

our opinion, the iron, quinine and strychnine combination had best be given in solid dosage form; to inflict it upon a patient in liquid form is, to say the least, unkind.

We realize that the work described has merely scratched the surface of the problems presented by the elixirs. However, a scratch is all that is required to make glass break easily. Our hopes would be completely realized should we succeed in breaking the placid surface of indifference in this matter, and in arousing criticism and experimentation, so that we may finally present to our patients their medicines in the most elegant form possible.

DRUG STORE MANAGEMENT.*

BY H. L. GUFFIN.

This is a subject which covers a great latitude inasmuch as different types of stores require different forms of management. We have the professional or so-called ethical drug store which caters to and depends upon the medical profession for its patronage and handles for sale only such articles as are relative to the prescriptions and physicians' orders. Secondly, we have what might be called the semi-professional store, which, I imagine, comprises the great majority of drug stores, catering both to physicians and laity, deriving revenue not only through their prescription department, but also from sale of soda water, cigars, sundries, etc. The third type of drug store is the purely merchandising store which caters not at all to the medical profession and depends altogether on its advertising ability and location to bring customers in sufficient numbers to insure a large turnover of merchandise. Location and class of patrons settles the question as to what type of store should be operated and the method of management is designated by type of store.

In all forms of administration there are three elements which are always present; planning, giving orders and supervision. Organizing a business is very much like organizing an army in that plans of operations must be thought out in advance by the executives of the business and orders given to employees. From that point it is merely a case of supervision or improving of tactics. I do not mean that the executives of a business should do all the thinking—because I am well aware of the fact that the first step in the successful handling of men is to provide opportunity for the display of ambition and for the development of ability. Too much strict discipline is sometimes a fault. Discipline that stifles ambition, that chokes initiative, that shuts out confidence and affection eventually destroys the business in which it is employed. To be sure there must be discipline in every business, for the same reason that there must be a head to every business. No matter how many or how few employees there are in a store, they should be so graded that at all times there is a leader on hand, someone who takes the place of the proprietor or manager during his absence and assumes the responsibility of running the store.

Let us consider a well-stocked store with a satisfactory force of employees. I will endeavor to outline the operations under the following heads:

* Read before Detroit Branch A. Ph. A., February meeting, 1921.

1. Keeping Store Clean.
2. Buying and Stock-keeping.
3. Handling of Customers.
4. Handling of Clerks, or Employees.
5. Prescription Department.
6. Keeping the Law.
7. Accounting.

1. *Keeping Store Clean.*—A very important detail in the management of a store is the cleaning. As the store is where we spend most of our time, it is our duty to keep it clean and presentable not only for the approval of our customers, but also for our own benefit and self-satisfaction. We all know that the housewife is very particular that her home should be clean and dusted when she expects visitors, so we as storekeepers should keep our stores neat and clean for reception of our customers who must be considered our friends and visitors. A regular routine of cleaning should be laid down by the management; the sweeping, show case cleaning, window washing, etc., should be done at the same time every day; extra cleaning, such as inside of show cases and stock shelves, should be followed in a regular routine, so that entire store will be cleaned at least once a month. By making a regular habit of this work, it soon causes no trouble as each employee knows his own particular work and knows when it should be done. In stores employing janitors it seems advisable that clerks should place goods back on shelves after cleaning, as it gives them an excellent opportunity to get acquainted with their stock.

(2) *Buying and Stock-keeping.*—A manager may be an expert as a sales-manager, but his work would count for very little if he were not a good stock-keeper and a careful buyer. Stock-keeping is where a good many of us fall down, as it is one of the hardest details to keep under control. As long as we have to deal with the human element, we can expect to either run short or long on some merchandise. We have endeavored to make routine work of stock-keeping on the shelves, not only requiring our sales people to put down shorts as they find them on the shelves, but also requiring our night force to go over stock every night and make a list of wants so that same may be filled from extra stock.

