

# Effectiveness and efficiency in the dispensary

## Unearth the opportunity by reviewing workflow practices

SIGNIFICANT IMPROVEMENTS IN THE EFFECTIVENESS AND EFFICIENCY OF PROCESSES WITHIN THE DISPENSARY OF MOST PHARMACIES ARE VERY POSSIBLE SAYS WORKFLOW ANALYST GLENN GUILFOYLE.

### KEY POINTS

- The dispensary workflow of many Australian community pharmacies has been analysed to consider whether their processes are efficient or effective.
- This analysis demonstrates there are significant opportunities to improve dispensary efficiency and effectiveness.
- These opportunities involve: reducing script waiting time; encouraging customers to wait while their script is being processed and adding value to their experiences while they wait; increasing the time customers are effectively engaged during their visit; and re-engineering work processes and staff accountability.

Remember the cute little anecdote from the Stephen Covey classic, *The 7 Habits of Highly Effective People*... the one about the cadre of machete-cutters cutting their way through the jungle?

The cutters continuously figure out ways to cut more methodically and in better teamwork unison so as to cut their way through the jungle more quickly. Suddenly, one of the cutters climbs one of the jungle trees to peer out to the horizon. 'Hey guys, we are cutting in the wrong direction!' came the exaltation from above. 'Shut up!' resounded the chorus from below, 'we are cutting more quickly and making faster progress!'

In recent years I have observed and studied the workflows of numerous dispensaries and have pondered this Coveyism more than once. Positioned on 'the other side' from me is the pharmacist, working in and making a living from the dispensary. My work has led me to consider whether such pharmacists have asked themselves:

- What does dispensary effectiveness mean to you?
- What should it look like?
- What about its efficiency versus what it could be?
- How would your answers compare to the answers of your waiting customers if we asked them?
- Can dispensary effectiveness and efficiency, from the perspective of both you and your customer, co-exist in mutual harmony?
- Have you ever deliberated these question and answers?

I have a view on these considerations but it's important that you understand that my perspective is that of a non-pharmacist. I am, for my sins, a trained and qualified workflow analysis specialist. And the company I represent, The Next Level, has studied dispensary workflows of numerous dispensary sites over the past three years.

And I believe that our learnings are important to pharmacists in part because not being a pharmacist affords me impartiality. But before I share with you what I believe to be some 'gob-smacking' statistics from our work, allow me first to posit some definitional parameters.

### ACTIVITY VALUE CATEGORISATION: WHEN THE CUSTOMER IS AT THE DISPENSARY

'Value add' is where the customer is engaged by a member of the

dispensing team and the dispensing team member is proactively initiating consultation and conversation in support of health solution advisory.

'Value neutral' is where the customer is engaged, but the customer is initiating conversation or consultation, or the customer and dispensing team member are engaging in non-value adding, non-value destroying or risk management discussions.

'Risk management' is where the dispensing team member is advising the customer how to take the dispensed medication effectively and safely.

'Value destroying' is any example of process failure, most notably waiting. This would also include time spent involved in out-of-stock discussions.

### ACTIVITY VALUE CATEGORISATION: WHEN THE CUSTOMER HAS GONE AND THE SCRIPT IS BEING PROCESSED

'Black space' is time spent when the script is actively being processed.

'White space' is time spent when the script is sitting idle and not being actively worked.

### WORKFLOW PERFORMANCE DEFINITIONS

'Average duration of script customer lifecycle' is measured in minutes: seconds and shows the average duration of the customer

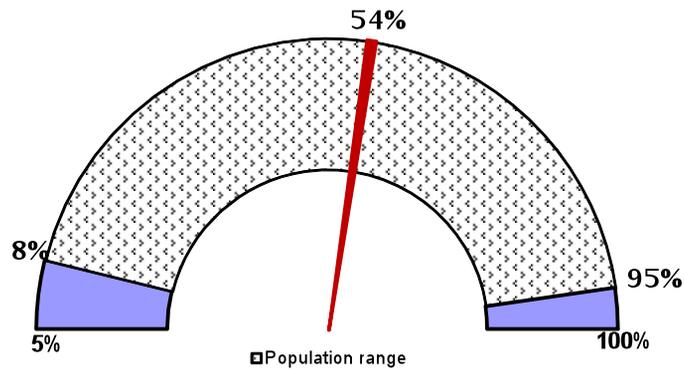


FIGURE ONE: Average duration of script customer lifecycle

4min 35sec = lower end of range within sample group  
 16min 6sec = upper end of range within sample group  
 14min 38sec = +2 standard deviations from mean  
 Red needle = sample group average

## Can dispensary efficiency, from the perspective of both you and your customer, co-exist in mutual harmony?

experience in relation to the visit to the dispensary. It measures from the time the customer first approaches the dispensary until the time the payment commences at the dispensary, or the customer walks away from the dispensary to make the script payment elsewhere in the store. This measure accurately accounts for the scenario where the customer leaves the store after script submission, to return later for collection.

