

## Weekly Comment

Welcome to a new **Pharmacy Daily** feature, in which we will have a regular column from a pharmacy industry commentator. Our first contributor is Frank Sirianni from Medici Capital.

### Pharmacy Management 101

There are 3 fundamental economic realities about pharmacy. They are:

1. **There is no such thing as an average pharmacy – all pharmacies are different and a number of unique business and operating models are obvious in the Australian pharmacy landscape;**
2. **Gross margins are in decline;** and
3. **Increasing reliance on prescriptions and professional services.**

Over the next two weeks, I will focus on items 2 and 3; today I would like to discuss item 1 in detail.

Many focus on the mythical "average pharmacy" as being representative of pharmacy.

However, even on something as simple as average turnover (annual sales), the average is not representative.

Of greater concern is that the government, banks, and often even accountants continue to focus on averages without recognising the unique characteristics of each pharmacy.

Average Annual Turnover is highly skewed, with a small number of pharmacies with very high levels of sales pushing the average up.

Approximately 65% of pharmacies have annual sales below the Australian average. Hardly representative.

I believe there are a number of pharmacy models with operational and financial characteristics which make each unique.

- What makes your pharmacy unique?
- How does that uniqueness strengthen your business or make a unique offer to your community?

**Make your comments** at Medici Capital's Ask an Expert [experts.medici.com.au](http://experts.medici.com.au) (a pharmacy management blog) or email [info@medici.com.au](mailto:info@medici.com.au).



Frank Sirianni is a management and finance consultant specialising in the pharmacy industry.

## Pharmacists ready to help

**THE** Pharmacy Guild of Australia has renewed its calls for an expansion of the role played by pharmacists, to alleviate the burden placed on Medicare from GP visits for minor ailments.

Guild President Kos Sclavos highlighted an article in last weekend's *Sunday Age* newspaper which showed that Australians visit the doctor more often than people in other parts of the world.

"If you ever wanted a strong case for the need to support expansion of the pharmacist's role, this is it," he told **PD** yesterday.

According to the story, Australians now make an average of 6.3 visits to the doctor a year - more than once every two months - compared to 5.8 annual visits in Canada, 5 in the UK, 4.7 in New Zealand and just 3.8 in the USA.

"A national minor ailment

scheme through pharmacy would cut the need to burden Medicare, where patients with minor ailments currently go to a doctor instead of seeing an accessible health professional like a pharmacist," Sclavos said.

"Surely no one believes that Australians are the sickest people in the world...what [the report] clearly shows is inefficient use of health resources," he added.

Sclavos also responded to comments by the AMA (**PD** 05 Feb) which urged that education and awareness of health issues should come first of all from GPs.

"It is now wonder our health system is struggling, with this view that only doctors should see patients in the first instance," Sclavos said.

He added that the high rate of doctor visits in Australia also helped build a clear case for PBS Medication Continuance through community pharmacy, as well as other professional programs - such as, for example, pharmacist immunisation, which now occurs in all states of the USA.

"Pharmacists are willing and ready and they would not be a burden on MBS," Sclavos concluded.

### President attends PSA

**THE** president of the Chinese Pharmaceutical Association, Professor Sang Guowei, has been confirmed to officiate the opening ceremony of the Pharmaceutical Society of Australia's 2010 Annual Offshore Conference.

Guowei, who is also the vice chairperson of the National People's Conference, said he would be 'delighted' to welcome delegates to the conference, held in China between 28 April-07 May.

"Our presence in China has been warmly welcomed by the Chinese Pharmaceutical Association which sees this as an opportunity to strengthen relations with Australian pharmacy and help progress their professional advancement," said PSA president, Warwick Plunkett.

The PSA has also invited 15 nominated members of the Chinese Pharmaceutical Association and the Chinese Minister for Health, Professor Chen Zhu, to the conference as a mark of respect.

Registrations are still open; see [www.psa.org.au/conference](http://www.psa.org.au/conference).



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## Sanofi acquisition

**SANOFI-AVENTIS** this morning announced the expansion of its Consumer Healthcare portfolio, with the acquisition of the Ostelin range of Vitamin D and Calcium supplements.

MD Jez Moulding said the deal would "provide excellent business growth opportunities for Australian pharmacies, as well as exceptional care for customers."

Ostelin was previously distributed by Boots Healthcare, owned by Reckitt Benckiser, and financial details of the deal weren't disclosed.

Moulding said the acquisition was an "excellent addition to our broader prescription bone health portfolio," Moulding said, with brands such as Actonel also playing a crucial role in patient care and management of osteoporosis.

Ostelin will now be sold exclusively by the sanofi-aventis Consumer Healthcare sales team, with distribution via wholesalers.

## APP2010

11-14 March

Gold Coast Convention & Exhibition Centre, Queensland

### Registration now open!



[www.appconference.com](http://www.appconference.com)



The Pharmacy  
Guild of Australia

## Medicines symposium

**REGISTRATIONS** are now open for this year's National Prescribing Service National Medicines Symposium which will take place in Melbourne from 26-28 May.

Addressing important medicines use issues across the health sector, the symposium is also calling for abstract submissions by no later than 19 Feb.

