



BUSINESS

BUSINESS CLASS

COLUMNS

# ARE WE HEADING IN THE RIGHT DIRECTION?



GUEST AUTHOR — 04/09/2017

SHARE ON:    

## Does all the change in the pharmacy landscape mean we are moving on the right path? Some data indicates otherwise, says Glenn Guilfoyle

End of financial year data collected over five successive years help us answer to this question of whether pharmacy is moving in the right direction.

Over this period, more than 250 studies have been conducted – real time observational audits, scoring a host of elements associated with customer engagement effectiveness, script processing efficiency, and role accountability in terms of customer engagement and script

processing at the dispensary.

Cast your mind back to FY13: We were in the midst of the fifth community pharmacy agreement. PBS reform was still on the upswing. Chemist Warehouse was sub-300 stores. A Guild spokesperson described the industry as being on a “burning platform”. The winds of change were howling.

**TIME IS  
RUNNING OUT**  
to complete your CPD plan

View our extensive range of  
accredited CPD activities ►





Case studies of other industries that went through their “burning platform” tell us time and again that those players that adapt their service offer and relevance to the new world order quickly enough survive, and sometimes even thrive. Those that don’t perish.

So let’s see what the five-year longitudinal analysis of pharmacy data tells us:

- **Dispensary and serving counters resourcing levels** – perhaps surprisingly, when taken as a ratio of script production throughput, have flat lined through the period, bobbing up and down around the flat line of best fit. Current benchmark = 7.7 full time equivalents per 100K scripts.
- **Proportion of qualified pharmacist resource within this resourcing level** – also flat-lining, bobbing up and down around the current 46 per cent.
- **How available qualified pharmacist resources are deployed**, (in regard to a forward pharmacy service model) – results suggest a progressive shift in focus. The percentage of customers served by pharmacists has moved from 42% to nudging over 50% recently. Bear in mind that pharmacist representation within the team has hovered around 46 per cent.
- **Script processing speed** – Holding steady, bobbing up and down around an average of just over 4

minutes per script item. Keeping in mind that production down or idle time is more than half that duration at 53%. And has held steady throughout the period.

- **Script customer visit retention rate** – Five years ago the benchmark was sitting comfortably above 50%. It drifted 10% lower than that, but has bounced back to now moving beyond 56 per cent.
- **Script customer engagement duration** – After starting at 2 minutes 25 seconds per engagement five years ago, this dropped down for a time, but bounced back up to close to 2 minutes per engagement last year. Was this a single year aberration?
- **Script customer disengagement duration** – rather disconcertingly this has blown out over the period: from 2m 16s to 2m 54s....
- **Rich engagement** – The proportion of that engagement that features rich, proactive health and meds counsel has drifted downwards markedly from 38 seconds to 24 seconds, but catapulted back up last year to 53 seconds. Again was this a 1-year aberration or a timely trend reversal?
- **Medicine counselling** – A similar trend to the above with regard to the frequency with which the script customer receives some form of proactive meds counsel (however long/short in duration), after dropping down for a time, is now back up to 58% of dispensing.
- **Rate of companion add-on for script customers** – a clear positive trend, moving up from 17 to 32 per 100 script customer visits.
- **Basket size** – Scrutinising the same metrics and benchmarks for the OTC customer visit experience also shows mixed results, with a more modest increase in basket size from 117 items per 100 OTC customers up to 122 items.

### What to make of all this?

Whilst I have no hard, defensible metric for the overall rate of change in the industry over this 2013-present period, I would nonetheless take the high ground to posit that the rate of change that pharmacists and their staff can control, ie. toward an industry-wide, highly engaging, rich counselling, medication and health solution offer {as can be measured, showcasing the example numbers above} is neither compelling nor quick enough to meet the industry

change challenge.

In a two horse race, the negativity within the industry is winning.

*Glenn Guilfoyle is principal of The Next Level. Contact him here or by calling 0418 519 755*



#### COMMENT ON THIS STORY BELOW

Facebook

Twitter

Google+

Email

More

#### TAGS:

BUSINESS

GUILFOYLE

RETAIL