

Weekly Comment

Welcome to *Pharmacy Daily's* weekly comment feature. This week's contributor is Instigo's David Zivkovic.

Taking a category approach

Category management is about balance: product ranges with shelf space, volume with profitability and days of supply with turnover, or stock turns.

Category management is about making the entire category as profitable as possible by balancing market share, sales data, supplier relationships (incorporating the buying deal, rebates, coop, training and other applicable elements) and your store's unique requirement to come up with a strategic plan for each category.

Each plan is not static; it changes periodically, most commonly seasonally, to adjust to changing requirements, products and demand.

A key part of category management is merchandising.

Effective merchandising is all about ensuring the most desirable ranges (for the store and the customer) are allocated enough space and optimum positioning to minimise out of stocks whilst also meeting demand.

Merchandising is an integral part of retail and the primary focus of merchandising is 'the shelf'.

The shelf is the only time in the whole supply chain where the supplier, retailer and consumer come together.

Given that research suggests that the vast majority of purchases (up to 75% dependent on the channel) are decided at the shelf, it certainly pays to get the mix right.

An effective merchandising approach within a targeted category strategy can improve category performance, maximise returns, and strengthen your relationship with the customer, it can also give you and your staff a blueprint for creating the best selling environment.



HIP, Chemconsult unloaded

THE listed parent company of the Health Information Pharmacy franchise group has announced plans to sell its "non-core and loss making businesses" to the firm's founder, Ken Lee.

The move follows a review commissioned earlier this year by a group of new shareholders who invested earlier this year, and will see Lee acquire various assets including a subsidiary named Health Information Pharmacy Franchising Pty Ltd, currently valued in the accounts as worth minus \$929,000.

Also to be offloaded is the Chemconsult Australia offshoot, valued at \$7248, a company called HIP IP Pty Ltd worth minus \$17,000, another firm called Leverage Finance Pty Ltd valued at about \$7000, plus Health Corporation's 50% holding in Asset Trust 1 Unit Trust, valued at \$3.6m.

Lee will pay a nominal \$4m for the assets - but no cash will actually change hands, with the purchase funded through the forgiveness of various debts owed by the company

MBS revives Revive

REVIVE Clinics, the healthcare service staffed by nurse practitioners and operating primarily out of pharmacies, has recommenced operations following the introduction today of Medicare rebates for nurse practitioners and midwives.

Launched earlier in the year, Revive shut down some of its branches only months after opening, following poor patient uptake.

Closed Revive clinics however will re-open their doors in the light of the new rebates, with patients not only able to claim rebates for consultations, but also able to obtain PBS subsidised prescriptions from consulting nurse practitioners - the first time the PBS has been opened up to non-doctors.

In addition nurse practitioners will be able to refer patients for scans and specialist appointments, and will also be able to order a variety of pathology tests.

There are seven Revive Clinics currently operating in pharmacies nationwide, as well as one independent clinic, however in light of the new rebates, Revive plans to open 60 new locations in the next year.

to Lee and associated companies.

Currently the K&J Lee Partnership is owed \$2.4m, and the deal also includes Lee agreeing to assume debts owing by the businesses he is acquiring as part of the move.

Health Corporation said the move will "provide greater opportunities for both organic and acquisitive expansion by retiring debt and removing loss-making investments, thereby improving the Company's foundation for growth of future earnings".

If shareholders approve the transaction, Health Corporation's remaining assets will comprise two companies called HIP MBA Pty Ltd, which provides accounting services to pharmacy businesses, and HEA Management Pty Ltd, which provides management services to pharmacies.

The company will also ask shareholders to approve the previously announced all-share purchase of Intramedics Pty Ltd, which is an Australian company developing a "biologically stable form of Hyaluronic Acid".

An independent expert's report into the sale of the Health Information Pharmacy and Chemconsult operations to Lee concluded that the transaction was "fair and reasonable".

Friday's PD winner

CONGRATULATIONS to Janine Hando of Parkes Hospital who was the lucky winner of last week's **PD** Natural Ground Minerals Starter Kit competition.

See below for the first instalment in this week's A'kin Radiance Serum competition.

Mirixa session changes

MIRIXA has changed the total number of sessions for all Mirixa Australia compliance programs.

Session 4 will be removed from all programs; leaving only three sessions to be completed, including sessions 1 and 2 (mandatory) and session 3 (optional).

For more info call 1 300 647 492.

Sigma class action

SIGMA Pharmaceuticals this morning confirmed that it had been served with a formal statement of claim filed in the Federal Court of Australia relating to its market disclosure prior to its capital raising in 2009.

The applicants are people who bought Sigma shares between 07 Sep 09 and 25 Feb 2010, seeking "declarations and unquantified damages," with the case paid for by a litigation funder.

Sigma says it refutes the allegations and "will vigorously defend the proceedings".

WIN AN A'KIN RADIANCE SERUM



Pharmacy Daily has teamed up with **A'kin** this week and is giving 5 lucky readers the chance to win an A'kin Pure Alchemy Cellular Radiance Serum.

Keep skin looking radiant and youthful naturally with the help of A'kin Pure Alchemy Cellular Radiance Serum. Enriched with a combination of Omega 9 and Omega 3 & 6 essential fatty acids from rosehip and echium, Vitamin E and Pro Vitamin A, this potentially active serum is high in antioxidants to leave skin feeling firm, smooth and brightened.

For your chance to win this great prize, simply send through the correct answer to the daily question below:

What are the benefits of the A'kin Pure Alchemy Cellular Radiance Serum?

