

Pharmacy Management



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Misbah Biabani, Ph.D.

Director, TIPS Review Centers

A professional Exams Preparation Centre

4789 Yong St. Suites # 417, Toronto, ON, M2N 5M5

WWW.PHARMACYPREP.COM

416-223-PREP / 647-221-0457

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Foreword by
Misbah Biabani, Ph.D
Coordinator, Pharmacy Prep
Toronto Institute of Pharmaceutical Sciences (TIPS) Inc
4789 Yong St. Suites # 417, Toronto, ON, M2N 5M5

WEEK Pre-reading; Pharmacist MCQ Class	Reference	40 hrs
<p>Competency 4: PRODUCT SETTING Pharmacy Management; Business Math; Financial Management; Human Resource Management. Merchandise Inventory Management.</p> <ul style="list-style-type: none"> • <u>Chapter 104 Pharmacy Management</u> • <u>Chapter 105 Insurance Billing</u> • <u>Chapter 106 Financial Management</u> • <u>Chapter 107 Business Math</u> • <u>Chapter 108 Human Resources Management and Staff scheduling</u> • <u>Chapter 109 Inventory Management</u> • <u>Chapter 110 Drug Supply Disruptions</u> • <u>Chapter 111 Marketing pharmaceutical care services</u> • <u>Chapter 112 Workplace Safety and Risk Mangement</u> 	Pharmacy PREP Book: Pharmacy Prep Management	
Case Reviews		
<p>The hospital pharmacist may be responsible for overseeing specialized areas such as the safe and effective preparation of intravenous therapy, determining appropriate requirements for total parenteral nutrition, as well as assessing the appropriateness and accuracy of chemotherapy protocols. Pharmacists in these roles continuously aim to individualize patient dosing requirements with consideration toward drug-disease and drug-drug interactions, as well as safe medication administration requirements.</p>	Hospital pharmacist	

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Pharmacy Management

Question Alerts!

- Types of operation or legal structure of business in Canada
- Types of pharmacy business models
- Financing?
- Where would you start your pharmacy? Rationale for decision?
- What would you offers? General or speciality products pharmacy?
- Market area analysis

Pharmacy operations.

Pharmacy practice management in retail stores comprise of several business issues, this discussed include terminology commonly used in pharmacy business, starting and managing pharmacy business, financial management, human resource management, merchandise and inventory management.

Starting any business requires clear understanding and knowledge of business. However, it is clear that commonly start pharmacy business. Like any other business, starting pharmacy business requires, business plan, organizing, staffing, and budgeting.

Steps in used in strategic planning process by community pharmacy. (SWOT analysis)

- Identify strength and weakness (SW)
- Identify threats and opportunities (OT)
- Develop mission statement
- Formulate and select strategies
- Implement strategies
- Evaluate implemented strategies

Business plan comprise of Business structure, Market area analysis, Business products and services, Competitive strategy, Positioning, Financing, Human resources, Operation and monitoring of performance.

Types of pharmacy business models.

Retail pharmacy, Banner pharmacy, Chain pharmacy, Franchise pharmacy, Food store pharmacy, Mass merchandise, Specialty pharmacy, Mail order pharmacy and central fill facilities (in hospital).