Buying in a new store must be done very carefully, but as business develops over a term of years buying should be easier. I believe local buying should be done for about ten days' consumption—out-of-town buying for thirty days' consumption, and imported buying for ninety days. By properly organizing a buying system, the consumption of various articles may be accurately estimated. We use a regular form card for keeping account of our purchases made directly from agents or manufacturers and I would like to be able to extend it to every article purchased. We will take, for instance, Hudnut's goods. Every article purchased from Hudnut is listed on one of these cards, with stock number of article, net cost and selling price of same. We buy approximately six times during the year and for each time of buying we have three columns, one for stock on hand, one for stock ordered, and one for checking off upon receipt of order. In this way I can tell at a glance what our consumption is from month to month of each article on the list. Toilet goods which do not move off shelves in a few months should

be dropped from stock. I do not believe in stocking an article upon first call, but do so after continued demand and then in very limited quantity.

Buying is very much of a study and should be so considered. We are all prone to take advantage of quantity purchases that sometimes leave us overstocked. We must figure it out whether the extra 5 percent pays for the investment of the money for the period the goods will remain on shelves. I believe an ordinary drug stock should be turned at least four times a year. When we find our stock is getting too large we do not decrease it by advertised sales, as is done by the purely merchandising store, but we endeavor to do it in three ways:

- (1) By curtailing our buying to some extent.
- (2) By going over our stock cards and eliminating certain slow-moving numbers.
- (3) By going carefully over our entire stock and picking out stock which has been on shelves for some time, placing same on display in windows, etc., and requesting our sales people to make an effort to dispose of it.

In all stocks of merchandise, there is bound to accumulate a certain amount of damaged, shop-worn and otherwise unsalable merchandise. It is a good idea to have one man to look after the salvaging of such merchandise, gathering it together and making the most advantageous disposal of same, either returning it to manufacturers for credit or repair, or marking it down for sale.

(3 and 4) *Handling of Customers and Employees.*—These two details are so closely interwoven that we might consider them together. Education of a sales-force in the best methods of handling their customers is probably the most important duty of a proprietor or manager. The friends and sometimes the enemies of a business are made by the salespeople. Department stores and manufacturing plants have regular courses of instruction for their salespeople, so why should not the smaller merchant endeavor to train his salespeople to handle their customers to the best advantage? As a rule every customer who enters your store comes as a friend and it should be the aim of the salesman to nourish and keep that friendship alive. Prompt recognition, efficient service and gentlemanly courtesy is always pleasing to a customer. To insure this service it is well for the manager to cultivate the friendship of his staff, have friendly talks with them regarding the best methods of handling people, get suggestions from them and let them know that they count in the management of the store, stimulate their ambitions by giving encouragement where work is well done, encourage friendly competition in the matter of sales, window-trimming, etc. Many times we move a lot of so-called "dead merchandise" by placing it on display and quietly asking each salesman how many of the articles he has sold in a day. This subject is too broad for further discussion now, so I will just enumerate some of the qualities essential to both managers and salespeople and measure ourselves accordingly: native ability, health, preparedness, ambition, application, observation, tact, concentration, courage, confidence, honesty, enthusiasm, loyalty, optimism, imagination, education, appearance, personality and a perfect knowledge of goods handled.

(5) *Prescription Department.*—The trouble maker of most drug stores, and at the same time it is from the seed sown by an efficient prescription department that most of our influential drug businesses have grown. It is the department

which gives us our name and it is also the reason for our education as pharmacists. We entered college and spent years of our lives to better fit us to compound drugs into medicines. It is the department which calls for most knowledge, expert ability and the most study, as there is always something new developing in medicine. A few years ago we knew nothing of salvarsan, biological preparations and glandular products, while to-day they are most important. Knowledge, accuracy and neatness are the essentials of a good dispenser; our first endeavor is to gain the confidence of the physicians and then to be sure not to abuse that confidence. Our most important instruction to our dispenser is to be sure he is right before dispensing the prescription. If at all in doubt as to what the physician wants, get immediately in touch with him. We often make new friends among physicians by talking with them over contents of a prescription, dosages, compatibilities, etc. Every dispenser should double-check his own work and when poisons are dispensed should have his weights and doses checked by another.

