

BOOSTING THE BOTTOM LINE

APP2017 is about helping you achieve incremental gains to your pharmacy's bottom line, says APP chairman Kos Sclavos.

Everyone is hoping for a quick fix in community pharmacy, and looking for the next big thing that will replace the lost revenue from the government's constant changing of the PBS. It is easily forgotten but in May 2015 the pharmaceutical sector negotiated \$6.569 billion in PBS savings to be taken from the sector from 1 July 2015 to 30 June 2020. These cuts are really kicking in now and impacting pharmacy. While there is no quick fix, there are many initiatives that will be launched at APP to help you achieve incremental gains to bridge the gap in your business' bottom line.

The dispensary in every community pharmacy is the engine room of the business. The most important person is the patient. Considering the fact that a mere 300 patients in the average community pharmacy account for 20% of all prescriptions, it is surprising to me that many pharmacies don't take a business approach to better know and

is worth the effort to support these patients. Pharmacy needs to consider the 'value' of a trusted, loyal, long-term, relationship with your dispensary patient. In my opinion the best way to build trust, loyalty and a long-term relationship is through professional pharmacy services.

Not just one professional pharmacy service, but a constant stream of professional services. Some will be government funded programs, and some may be private consumer self-pay programs.

Our international speakers at APP2017 will highlight professional services they are providing in their countries that may well become our future professional pharmacy services.

For too long community pharmacy has viewed professional services as a stand-alone service. Little consideration, and certainly no metrics, has been applied as to whether the service will lead to more prescriptions through

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the first time are existing prescription patients of that pharmacy. More staff time on patient recruitment, to a specific service, is necessary.

Keeping score

I have led the team at Sinapse that has developed a Scorecard for 20 private professional pharmacy services that are run in the Clinic format for a specific time period, e.g. 1 or 2 days. These APO-Wellness Health Awareness Clinics are in-pharmacy services and some may be nurse-led services. The services are as diverse as Bone Density Testing, Chronic Pain, Diabetes Clinic, Heart Health Clinic and Asthma and Lung Clinic. It is no coincidence that these are services that apply to some of the big chronic disease categories. This is because your most frequently visiting dispensary patients are likely to be impacted from one of these chronic diseases.

The Scorecard takes into consideration expected additional prescriptions, increased loyalty, increased OTC sales and additional professional services, e.g. 6CPA programs. Sinapse has a rich data set to help make these predicted outcomes.

Additionally, the Scorecard will allow pharmacy staff to take a holistic view to the patient and set goals for programs.

It is time to reassess professional pharmacy services and APP2017 will show you new metrics to apply to professional pharmacy services. ●

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support these patients, and indeed all their patients.

In business marketing, customer lifetime value (CLV) is a prediction of the net profit attributed to the entire future relationship with a customer. The prediction model can have varying levels of sophistication and accuracy, but this model has never been developed for a 'Dispensary Patient'.

Drilling into the issues

In the Apotex Plenary at APP I will be 'drilling down' and applying metrics on these patients. The CLV for these patients can run into tens of thousands of dollars of revenue. It

increased compliance. Will the service lead to improved patient pharmacy loyalty, or 'Patient Stickiness' as I have termed it? Has thought gone into the ability of that service to trigger another professional pharmacy service? What percentage of patients does this apply to?

On the expenses side, many pharmacy owners don't invest in marketing the service. They don't plan early enough. They also don't invest the necessary staff resources in patient recruitment to ensure the professional service is successful. Considering this fact: across a broad range of professional pharmacy services identified in pharmacy, some 85% of those undertaking a service for