

Do Something Well, and Thrive

by Bruce Kneeland

Editor's Note: This is the first of a two-part series based on interviews with pharmacy owners, managers, and industry observers who all say it is still possible for community pharmacy to thrive.

I have good news — and that is that there are ways for family-owned retail pharmacies to thrive. How can I say this? Well, I have spoken with several pharmacy owners and managers, and a few industry observers. They all say community pharmacy is alive and well and, if handled correctly, has a bright future.

Here is some of what they had to say.

Looks Matter and Neatness Counts

Consider el Tejon Pharmacy in Bakersfield, Calif. Vice President of Operations Ty Stout, Pharm.D., and his partners believe that how nice a pharmacy looks has a direct bearing on its ability to attract patients.

Stout says that in 2001 they realized they had outgrown their location and started to look for a larger and better one. He says the first thing they wanted to do was design a facility that would appeal to customers and make a statement that they were serious about providing exceptional healthcare.

Stout says, “The people who come to see us are most often not feeling well, and they don’t want to walk a long ways.” When laying out their new facility, they deliberately placed the pharmacy front and center and made it the most visible part of their new location. And they lowered

the pharmacy counter to facilitate staff-to-patient communication.

Greg Hickman, R.Ph., owner of Carmichael’s Drug in Monroe, Ga., was faced with a similar problem. Six years ago he realized he needed a larger store to accommodate some of the products and services he wanted to add. Since the hospital and many of the doctors were moving to the edge of town, he took advantage of the opportunity to remodel and move into a former grocery store, expanding his footprint from 6,000 to about 18,000 square feet.

In doing the remodeling he invested heavily in the pharmacy’s exterior appearance, realizing it is the first thing any potential new customer would see. Hickman says that in the process of expanding to his new location he tripled the size of his store and doubled his overhead — and since he made the move in 2008 at the start of the Great Recession, it was several years before he could authoritatively say it was a good investment. But he says he now knows that patients and prescribers eagerly recommend him to others, and he is certain part of the reason they do is because his pharmacy makes such a nice impression.

Beattie’s Drug in Erie, Colo., comes in at about 1,000 square feet. Someone driving by it on the major highway

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What Success Looks Like



Vice President of Operations at El Tejon, Ty Stout, Pharm.D., renovated the pharmacy to facilitate staff-to-patient communications, including a welcoming waiting area.



Trey Beattie, R.Ph., and his wife, Laurie, found a perfect mix in a compounding and traditional pharmacy at Beattie's Drug in Erie, Colo.



Greg Hickman, R.Ph., owner of Carmichael's Drug in Monroe, Ga., moved to a larger pharmacy to offer a wider selection of products and services.



Don Grove, R.Ph., owner of J&D Pharmacy, has built a business that goes beyond traditional dispensing with a unique workflow system and a focus on personnel development.

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leading into this rapidly growing suburb of Denver might use the word "cute" to accurately describe it.

Trey Beattie, R.Ph., and his wife, Laurie, made the move to Erie in 2009. At the time they owned a pharmacy in nearby Brighton and saw the opportunity to expand. In planning for their new store they wanted it to appeal to both the young families moving into the area and those moving into several of the 55+ communities sprouting up as well.

For help they drew upon the store-planning services of McKesson and also upon the expertise of their compounding partner, Professional Compounding Centers of America (PCCA), to make sure the pharmacy looked great. One unique feature they used was a special window wrapping with pharmacy-related graphics that really adds to the curb appeal of the pharmacy.

Run an Exceptional Pharmacy

While providing cognitive services is being done by all the successful pharmacy managers interviewed, most of them

say that the core of their practice is traditional dispensing. Don Grove, R.Ph., owner of J&D Pharmacy in Warsaw, Mo., is one of them. Grove is an entrepreneur at heart and has advanced rapidly into DME (durable medical equipment), diabetes care, and other services. Still, he says, a key part of what makes these other services possible is filling lots of prescriptions.

As an owner Grove knows how unprofitable traditional dispensing has become. His solution is to increase the number of prescriptions he fills without increasing overhead. To that end he has developed a combination of technology, people, and individual workstations he calls the SmartFlow Pharmacy Workflow System, which he says allows him to fill as many as 500 prescriptions a day with only one pharmacist.

The details of this system are beyond the scope of this article, but in simple terms involve breaking the dispensing process into various subsets, providing each person in the process with an individual workstation, and using a color-coded bag system for prioritizing prescriptions. And this is held together with the extensive use of computer technology to track each step of the process. Grove credits ComputerRx for helping him refine the technology portion of the process, but also says a major piece of the puzzle is management's ability to train employees to work in this innovative environment.

Stout, with el Tejon, says it is important to increase prescription volume while at the same time bringing the cost-to-dispense down. To that end he has become a leader in the use of automation. He has invested heavily in an end-to-end assortment of ScriptPro technology, including a robot and IVR, all coordinated by the company's

workflow software. The end result is that he can fill prescriptions quickly and accurately, and interact with patients to talk about the cognitive services his pharmacy

provides. He says a major benefit of all this is that, "I really enjoy working here."

Nick Smock, Pharm.D. and M.B.A., is president of PBA Health, the independent pharmacy organization based in Kansas City, Mo. He says that no matter how successful pharmacists become in providing cognitive services, "pharmacists still need to own dispensing, and they need to continually position themselves as the drug expert."