See [www.nms2010.org.au](http://www.nms2010.org.au).

## Changes to codeine

**THE** Pharmacy Guild of Australia's Qld branch is warning pharmacists to be prepared for the new codeine scheduling changes, which come into effect from 01 May.

The changes will mean that no analgesic product containing codeine will, from May, be available under Schedule 2, whilst analgesic products which contain up to five days treatment with a maximum dosage of 12mg codeine will only be available under Schedule 3.

Analgesic products that contain more than five days dosage and higher than 12mg of codeine will only be available via prescription.

The move was announced last year by the NDPSC in response to reports of codeine abuse.

## Australia has cheapest drugs

**AUSTRALIA** has the lowest prices among the developed nations for medicines made by innovative pharmaceutical companies, according to a new report by the UK's Department of Health.

The report to the UK parliament compared the price of 150 popular branded medicines in the UK to their prices in 11 European countries as well as America and Australia, with findings showing that only Australia was significantly lower than the UK.

The report has been hailed by Medicines Australia, with ceo Brendan Shaw saying it shows that "the prices Australia pays for new medicines are amongst the lowest in the developed world."

He said it proves that Australian taxpayers are in general getting

'value for money' from new medicines listed on the PBS.

"In relative terms, Australia pays 20 percent less than the OECD average for new medicines.

"That is a substantial discount to the market for Australian taxpayers," Shaw added.

The report showed that the UK was the second cheapest country for the medicines, while the prices for the medicines in the US were on average more than two and a half times that paid in the UK or Australia.

## Egypt pharmacy alert

**PHARMACISTS** in Egypt are up in arms about new government regulations which order that pharmacies must not be less than 40 square metres in size in order to be officially licensed.

The Egyptian Pharmacists Syndicate says the stipulation will make it hard for graduates to start their own businesses, and also said it would see many poor people deprived of medications because they live in shantytowns which lack sizeable pharmacies.

## PSA joins Facebook!

**SOCIAL** media website, Facebook has a new group member, The Pharmaceutical Society of Australia.

PSA national vice-president Lisa Nissen said the society committed to a Facebook page as a reflection of its "growing recognition of the changing demographics of the pharmacy profession.

"A growing proportion of today's pharmacists are of the generation which uses social media extensively," said Nissen.

"It is important that the vast range of services and offerings available to PSA members is widely publicised and we have found the Facebook site has gained very quick and strong acceptance among PSA's members," Nissen added.

The Society's fanpage features all its latest news and updates as well as information on PSA activities.

Site fans will also be able to interact and provide the PSA with comment and feedback.

To view the page logon to [www.facebook.com](http://www.facebook.com), and add Pharmaceutical Society of Australia in the search function.



## DISPENSARY CORNER

**POSSIBLY** taking a home-grown organic health diet too far?

A man in Russia has been charged with weapons offences after he was discovered to have surrounded his garden with land mines in a bid to protect it from tomato-stealing trespassers.

During his trial Alexander Skopintsev admitted building three separate bomb traps around his precious plot, in his war to protect his valuable vegies.

Soon after laying the traps Alexander was arrested, due to the detonation of one device as a trespasser apparently tried to snaffle some garden goodies.

According to reports the thief was injured during the escapade, but managed to narrowly escape with his life (and a carrot?)

Alexander was sentenced last week to a two year and a half year suspended sentence.

**THIS** patient really could blame his bad dancing on two left feet.

A British prosthetics specialist has recently been struck off after he fitted the 76-year old amputee with a left foot on his right leg.

Dr Malcom Griffiths was also cited for the foot being the incorrect size, meaning the patient's shoes didn't fit properly.

The disbarred doctor failed to notice the blunder in two separate follow-up check-ups.

The amputee, Mr Morrison, told reporters that he had assumed his lopsidedness was just a side effect of the process, and that he would get used to it.

The mistake was only picked up when Morrison's wife removed the foot's protective sock and saw the leftie problem.

"Me and my wife got a big surprise," Morrison said.

"You just don't expect this kind of thing to happen," he added.

Industry watchdog, the Health Professionals Council, said it had made the decision to strike off the prosthetician after consultation with Griffiths himself, and following ten other separate patient complaints pertaining to the UK specialist.

## WIN AN ED HARDY FRAGRANCE



Total Beauty Network has teamed up with *Pharmacy Daily* this week, giving readers the chance to win an Ed Hardy Designer Brands fragrance.

The Designer Brands Fragrances are based on the top-selling, non discounted fragrances with something for both men and women.

With the essences made in France and designer style glass bottles plus the designer names, it makes DB fragrances a great copy without being a counterfeit product.

The fragrances smell the same (or better) than the original, with a great price point everyone can have the chance to try the

big names without the big price.

For your chance to win your very own Ed Hardy Designer Brands fragrance, simply send through the correct answer to the following question:

What are the names of the two  
Ed Hardy Fragrances?

Send your entries to: [comp@pharmacydaily.com.au](mailto:comp@pharmacydaily.com.au).

The first correct entry received each day will win.

Hint! Visit the Total Beauty Network website at: [www.tbn.com.au](http://www.tbn.com.au).