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## Weekly Comment

Welcome to *Pharmacy Daily's* weekly comment feature.

This week's contributor is Norman Thurecht from JR Pharmacy Services.

### Where did the money go?

WITH the current volatile trading conditions, managing cashflow in the pharmacy is vital because external factors often restrict cash when it is most needed.

Previously I highlighted the need for timely and accurate reporting of financial information. The most important report is the cashflow statement - it highlights where the money went during a particular period. You use information in the profit and loss and balance sheet to determine the cashflow and therefore it should be run and reviewed at the same time (i.e. regularly). The process should be automated to feed off other reports to save time and ensure accuracy.

Many pharmacies over the last six months in particular have found cash tight at times. Assuming the pharmacy is profitable, the five big items restricting cash are:

- Too much stock not selling fast enough;
- High tax commitments based on prior year's profit payable now while trading conditions have flattened off.
- Suppliers reigning in trading terms (say 60 days to 30 days);
- Repayment of principal off loans; &
- Proprietor drawings.

On several occasions I have worked through the report with clients and they often do not realise how much they have drawn during a year.

You also need to use the report to forecast what will happen to the pharmacy with the announced price cuts to the different formularies including the effect on stock values, invoices payable and flow on effect from gross margin movements.

The cashflow statement and forecasts are vital for pharmacies carrying large trade or bank debt.

Banks will want to know you are on top of the cashflow - and pharmacies need to be nimble enough to react quickly to internal and external forces affecting cash, understand where it is tied up and how to release it.



Norman Thurecht is an expert in pharmacy finances, having been with JR Accountants' Pharmacy Division since 2003. More info [nthurecht@jr.com.au](mailto:nthurecht@jr.com.au).

## New scheduling processes

THE Secretary of the Department of Health and Ageing will become the ultimate decision-maker on scheduling of medicines and chemicals in Australia, under changes to processes confirmed today by the Therapeutic Goods Administration.

The changes have already been foreshadowed, and will become effective 01 July this year.

The current decision-maker, the National Drugs and Poisons Schedule Committee (NDPSC), will be replaced by the Secretary of the Department of Health or her delegate - who will be advised in deliberations by two new expert advisory committees - the Advisory Committee on Medicines Scheduling, and the Advisory Committee on Chemicals Scheduling.

A single Secretariat will support both committees to "ensure ongoing consistency and cohesiveness of processes and decisions," and the changes also include closer integration of the revised scheduling arrangements with existing Commonwealth evaluation and product registration

## OTC members wanted

THE Therapeutic Goods Administration is seeking expressions of interest from experts interested in being part of the new Advisory Committee on Non-prescription Medicines (ACNM).

The committee replaces the current Medicines Evaluation Committee, and will provide advice and make recommendations to the TGA and the Health Minister on the "quality, safety and efficacy of non-prescription medicines".

Prospective members would be appointed from 01 July 2011 through to 31 December 2013, and expertise is being sought in a range of disciplines including general and specialist medical practice, pharmaceutical chemistry, clinical pharmacology, toxicology, microbiology, consumer issues and community pharmacy.

The ACNM will meet for one day five times a year in Canberra.

Expressions of interest are due by 5pm on 14 Jun; interested parties should contact the ACNM secretary, Dr Mayada Kayali on 02 6232 8652 for more details.

schemes.

The current Poisons Standard (SUSDB) will be renamed the *Standard for the Uniform Scheduling of Medicines and Poisons* (SUSMP), and the TGA also confirmed that cost recovery arrangements for scheduling are under consideration.

"The changes aim to improve the efficiency and timeliness of scheduling decisions, while maintaining the existing high level of scheduling uniformity across Australian states and territories," according to a statement on the TGA website.

## Blackmores cold push

BLACKMORES has expanded its range of supplements to treat colds and flu as well as boosting immunity, just in time for winter.

The company is urging pharmacists to encourage consumers to "think differently" about combating colds and flu this winter, by considering the lifecycle of the ailments..

"Too often, consumers are only looking to treat symptoms, and are not considering why they catch colds in the first place, or why it takes so long to recover," said Blackmores director Australia, Peter Barraket.

New products include Blackmores Immunodefence, Blackmores Cold & Flu Day/Night and Blackmores Kids Immunities.

Barraket said the company believes that retailers who take the time to educate clients about protection, treatment and recovery "stand to not only have healthier customers, but the extra benefit of a healthier bottom line".

## PD's Friday winner

CONGRATULATIONS to Deanna Jusaitis from Flinders Medical Centre in South Australia who was the lucky winner of an Emu Spirit pack in last Fri's *Pharmacy Daily*.

See **page 2** for this week's competition, in which readers can win a Natural Ground Minerals product.

## Pharmaxis success

LISTED Australian pharmaceutical manufacturer Pharmaxis has announced "significant headline results" for the first stage of an international Phase III trial of Bronchitol (inhaled mannitol) in patients with cystic fibrosis.

During the trial the lung function of Bronchitol treated patients improved by 7.9% after 18 months.

Pharmaxis ceo Alan Robertson said the results are "impressive and of significant clinical importance.

