

The instructor in organic pharmacy should visit all of the contributing departments of the course in pharmacy in an attempt to understand just where his field begins and ends. These visits may be productive of wholesome and worthwhile contacts. Too often the pharmacy department stagnates in its own isolation. With his own co-workers, he should have frequent contacts and conferences, seeking to develop a course which will round out and strengthen other courses which may touch his own. With free and open mind, he should be ready to receive both criticism and suggestion.

If he is so fortunate as to make the official organic compounds familiar to the students as the faces of their friends, he should call himself a successful teacher of his subject.

INCREASING PRESCRIPTION PROFIT POSSIBILITIES.*

BY FRANK A. DELGADO, ** BUSINESS SPECIALIST.

"A paper by Mr. Frank A. Delgado needs no editorial introduction. The splendid work that Mr. Delgado did in the St. Louis Survey makes him an outstanding figure in pharmaceutical economics. The following paper on 'Increased Prescription Profit Possibilities' will merit the careful reading of any one teaching the subject or actually engaged in prescription business."—C. B. JORDAN, *Editor*.

It is generally customary when addressing a group of professional men to pay tribute to their profession. No one is more cognizant than myself of the debt civilization owes professional pharmacy. Pharmacy is the mother of medicine and the original source of many forms of research. Unfortunately, the achievements of pharmacists have frequently been credited to other activities. Pharmacy does not differ from medicine, law and other professions in the respect that it also has its economic side. This is the side with which the National Drug Store Survey is concerned.

Physicians, both "young" and "old," as regards length of practice, write more prescriptions containing official ingredients than proprietary ingredients. However, many "old" and "young" doctors individually showed decided preferences for official or for proprietary ingredients, the length of practice seeming to have no bearing on the particular choice.

There is hardly such a thing as a completely stocked prescription department. The pharmacist will require 325 different ingredients to fill the first 500 prescriptions compounded, the next 500 will require an additional 185, the third 500 an additional 118, and the fourth, fifth and sixth blocks of 500 will require 218 additional different ingredients or an average of approximately 73 different ingredients per block. Even after he has filled 8000 prescriptions, up to and including his ten thousandth prescription, he will be required to buy 31 new ingredients for every block of 500 prescriptions that he fills. Prescriptions written for items not in stock usually call for proprietaries.

Professional pharmacists charge less for prescriptions containing official preparations than those containing proprietaries.

* An address delivered before the Teachers Conference on Pharmaceutical Economics, Toronto, Canada, August 22, 1932.

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From 34 to 41 per cent of the different ingredients used in filling prescriptions are proprietaries. However, their total occurrence is less than 20 per cent. The following facts are based on a questionnaire answered by the proprietors of 35 professional pharmacies scattered throughout the country, and are not based on the survey work in St. Louis. The inventory dollar value of a professional type pharmacy may range from \$2000 or less to as much as \$47,000.

Two out of three professional pharmacists detail their physicians. Ninety per cent of the professional pharmacists file manufacturers' literature relative to new specialities. They find it productive of results. They find that physicians utilize it. Ninety per cent of the professional pharmacists are on a manufacturer's direct list.

Twelve professional pharmacists state that 25 per cent or less of the prescriptions filled in their cities are filled by professional pharmacies. Ten other professional pharmacists state that 40 per cent or more of the prescriptions in their cities are filled in professional pharmacies.

Thirty-four professional pharmacists charge an average of \$0.96 per prescription.

Physicians do dispense, or at least so say 31 proprietors of professional pharmacies; five other professional pharmacists say they do not, at least in their community. Twenty-four professional pharmacists are equally divided on the question of whether dispensing is increasing or decreasing. Thirteen say decreasing. Eleven say increasing.

The facts just stated are only preliminary and are not to be considered final but all are typical of those that will be contained in the planned second prescription report dealing with sales in professional pharmacies as contrasted with those made in the usual commercial type drug store. The first prescription report, dealing with prescription department activities in the usual commercial type drug store, has already been published. A third report dealing with operating cost and net profit in both types of establishment is also planned.

In order that pharmacy may better carry on its public health activities and render the community the maximum professional service, its members must be aided by having certain essential basic facts regarding business routine placed at their disposal. The purpose of the National Drug Store Survey is to place at the disposal of the druggists of this country a simple and practical method of determining the profit characteristics of any item in the drug store under the usual conditions of doing business.

Most of you are aware that I have principally concerned myself with that phase of the drug store having to do with the prescription department. You have already been supplied with one bulletin on this important phase of drug store operation and, as already stated, others will follow. No attempt has been made to show how prescriptions should be compounded for that is the task of the school of pharmacy. However, the attempt has been made and will continue to be made to show to what degree the prescription department is or is not profitable, and the endeavor will be made to point out how unprofitable operations in the prescription department may be avoided.

There is no question in my mind of the large potential benefit that the survey facts hold to those approximate 60,000 druggists already in business. In fact,

there is already concrete evidence of it having materially aided pharmacists now in business. I will mention just one instance. I have selected this particular example because it will illustrate how the survey has aided not only the drug business, but that department of the drug business which I am convinced is dearest to your hearts. I refer to the prescription department.

A Detroit retail druggist attended the National Drug Store Survey Conference held in St. Louis last April, and was impressed with the survey findings reported, for upon his return to Detroit he rearranged his prescription department with a resultant increase of 28 per cent in his prescription business.

The Detroit Office of the Bureau of Foreign and Domestic Commerce writes that three neighborhood drug stores on the East side in Detroit, including the store just mentioned, are planning on putting in a complete line of biologicals and entering into an active campaign for the physician's business.

If such a thing as the survey being of no great value to the approximately 60,000 druggists now in business were possible, the cost and labor connected with gathering the facts and figures that have been assembled would be more than justified in being made available to the student body of the many schools of pharmacy in this country, the graduates of which, I am informed, number approximately 2500 annually. I feel no hesitancy in stating my belief in the value of these economic facts to pharmacy students, for I am aware that this belief is corroborated by members of your "Conference of Teachers of Pharmaceutical Economics." Dr. O'Connell stated at the 1931 meeting of the AMERICAN PHARMACEUTICAL ASSOCIATION at Miami, Florida:

"The objection to business in a profession and disdain of monetary profit is losing ground in the minds of educators. Schools of pharmacy have failed to equip students to adapt themselves to their environment. The essential function of the pharmacist is professional, but the function of colleges should be broadened to include some economic instruction. If colleges do not meet this need willingly there will be danger of over-emphasis upon the economic aspect and that would be bad for the future development of pharmacy."

Another large group of druggists whom I feel sure would reap a substantial dollar and cent value from the survey reports, provided the wholesalers or some other group could place these reports in their hands in time, are the proprietors of the approximately 1750 new drug stores opened annually throughout the country. Furthermore, I understand that the number quoted is a low estimate and that it is below the average of the last five years, due to obvious reasons.

I wish to invite you and your pharmacist friends who can apply the survey facts in practical form to use the facilities of the Merchandising Research Division and the Chemical Division of the Bureau of Foreign and Domestic Commerce as the mediums through which may be obtained any facts regarding completed or planned phases of the National Drug Store Survey.

I would like to close by injecting a personal note into my remarks and state that if I were to again engage in pharmacy, I believe that my chances of success would be increased many times due to the survey facts regarding sound and un-sound business practices that have been so forcibly brought to my attention.