The physician judges your work by therapeutic actions of the drugs on his patient, but the customer very often judges your ability by the appearance of the package, so we always insist on our dispensers sending out clean, neat packages which will be a credit to the department. Always use new clean labels, boxes and corks, even for refill prescriptions. Keep up the standard of prescription work and at same time put a satisfactory charge on the ticket, a charge estimated by the cost of ingredients, plus cost of preparation.

A daily record of each day's operations should be kept on file so that same may be referred to at a moment's notice. Know each night how many prescriptions you filled during the day, know your total revenue from department, know average price of prescriptions, know from this chart whether the prescription department pays its keep or not; also know the physicians who are supporting the department.

Keep the prescription department clean, neat and orderly, so that you will not be ashamed when a physician makes you a call, also read and study pharmaceutical and medical journals so that you can converse with him on new preparations (I generally read the advertisements in such papers). Good will means a great deal in the prescription business.

(6) *Keeping the Law.*—A few years ago, a drug store manager was not troubled by so many laws as to-day. I mean Federal and State laws, not moral laws. To-day we must keep several different records; we make out narcotic reports, alcohol reports and C. V. D. reports; and besides, must keep records of certain sales such as fountain pens, pencils, clocks, etc., and exempt narcotic preparations. It might be of interest to know how we manage these reports. We have three narcotic permits: retail, wholesale and manufacturing. Each stock is kept in a separate place and whenever stock is added or removed from these drawers a record of the transaction is made on a slip and placed in the drawer. One man looks after these records every day, checking up and filling in his report on wholesale and manufacturing blanks. At the end of the month, the record is complete and simply needs balancing and copying; withdrawals from retail stock are kept account of also. A slip is made out with number of prescription, name and quantity of drug used. The details from the slips are entered in a book ruled off for the purpose so that we keep a complete account of amount of morphine, cocaine, etc., used during the month.

Exempt narcotic preparation sales are recorded in a book kept on sales floor, the customer being required to enter his or her name and address in the book.

Medicated alcohol sales are recorded by customer signing name and address on slip which is sent to the prescription department for filling. The slip is filed and recorded in a book for that purpose.

Sales of pens, pencils, etc., are accounted for by salesman putting a slip in the cash drawer, instance Tax on Pencil—eight cents. These sales are also entered in a record-book.

(7) *Accounting and Office Work.*—No business, however small, is complete without a good accounting system. It is the office force who gather together the data which passes through the bookkeeping system and comes out in the finished product of a monthly report which should show whether operations for the month have been successful or not; if not, the reason why. It may be from a loss of sales, adding too much to inventory, too large a pay roll or other expenses, or there may be too much added to accounts receivable. Knowing the reason helps a lot in remedying the fault.

Price changes are received and recorded in the office and notices sent to different people to have goods remarked.

All invoices are double-checked, first by the man who receives and marks goods and, secondly, in office, where faulty pricing or discounting is detected.

If you were a customer how would you tell whether a drug store was well managed or not? You would tell first by its outward appearance. A clean, well-painted front with attractive, well-dressed and well-lighted windows. The brass on the door knobs would be shining; inside you would meet the same conditions, show-cases clean, orderly and well lighted; goods on shelves, well arranged and so placed as to get maximum display. The salespeople would be smiling and alert, ready to give instant service. There wouldn't be any loafers hanging over a gambling board on the cigar case, or any sounds of revelry in the back room, nor would the messenger boy be addressing the clerk by his first name. You would feel upon leaving that you had had both courteous treatment and full value for your money and next time you wished to make a purchase or have a prescription filled you would look up that drug store.

THE VALUE OF GOOD-WILL.*

BY J. HARRY MCCORMICK.

The commercial success of any house engaged in commerce is in direct proportion to its exercise of the art of securing permanent and profitable patrons or customers. Granting this, what, then, is that subtle something upon which so much depends? It is nothing more or less than that business fulcrum, that mystery of modern business, known as *good-will*.

Let us first define good-will authoritatively and then indicate as nearly as possible the correct method of appraising it. Good-will, we are told, is collective friendliness. It is a kindly feeling, the favor or advantage in the way of custom which a business has acquired beyond the mere value of what it sells, whether

* Read before Section on Commercial Interests, A. Ph. A., City of Washington meeting, 1920.