatment of heart failure – digitalis.

## **Analgesics and anaesthetics**

1804 Serturmer isolated morphine from opium

1832 Isolation of codeine

1899 Development of aspirin by Bayer

## **Peptic ulcer healing drugs**

1970 Cimetidine

1983 Ranitidine marketed

1989 Omeprazole marketed.

## **Antibacterial drugs**

1939–41 Florey and Chain synthesised penicillin

## **Autonomic nervous system**

1967 Salbutamol.

Adverse effects

1879–90 Sudden deaths during chloroform anaesthesia

2004 Withdrawal of rofecoxib, a COX-2 inhibitor, due to increased cardiovascular events

1997–99 Withdrawal of terfenadine and astemizole, the first antihistamines with a lower frequency of sedation that were marketed in the mid-1980s, due to increased risk of cardiotoxicity when taken with other drug therapy.

## **Development of pharmaceutical regulation**

### **United Kingdom**

1963 As a result of the thalidomide tragedy, the Committee on Safety of Drugs was established

1968 Under the terms of the Medicines Act, the committee was renamed as Committee on Safety of Medicines (CSM). The Act stated that medicines required a licence to reach the UK market

2003 Medicines and Healthcare products Regulatory Agency (MHRA) established, bringing together MCA and Medical Devices Agency

### **United States of America**

1930 Food, Drug and Insecticide Administration renamed the Food and Drug Administration (FDA)

### **International**

1989 At the WHO Conference of Drug Regulatory Authorities (ICDRA) plans for discussions between Europe, Japan and the USA on harmonisation started