'Customer retention score' demonstrates the proportion of customers who remain in the store for the duration of the script processing.

'Customer engagement during script lifecycle' represents a 'drill down' of the time measured in script customer lifecycle duration above and is measured in percentage. This measure relates to customers' experiences at the dispensary and how much of the time was engaged with the dispensary staff versus how much of the time the customer was not engaged.

'Customer engagement effectiveness' represents a further 'drill down' and more richly scores

## OPEN LETTER TO PHARMACY



It's an interesting time for community pharmacy and I am delighted to be back in the industry at a time of such change. For those who don't know me, I would like to take this opportunity to introduce myself; my name is John Koot and I have recently joined Willach as the new Managing Director, bringing more than a decade of extensive community pharmacy experience.

Today I'm writing to you for a number of important reasons, perhaps of particular significance given the dynamics of our current business landscape.

The very best and most successful organisations, in all industries, always invest in improving and changing their business when they are at the top of their performance cycle.

This is a lesson that community pharmacy must take on board. Everyone should be looking at defining their strategies and investing in their business improvements for the future right now - before margin pressures restrict the ability to act.

By investing in efficient dispensing systems, changing workflows and incorporating direct dispensing, pharmacies are able to significantly increase the time available for interactions between the pharmacist and customer. Acknowledging the value of such an approach is particularly vital in today's environment.

In my previous role I chose Willach to supply dispensary solutions - based on the quality of the product, the extensive range of solutions, the unmatched support and training network in Australia and the suitability of its products to Australian dispensing methods. I feel privileged to now be working for Willach, the only company of its kind that has chosen to invest heavily into the Australian market by establishing its Asia-Pacific headquarters in Melbourne.

I strongly believe that improving dispensary efficiencies can make an immense difference to any pharmacy environment with positive business repercussions and I'm looking forward to working with pharmacists across the country to achieve this.

Yours in business and in health,

John J Koot

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 mobile: 0409 096 734

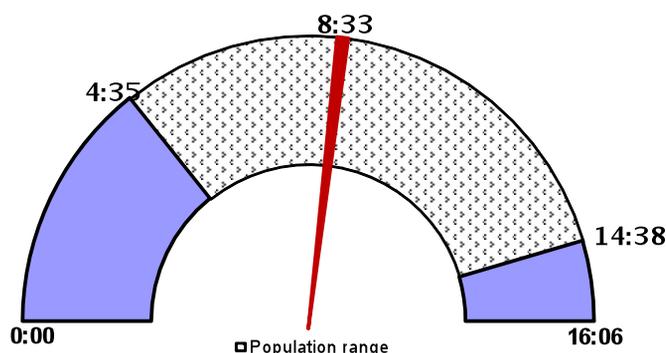


FIGURE TWO: **Customer retention score**

5% = lower end of range within sample group  
 95% = upper end of range within sample group  
 8% = -2 standard deviations from mean  
 Red needle = sample group average

the customer experience and the time spent at the dispensary. The time spent is categorised against a pre-set value model and broken down into percentage proportions called 'value add', 'value neutral', 'risk management', 'value destroying'.

'Script processing efficiency' represents the proportional black and white space time constituting total time to process a customer script.

'Team tasking broken down by proportional representation' shows which key process steps were undertaken by the pharmacist(s) versus other members of the dispensing team. The scores consolidate the observations into a

percentage score to reflect the percentage of instances the task was completed by each respective team member.

Now, against this frame of reference, cogitate these numbers as you think (hard and honestly!) about your own pharmacy.

**SCRIPT PROCESSING SPEED**

The dial represented in Figure One shows that, on average, a customer will experience eight minutes and 33 seconds in having their script processed, whether they are in store for the duration or not.

The opportunity is to reduce script time to five minutes or less for those customers who prefer speed over health advice and to

**'Gee, these guys have no value to add to invite me to stay with them while my script is processed'.**

provide more time for those who value health advice.

