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

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# PAY ATTENTION TO THE MARGINS



GUEST AUTHOR - 14/06/2016

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## How much revenue is pharmacy 'leaving off the table' asks Glenn Guilfoyle

A recent story featured in The Pharmacy Guild of Australia's *Forefront* highlighted the revenue "being left on the table" by the typical pharmacy in relation to the newer government funded professional services.

In the article, \$20-25,000 was the range quoted as being missed by the average pharmacy from under-utilisation of:

- 6CPA funded programs
- Fixed third party income
- Prescription and medication programs
- Screening and testing services

The points made and learnings gleaned are well-intentioned, and directionally unchallengeable.

But, for the intended target audience, the messaging would have arguably been more potent with some context.

I would say don't sweat these newer government-funded income opportunities.... well, at least reserve a good dose of your sweat for getting the fundamentals right.

The income opportunity almost certainly will be significantly larger, the customer satisfaction differential more widespread, and you will gain a "leg up" towards accessing a share of this \$20-25K anyway.

Data collected over recent years by The Next Level – studying



## AJP ONLINE MAGAZINE



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## POLL

**What advice do you give/print regarding the use of topical corticosteroids? \***

- ☐ Use sparingly
- ☐ I remove "sparingly" from labels but don't explain further
- ☐ I remove "sparingly" from labels and advise to use more liberally

real time dispensary workflow, customer engagement effectiveness, script processing efficiency and team task allocation from a cross-section of over 200 pharmacy studies – indicates that for many pharmacies the lost income opportunity from sub-optimising the fundamentals already unique to retail pharmacy will be thirty times larger!

This means in the vicinity of \$200-250,000 in missed margin...

How can this be? That number more than off-sets the lost income from PBS reform for many such pharmacies.

A specific extract of the pool of data collected, suggests that the basis of the service model applied by the industry to health customers is still predominantly of a retail “react and respond” nature.

Non-script ‘OTC’ health customers experience twice as long engaged in conversation that they have initiated with the pharmacist/assistant than the time spent engaged in receiving advice and recommendations initiated by the pharmacist/assistant.

Even more pronounced for the script bearing health customer with data showing three minutes of retail “react and respond” for every one minute of “prompt and pro-act” delight.

The complete solution fundamentals already available at the fingertips, are pharmacist-only, pharmacy-only medicines and the leading PPIs – Meds Checks, Clinical Interventions, DAAs. These fundamentals enable the pharmacist to exceed the expectations of the typical health customer.

But a different extract of the data pool alluded to suggests that this wonderful array of products and services are under-utilised.

- For every 100 script customer visits, 27 s3, s2, unscheduled health products are added
  - In other words, 3 out of 4 script customers go away without any companion medicines to assist in treatment, relieving symptoms, alleviating side effects, helping prevention, supporting overall health and well-being in relation to the condition. The fourth customer receives 1 such companion.
- For every 100 otc customer visits, 117 s3,s2, unscheduled health products accompany them back through the cash and wrap

- ☐ I remove “sparingly” from labels and offer advice using fingertip units
- ☐ Other
- ☐ Other

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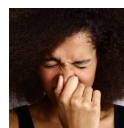
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LOUIS ROLLER, 24/06/2016



### Clinical tips: common cold 101

LOUIS ROLLER, 17/06/2016



### Clinical tips: eczema and ‘sparing’ corticosteroid use

LISA NISSEN AND ESTHER LAU, 10/06/2016



### Clinical tips: continence and clinical skills

KARALYN HUXHAGEN, 03/06/2016

- Little more than a one-for-one ratio
- The average pharmacy administers 5 Meds Checks per month .... remember the hue and cry when monthly cap was set?. Yet only half of that limit is actually administered.
- The average pharmacy administers 3 clinical interventions per 100 script customer visits
- The average pharmacy administers 2 DAA services per 1000 script customer visits

The 'call to action' is to get good at the skills to boost your complete health solution offer, optimising the pharmacy-only products and services that have long been available, and thereby achieve two compelling outcomes:

1 – Off-set your financial loss from pbs reform

2 – Give your health customers a wow experience that will clearly differentiate you from local competitors your customers could easily visit

*Glenn Guilfoyle is Principal of The Next Level, building better systems and better sales. [Click here for more information.](#)*

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— June 2016 (175)

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