Community Pharmacy Models	
Corporate pharmacy	<p>Owned by large company Pharmacy manager is employed by company based on salary and bonus or performance incentive. Example. Wal-mart, Loblaws drug mart, Rexall.</p>
Franchise Associate model	<p>Pharmacist own business but not physical assets. Central inventory management. All inventory comes from in house. Brand their products. Company Support all areas of operations. Advantage. Guaranteed minimum annual salary and share profitability. No capital investment or capital risk. Disadvantage. Franchise agreement restrict certain activity. Example. Shoppers drug mart</p>
Franchise Banner groups	<p>Banner franchise They are principally marketing groups that allow for joint advertising and promotion. They are formed for the purpose of providing support to retail pharmacies. This support generally includes the provision of marketing services including assistance with store layout, promotions and business advice. Banner group members are in some cases also able to obtain products branded with the name of the banner group. Banner groups use banner name. Franchise banner pharmacy</p> <ul style="list-style-type: none"> • Advantage. Own the business and physical assets. Custom marketing strategy • Disadvantage. Capital investment required. Franchise fee may involve. Required program participation. • Banner have NO central distribution, inventory and supply. <p>Example. Pharmasave, Guardian, IDA etc. What is NOT included in banner pharmacy?</p>
Buying groups	<p>Buying groups are formed by individual pharmacists whose aim is to act collectively in purchasing, and in doing so, obtain cheaper prices than would be possible if they were acting individually. Buying groups obtain products from both wholesalers and direct from manufacturers.</p>
Independent Pharmacy	<p>Pharmacist-owned pharmacies are generally homogeneous regardless of the pharmacy brand they may operate under. Pharmacists of similar qualifications, experience and knowledge will run most pharmacist-owned pharmacies. Pharmacists who work in pharmacist-owned pharmacies will generally be in charge of the business as a whole, combining duties of a full-time pharmacist and a business person. Advantage & Disadvantage. Financial independent and risk</p>

Pharmacy ownerships. Types of operations or legal structures of business in Canada

Ownership	Characteristic
Sole proprietorship	<ul style="list-style-type: none"> • Advantage→Sole owner, Low start up cost • Disadvantage→unlimited liabilities
Partnership	<ul style="list-style-type: none"> • Advantage→Share skills and knowledge • Disadvantage→ Higher conflicts
Corporations and Limited Companies (Inc)	<ul style="list-style-type: none"> • Most common business form, business name often ends with “Inc” • Advantage. Legal entity, several directors (several owners), and limited liabilities. • Disadvantage. Higher government involvement.

QAAlerts

Which of the following services are not included in banner franchise pharmacy business? No centralized distribution.

Location Analysis

Location analysis should be focused on a geographical region location analysis (represent geographical area).

- Market area analysis
- Site considerations: Trading area and finally site.

Geographical region location analysis

- Region and broad geographical area; example: country, provinces, and city, neighbourhood etc.
- General Population parameters (demography)
- Target Population parameters
- Economic characteristics
- Purchasing power
- Potential sales of specialized products
- Degree of competition
- Compatibility of nearby businesses
- Environmental uniqueness
- Area rental costs
- Retail improvement trends

Market Area Analysis. Basic information about market

- Population (demography). Population is of interest to business and professional practice.
- Trading area (business area). Once location decisions are made regarding regional and market area, it is necessary to select particular trading area, type of retail operation desired.
- Example. Outlets, supermarkets, discount stores, national departmental stores (already established stores).

QAlerts

Your pharmacy is located in building where there three doctors and across street walk-in clinic and a dentist. Which of the following is the least concern?

- A) Two doctor retiring from 13 doctors
- B) Walk-in clinic is closing
- C) Dental clinic is closing
- D) New pharmacy is opening across the street

A new pharmacy in an area. There are some doctors in area. You want word out to new doctor about your pharmacy. What is appropriate?

- A. arrange meeting with doctors
- B. send a letter or flyer
- C. advertise in area news paper
- D. Flyer door to door delivery
- E. Advertise in local television

Site considerations. Important consideration in site selection is the relationship of cost to productivity.

Barriers to effective planning

- Failure to commit sufficient time to the planning efforts
- Interpersonal issues like power or politics
- Lack of planning skills
- Failure to plan enough into future
- Constantly changing environment
- Failure to monitor progress
- Lack of support of top executive

Reference. Pharmacy Management, Essential for all practice settings. 3rd Ed.

- Physical characteristics of space in a building under consideration should be scrutinized.
- The shape of the space, its width and depth, exposed pipe and ductwork.
- Parking is a key concern.
- Techniques in assessing site locations: The use of ratios as rules of thumb is fairly common
- Another rule of thumb deals with convenience and distance; Example: sales per square feet

QAlert!

What are forms of business structure in Canada? Incorporation (limited), proprietorship, franchise, and partnership

What is banner pharmacy ownership? Independent franchise

What is the most important in business location analysis? Market area analysis