**CUSTOMER RETENTION**

The dial for Figure Two shows that, on average, 54% of customers will wait in the pharmacy for their script to be processed.

The opportunity is to demonstrate to customers that you have value to add (professional services and advice) and it is worth their while staying in store while the script is being processed.

**CUSTOMER ENGAGEMENT**

Figure Three demonstrates the average amount of time the customer is both engaged in discussion with a staff member and disengaged—left standing, waiting for the script to be processed, not engaged with a staff member. This demonstrates that the customer is waiting (disengaged) more than half the time.

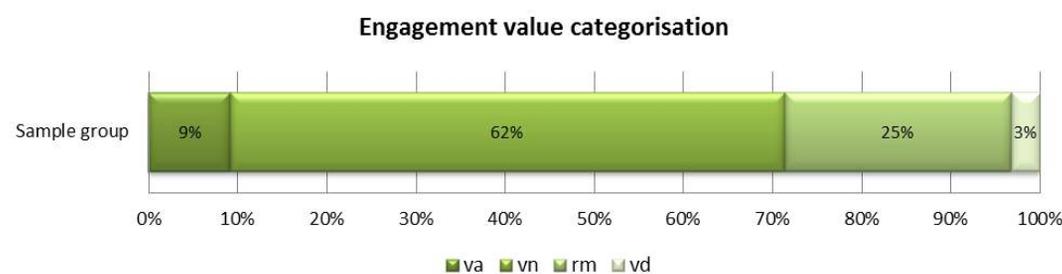
The opportunity is to engage with customers during their visit, providing professional advice, and to minimise their time standing disengaged.

**CUSTOMER ENGAGEMENT EFFECTIVENESS**

Figure Four demonstrates the value of time spent in conversation with a customer (see above definitions). Much time is spent in conversation that does not add value to the customer experience in the pharmacy.

The opportunity is to not only increase the proportion of engagement during the visit, but to enhance that engagement... add value... provide professional expertise above and beyond what the customer asked for.

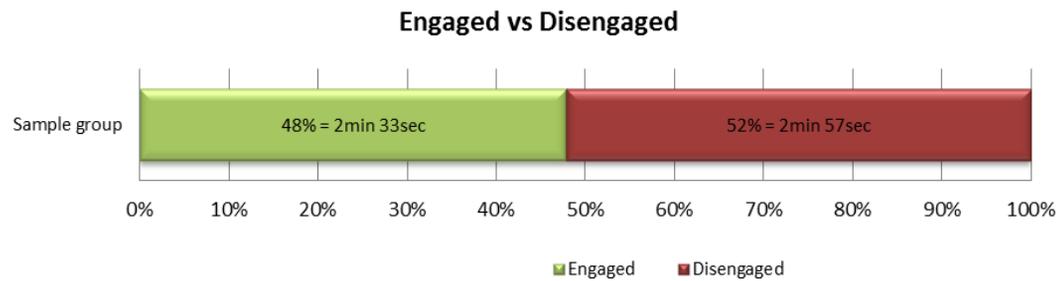
FIGURE THREE: **Customer engagement during script lifecycle**



**SCRIPT PROCESSING EFFICIENCY**

Figure Five shows that for almost half the time in which it takes a script to be processed it is found to

FIGURE FOUR: Effectiveness of customer engagement



be sitting idle. In our experience, processing commenced then ceased with the script left sitting idle for periods of time (average just over three minutes in total, often with multiple start/stops).

The opportunity lies in reducing script processing time, by reducing 'white space' processing time. Reduced script processing time

is likely to lead to less customer waiting and will result from more efficient processing and more productive staff.

**TEAM TASKING**

Figure Six demonstrates, on average, which members of the pharmacy team perform each of the specified tasks. As can be

seen, 'other' team members (retail assistants) do as much customer engagement as pharmacists, outside of the small amount of health advisory being delivered. Yet pharmacists easily conduct most of the manual script processing in the common scenario when the customer leaves the store.

The opportunity lies in

re-engineering dispensary processes and staff accountability—shift the pharmacist 'out the front' to give professional advice; technicians 'out the back' to process scripts efficiently.

**THE AVERAGE CUSTOMER EXPERIENCE**

So, what does all this mean? It means that, if your pharmacy falls within the results ranges of these sites (and most will), I will have a banal, forgettable experience when I walk into your store to have my regular script filled. I will feel like I have been processed, as much or even more than my script. At worst, I will feel frustrated and annoyed at being made to wait, when I don't understand or feel the need to do so.

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