

Weekly Comment

Welcome to **Pharmacy Daily's** weekly comment feature. This week's contributor is Oskar Hakansson, Business Unit Director (Consumer Products), Symbion Pharmacy.

The benefits of private label

Australia's taste for private labels is showing no sign of slowing.

In supermarkets across the country private label products are booming as consumers look for quality, low cost, home brands.

And a similar trend is now being seen in the pharmacy industry.

It's widely known that private label products offer pharmacists higher margins.

But they also offer much more than that.

One benefit is the 'come back' factor of a private label product.

For example, when a customer chooses a Chemmart® private label paracetamol product, it helps drive return traffic as the pharmacy's brand is on the packaging.

While this is harder to measure, there is a resultant rub-off in credibility and loyalty that pharmacists don't get when they sell branded products.

Private label also offers pharmacies a point of difference over the discounters - as the majority of these don't have a house brand strategy in place.

Typically a pharmacist can expect to make a higher margin selling their own branded private label product as compared with a branded product.

Having a viable front of shop offer helps to offset ongoing loss of margin in the dispensary and therefore private label is crucial to ensure community pharmacies remain viable and profitable.

It's up to us as an industry to continue to innovate and invest in the category while simultaneously educating consumers about the benefits.



Symbion Consumer Products source and distribute high quality own branded products at competitive prices to Terry White Chemists®, Chemmart® Pharmacy and Pharmacy Choice® members. For more

information please call 1300 774 000.

\$900m Sigma Aspen deal

SIGMA Pharmaceuticals this morning confirmed the sale of its Pharmaceutical Division to South African firm Aspen Pharmacare (**PD** breaking news).

The \$900m Sigma receives in the deal will enable it to pay off debt, with the sale including Sigma's Generics, Consumer, OTC, Herron, Ethical Products, Medical Products, Orphan and Manufacturing businesses.

Sigma will retain its wholesaling and distribution operations, and will retain a long term preferred

supplier status with the businesses being sold to Aspen.

Sigma chairman Brian Jamieson said: "Over recent months, the Board has carefully considered a number of expressions of interest in relation to the whole of Sigma's business and parts of the Group."

"The Board has concluded that Aspen's proposal to acquire the Pharmaceuticals Division is the best alternative for Sigma shareholders."

Sigma's shareholders will be asked to approve the deal, and other conditions include receiving regulatory and lender approval.

Under the proposed terms Sigma will agree not to compete with the Pharmaceuticals Division for a period of two years.

The companies said the agreed terms are "non-binding and subject to formal documentation" and Sigma has agreed to deal exclusively with Aspen until 15 Oct.

Sigma will retain its Healthcare Division which includes the wholesale and retail operations, with Jamieson saying the company "will emerge after the sale in a financially powerful position for future growth and business improvement".

Directors said that they will recommend shareholders vote in favour of the sale, and if the transaction doesn't proceed for reasons relating to Sigma, Aspen will be entitled to a \$4.5m break fee.

The proposed sale includes a condition that Aspen will support Sigma's existing pharmacy sales programs as well as providing contract manufacturing services, while Sigma will agree to provide wholesaling, distribution, IT and logistics services to the businesses being sold.

Wages rise (slightly)

A 1.8% increase in the base wage for pharmacists has been marked in the latest market rates remuneration report, according to the Pharmacists Division of Association of Professional Engineers, Scientists and Managers Australia (APESMA).

Up from \$37.52 to \$38.20, the wage rise was however noted to fall below that of other science and technical professional groups who generally saw hikes between 3-4%.

In light of these figures, APESMA has also reported a high volume of calls to its information line from pharmacists wishing to clarify the provisions of the recently installed Pharmacy Industry Award (in particular the Transitional Provisions which relate to wage and penalty rates which began to change last month).

"A number of callers have indicated their employers are misleading them by telling them they are not covered by the Award or they are not eligible for penalty rate payments," said Geoff March, President of the PDA.

As such APESMA is warning pharmacy owners that it will have "no hesitation" in prosecuting pharmacy owners who are not providing the provisions of the Pharmacy Industry Award to their employee pharmacists.

"We are currently investigating a couple of cases of Award breaches on our member's behalf," he said.

APESMA is also urging pharmacists who believe that they are being underpaid to contact its information line on 1300 273 762.

The union has also advised that calls will be treated with confidentiality.

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Kids are not mini-adults

PARENTS should talk to pharmacists before treating their young children at home for influenza symptoms, according to the Pharmacy Guild of New Zealand.

The statement comes on the back of the NZ Ministry of Health's Tamiflu advice which can be accessed by parents online via its website.

The Guild has urged parents not to take the online advice in isolation, saying that it is "never safe for parents to adjust medicine doses for their young children."

"Children are not mini adults," said NZ Guild president Ian Johnson.

"Talk to your community pharmacist before treating young children who have influenza symptoms."

"Pharmacists are easily accessible and well positioned to educate parents about what medicine is appropriate and what dose to take."

"They will ensure that the medicines are safe and appropriate for your child," he added.