"For cystic fibrosis patients, consistent loss of lung function, averaging 1-2% per year, is the leading cause of death," he said.

"The improvements now shown with Bronchitol treatment over an 18 month period hold out the promise that Brochitrol can modify the course of this disease".

The trial was conducted in 40 centres in the UK, Ireland, Australia and New Zealand, with the findings to be presented next month at the European Cystic Fibrosis Conference in Valencia, Spain.

## Pharmacy E-bulletin

THIS week's edition of the RGH Pharmacy E-Bulletin deals with amiodarone-induced thyrotoxicosis, which is a significant side effect of the drug thought to be due to its high iodine content - download at [auspharmlist.net.au/ebulletin.php](http://auspharmlist.net.au/ebulletin.php).

## Visit remote Arnhem Land

2-3 month position available commencing soon in Gove, Northern Territory.

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## Rotavirus revision

**THE** US Food and Drug Administration has revised its recommendations on the use of the Rotarix rotavirus vaccine in children.

The agency said it's "determined that it is appropriate for clinicians and health care professionals to resume the use of Rotarix and to continue the use of Rotateq" after previously recommending against the Rotarix vaccine (PD 23 Mar).

The decision was "based on a careful evaluation of information from laboratory results... [and] a thorough review of the scientific literature and input from scientific and public health experts".

A PCV1 virus found in Rotarix has not been found to have any safety concerns.

## New HIP investors revealed

**THE** 'sophisticated investors' who have taken a stake in the owner of the Health Information Pharmacy franchise group (PD 06 May) have been revealed as stockbroker Jason Davis and chartered accountant Tony Ince.

Both were named as new directors of Health Corporation on Friday, and Davis was confirmed as holding 1.92 million shares in the company.

The new investors are supporting the company through a heavily discounted capital raising in which Health Corporation is seeking about \$250,000 in working capital.

Earlier this month the company said the funds raised would be

prioritised for the "continued development of the chemconsult pharmacy medication consulting business" as well as "evaluation of new business opportunities".

Davis is described as an "active investor in early stage companies" and is also a non-executive director of Success Resources Global Limited - best known for running seminars featuring motivational speakers such as Anthony Robbins and Zig Ziglar.

Ince is a director at PKF Accountants in Western Australia, and is also described as a director of Surfing WA "having served on various boards over the years".

## New GMiA chair

**THE** Generic Medicines Industry Association has appointed Alphapharm managing director Dr Martin Cross as its new chairman.

In accordance with the GMiA constitution the position of Chairman was declared vacant at the Association's board meeting last week, with Cross elected as the new chairman unopposed.

## Football translation

**A MAJOR** pharmacy chain in South Africa has introduced a special new translation system for sick soccer fans during the upcoming World Cup.

The Click pharmacies will use an online translation system operated by internet giant Yahoo!, called 'babelfish', to try to diagnose customers who don't speak English.

The foreign customers will type a sentence describing their symptoms in their own language into a computer in the pharmacy, which will then be translated into English for the pharmacist to dispense the appropriate medication.

Pharmacists will in turn use the Yahoo! system to give dosing instructions to the customers.



## DISPENSARY CORNER

**A SKINNY-DIPPING** tourist in New Zealand paid a high price recently after a venomous spider bit him on the penis.

The incident, reported in the *NZ Medical Journal*, happened when the 22-year-old from Canada left his clothes on the beach when he went for a nude swim and then lay on the sand for a snooze afterwards.

"He woke to find his penis swollen and painful with a red mark on the shaft suggestive of a bite," the article says.

Doctors said the man was bitten by a Katipo spider, which live in a "highly specialised habitat" in NZ's sand dunes.

He recovered quickly after being given anti-venom in hospital.

**A WOMAN** in the US has been charged with theft after leaving a hospital with a heart monitor still attached.

Police said that patient Wendi Mingus was fitted with a wireless heart monitor when she left her ward and walked outside to have a cigarette.

Staff told her she couldn't go outside to smoke unless she had been discharged, so Mingus just kept walking.

**THE** genetic makeup of the people of Tibet may contribute to their ability to live at high altitude, according to researchers at the University of Utah in the USA.

The study, reported in the *Science* journal, found 10 genes unique to the Tibetan people including two linked to lower levels of haemoglobin - meaning they suffer less incidence of altitude sickness which is characterised by high red blood cell counts.

## WANT YOUR SKIN TO LOOK FLAWLESS?



This week **Pharmacy Daily** is giving readers the chance to win a Natural Ground Minerals product, courtesy of **Total Beauty Network**.

100% Naturally Organic, with an in-built no waste grinder so make-up is protected from light, air and bacteria. It also contains ingredients that care for your skin such as Poly Peptides & Pomegranate. Apart from a foundation there is a bronzer to give healthy, natural sun-kissed glow and a finishing Illuminator to set your make-up for an all day fresh finish. No nasties, no fuss application and suitable for even the

most sensitive skin.

For a chance to win your very own Natural Ground Minerals product, simply send through the correct answer to the daily question below:

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The first correct entry received will win!

Hint: Visit: [www.tbn.com.au](http://www.tbn.com.au).

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