Email your answer to: comp@pharmacydaily.com.au

First correct entry received each day will win!

Hint: Visit: www.purist.com

Just one click away from keeping up to date with all the breaking news as it comes to hand...



Massive MA fines

MEDICINES Australia has fined its members a total of \$560,000 for breaches in its Code of Conduct between Jul and Sep this year.

Some companies were fined for inappropriate media releases including AstraZeneca (\$75,000); Janssen-Cilag (\$15,000); Roche Products (\$30,000) and Sanofi-aventis (\$20,000).

The lion's share of fines however went to Roche Products for its financial support for medical practice activities (\$200,000); and its Mircera printed promotional material, website and dosing card (\$200,000).

MEANWHILE Medicines Australia has also welcomed the changes to the TGA's Business Process Reforms implemented today, which will reduce the time it takes to evaluate new medicines for safety, quality and efficacy by around one year, to between nine and 11 months. "Australian patients are the big winners out of these reforms," said Medicines Australia ceo, Dr Brendan Shaw.

Valeant to acquire Hamilton's

VALEANT Pharmaceuticals subsidiary, Biovail Laboratories, has entered into an agreement to acquire Australian pharmacy skincare brands Hamilton's Suncare and Hamilton's Skin Therapy.

Currently ranked in the number two spot for suncare products in the Aussie pharmacy market, Hamilton's annual sales round out at around AU\$10 million.

Valeant expects the acquisition to gradually add to its earnings per share in 2010.

"These leading skin care brands nicely augment Valeant's current suncare product portfolio and expands our presence in the

pharmacy over-the-counter (OTC) market," said Valeant ceo Michael Pearson.

"The brands we acquired through our previous transactions have continued to perform well and the addition of a key brand such as Hamilton Suncare will enhance our portfolio and offer synergies to our growing pharmacy OTC platform," he added.

mdBriefCase CPD

ONLINE continuing professional development provider, www.mdBriefCase.com.au has launched its fourth free CPD program at PAC10 in Melbourne.

Titled "Persistent Non-Cancer Pain Management – Strategies for Pharmacists" the course is a PSA group 2 activity (2 points), a group 1 (1 point) program, and is both multimedia and interactive.

"As a member of the healthcare team, pharmacists can aid the management of persistent pain through helping patients better understand their condition and situation" said program author, pharmacist Lisa Nissen.

"Patients need to take an active role in their rehabilitation and pharmacists should encourage these efforts," she added.

The program is free to access for both PSA and non PSA pharmacists and pharmacy assistants, and will enable those that complete it to name the main categories of medication used in the treatment of persistent non-cancer pain and the commonly used medications within those categories.

See www.mdBriefCase.com.au.



DISPENSARY CORNER

TIME travel is real?

An Irish film maker, George Clarke, is claiming to have discovered evidence of time travel, after spotting what he believes to be a woman on a mobile phone in a 1928 Charlie Chapman film, 'The Circus'.

The clip, an extra feature on Clarke's DVD, opens with 30 seconds of a woman who seems to be chatting on mobile.

"As I sat back to watch it I realised there's a lady strolling by with her hand up to her ear which looked quite familiar in today's society," Clarke said.

"I wound it back and watched it again, zoomed it in and slowed it down and got other people in to check it out.

"Everybody had the same reaction - it looks like she's talking on a mobile phone," he said.

Clarke loaded the clip on YouTube, and since its posting ten days ago, it has been viewed by 2.2 million people- to mixed reviews.

A MAID at London's Hyde Park Towers Hotel made the grisly discovery of the emaciated body of a man who had starved to death, after telling staff he didn't want to be disturbed.

The UK *Daily Mail* reports that Kieran Toman checked in at the 115-room Bayswater property on 09 Jul, and was discovered two weeks later after someone complained about an unpleasant smell from the room.

The coroner recorded an open verdict, with the death not being treated as suspicious.

ONE huge antioxidant boost!

Beirut has taken the title for the world's largest glass of wine.

It took 100 bottles of wine to fill the 2.4 metre tall and 1.65 metre wide glass, with winemakers from across Lebanon donating their bounty in a bid to promote the country's wine stocks.

Noone watching however, was in a rush to take a swig from the glass, with the wine being a cocktail of different varieties and colours, including red, white and pink.

PSA's Pharmacy Student of the Year



THE Pharmaceutical Society of Australia has awarded the 2010 Alphapharm Pharmacy Student of the Year award to Marissa Ioannou of James Cook University.

Announced during a ceremony at the Pharmacy Australia Congress (PAC10) in Sydney, the award was bestowed on Ioannou in light of her stand-out pharmaceutical skills and abilities.

Ioannou was chosen for the honour out of a finalist pool of eight, including: Lee van Brink, Curtin University; Tristen Pogue, LaTrobe university; Amanda Moore, University of Canberra; Erin Fitzpatrick, University of Sydney; Brenton Tenaglia,

Curtin University; Laura Gabriel, University of Tasmania; and Anna Cooter, University of South Australia

"Once again, the judges of the event were faced with a difficult and challenging task, given the skills displayed by all the candidates," said National President of the Pharmaceutical Society of Australia, Warwick Plunkett.

"However, they have chosen Ms Ioannou who stood out among a very high-quality field and is certainly a worthy recipient of the title of Pharmacy Student of the Year," he added.

Pharmacy Daily Pharmacy Job of the Day!

Jobs4Careers is Australia's leading source for pharmacy jobs ... click here to find out more and see the Pharmacy Daily Job of the Day ...

jobs4careers.com.au