To view the Ministry's Tamiflu advice **CLICK HERE**.

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New SHPA guidelines

THE Society of Hospital Pharmacists of Australia has released new guidelines for preparing medicines in hospital pharmacy departments.

Developed in consideration of developments within pharmacy manufacturing both in Australia and internationally, the new guidelines bring together two previous documents which addressed the preparation of non-sterile and sterile medicines.

The new guidelines are applicable to: all types of medicines prepared in Australian hospital pharmacy departments; aseptic and non-aseptic preparation; immediate-use products for individual patients to batches of products made in advance; procedures such as labelling and re-packaging to aseptic manipulation; and medicines prepared by externally contracted pharmacists servicing hospitals and nursing homes.

Currently the new Guidelines are being sent out to all SHPA members (and they can be viewed via the members only section of the SHPA website), however they are also available by **CLICKING HERE**.

Gollmann-Bouw insolvent

COLLAPSED pharmacy automation company Gollmann-Bouw may have been trading insolvently since April, according to a formal report released last week by the Administrators, Peter McCluskey and George Georges of Ferrier Hodgson.

The administrators are also recommending that the company be wound up, and say it's "unlikely that a dividend will be payable to unsecured creditors".

The report confirms that since it was established in November 2008 Gollmann-Bouw has supplied and installed 14 Gollmann Kommissionersysteme machines in Australian pharmacies, as well as two systems made by US firm MTS Medication Technologies, for which it also holds the Australian licence.

16 further customer orders are in place, comprising ten Gollmann

and six MTS machines.

The decision to appoint administrators was due to a Notice of Default relating to an outstanding debt of \$615,869 owed to its German supplier - but ironically the owner of this company, Daniel Gollmann, is also a director of Gollmann-Bouw, the Australian distributor of his products.

More than \$1.8 million is owed to unsecured creditors, while there are also loans from related parties including ceo Chris Jones who is claiming about \$330,000.

Jones holds a mortgage over the company's floating assets.

Almost \$300,000 is also owing to the Australian Taxation Office, while there's also \$361,000 in outstanding employee entitlements.

The administrators report doesn't give full details of the unsecured creditors, but it appears to include a number of dispensing software vendors, with the committee appointed at the first meeting held on 27 July included Tony Johnston of Fred Health and Ian Taylor of PharmaSol/Corum Health.

The next meeting of creditors will be held this Friday 19 August, to consider the winding up of the company.

Gollmann-Bouw's website continues to promote its products, but the former Pharmacy Guild endorsement has been removed from the Gold Cross site.

New PD option

IN response to requests from a number of **Pharmacy Daily** subscribers, it's now possible to receive your daily pharmacy industry news update in a new format.

All subscribers currently receive **PD** as a PDF attachment to an email, but with this new option it is also possible to select a 'link' version which can be clicked to read each day's issue.

The link version requires an active internet connection to read **Pharmacy Daily** but will mean that the issue takes up less space in your inbox.

You can easily switch between the two options, as well as updating other subscription information by clicking on the appropriate link in the email cover page.



DISPENSARY CORNER

A GRAVE site.

A Melbourne cemetery has reported queues of patrons lined up to secure the plot of their dreams, after it released 34 new spaces.

According to reports some nine customers even spent a windy and cold Friday the 13th sleeping in the cemetery to ensure they were the first to nab a pew to rest in peace.

"They were driven really to get the grave of their choice in a site that they wanted to be," said Melbourne General Cemetery chief executive, Russ Allison.

Primary to its popularity, according to Russ is its 'prestige', being one of the oldest cemeteries in Victoria, centrally located just a small ghost-stroll to the CBD, as well as the fact that it houses dignitaries including John Pascoe Faulkner and "a number of prime ministers".

WHAT's whisky compared to a big plate of testicles!

Tourism ministers in Serbia are currently gambling funds on a new tourist drawcard festival, which they hope will help to sell the destination much like the association between whisky and Scotland, and chocolate and Switzerland.

"We are now hoping that the many famous and varied testicle dishes that we have created in the region will become world-famous and attract people who appreciate good food from all over the world," said Festival organiser Ivo Mokovich.

The Testicle Cooking World Championship is set to kick off on 27 Aug for three days in the Serbian city of Ozrem, and is hoped will draw a large range of chefs from across the world.

"This year the theme is let your imagination run free - we have allowed the entrants to submit dishes using any kind of testicles that they want - large or small - and we're looking forward to seeing what the expert Serbian testicle cooks come up with," Mokovich added.

WIN AN AROMABABY PREGNANCY PACK

Pharmacy Daily has teamed up with Aromababy again and is giving readers the chance to win a pregnancy pack every day this week.

Valued at \$54.90 rrp, this gorgeous duo for pregnancy & afterwards is your gift from leaders in organic mother & babycare, AROMABABY. Pure organic ingredients combine to care for the face & body throughout pregnancy, helping to minimise stretchmarks and blemishes. For more details on this pharmacy-focused brand visit www.aromababy.com



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