Nick Smock, Pharm.D., says pharmacists need to make customers aware of the cognitive services available.

While indicating dispensing is a critical service, Smock also points out that the need for cognitive services is real, and that consumers are becoming more aware of that need. One market he feels is immediately available is adults caring for aging parents. Smock says, "One thing pharmacists can do now is charge for these services." To defend that statement he talks about how

people are willing to pay for yoga classes, weight loss programs, or gym memberships. Smock sees a real opportunity for pharmacists in creating, carefully packaging, delivering, and charging for enhanced-care services. Another aspect of running a great pharmacy is refill reminders and targeted interventions for patients who are noncompliant. Trey Beattie says he has found that the "scorecard" provided by Prescribe Wellness has helped him improve his star ratings and garner a modest but meaningful increase in reimbursement. The key to this service, he says, is the company's ability to sort through patient records and then place prerecorded phone calls (that use his voice) to his patients who are least compliant. When they come in, Beattie says, he can address the issues of that specific patient, which both improves the patient's care and improves his star rating.

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Do Something Else Exceptionally Well

Mat Slakoper, R.Ph., runs a busy pharmacy — Mat's Pharmacy is in Croydon, Pa., a suburb of Philadelphia. Slakoper says, "Several years ago I realized the future growth of pharmacy would not be in traditional dispensing." So he decided to try selling DME.

Today, he says, this is a substantial part of his business. He even went through the competitive bidding process and recently won the supplier contract for walkers in his area. Part of the beauty of being in the DME business, Slakoper

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Mat Slakoper, R.Ph., shifted his focus to DME at his Philadelphia-area store, a win-win for his business, as these customers often need to have prescriptions filled too.

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says, is that the people you attract are also candidates for prescriptions, and vice versa. A true win-win situation, according to Slakoper.

Perhaps the most common “expansion” of pharmacy is into the area of compounding. This is the direction Trey Beattie has taken in Erie, Colo. Beattie says he likes three things about compounding.

First, “When working with patients and prescribers on compounds, one just gets closer to each patient,” he says. And at Beattie’s customer service is their unique selling proposition. Laurie Beattie says their company mantra is to be the Nordstrom of pharmacy. She says their small footprint allows them to call each person by name as they enter the store, and she says having a personal relationship with their patients is central to their success.

Second, people who get compounds talk about the pharmacy more often with their friends and neighbors, says Laurie Beattie. She says personal recommendation has been their primary source of new patients.

Finally, Trey Beattie says, “The margins are higher” — in his case approaching 70% compared to the high teens for traditional dispensing. “For us,” he says, “compounding and traditional pharmacy are a perfect combination.”

Mike Burns, R.Ph., is president and CEO of AuBurn Pharmacies, an 18-store collection of pharmacies headquartered in Garnett, Kan. He is doing remarkable things with Zostavax and other immunizations — so much so that he has been invited to meet with Merck executives to talk about his program.

He says management has to be committed enough to invest the time, energy, and other resources a successful program will require. With that as a starting point Burns called upon his home office staff, key managers, and even invited suppliers to help design a system to deliver these vaccination services to all eligible patients.

At the heart of the program is a flow chart that outlines the entire process on one page (visit www.computertalk.com to see the chart). The key to his success, he says, was putting together a structured program that addressed the patient decision-making process, employee training, and workflow implementation. This allows the AuBurn team to identify and educate all eligible patients, which in turn helps protect hundreds of people from the pain of shingles and generates a nice ROI for his company.

The program recognizes people who are “right” for the service and prompts the clerk to initiate a conversation. It recognizes that people may want to talk with doctors or



Mike Burns, R.Ph., below, president and CEO at AuBurn Pharmacies. He has developed a structured immunization program that tracks patient demographics carefully to prompt staff to discuss the right services with the right patient.



family members before getting the shot, so the system puts them in a queue which later prompts store staff to follow up. It knows patients will want to know if their insurance covers the service, so it has a mechanism for providing that information. It knows doctors may need to be contacted to alert them for possible inquiries from their patients on the benefit of the vaccination. And it includes a way to provide documentation of the service to the patient’s physician(s) and/or WebIZ.

Another approach to doing something else well is what Stout has done in consultations. Stout contracted with a self-insured employer group to support a truly remarkable healthcare business. His education center has a staff of 12 specialists who do consultations in private rooms. These consultations cover diabetes, weight loss, cholesterol, and high blood pressure. The separate but closely related business has proven profitable on its own and, Stout says, has also helped both of his pharmacies fill more prescriptions.

Even More Ideas

Hopefully, you are finding a few suggestions above that will inspire you to think of new and better ways you can serve your patients and improve the profits of your pharmacy. What you have read so far are three of the six “ideas” these successful pharmacy operators mentioned. Later in the year *ComputerTalk* will present three more: Don’t Dismiss the Front End; Management Philosophy; and Get Out of the Pharmacy and Network. **CT**



*During the course of his 40-year career **Bruce Kneeland** has visited hundreds of successful pharmacies, and has written extensively about his findings in *ComputerTalk*. He retired in 2013 and is serving as a full-time volunteer missionary with his wife in Colorado.*