

SUBURBAN PHARMACY CAN BE MADE PROFITABLE IF CONDUCTED IN ACCORDANCE WITH ADVANCED BUSINESS IDEAS.*

BY FRED W. AMES.

Evolution presents itself in some manner or form in every walk of life, and time has wrought many changes in the ethical and commercial sides of pharmacy. These changes are very evident in the retail store of to-day. I am sure that many of us in our bottle-washing days had the usual life's dream—"if I were boss, how I would run the store;" as time rolls on the boy of yesterday becomes the clerk of to-day, and eventually the proprietor. I observe many a proprietor unconsciously falls into the same groove as his boyhood days' boss.

In operating a store Dr. Jekyll and Mr. Hyde shows up in many of us, and to put life's dream into execution takes nerve. Every sky has its cloud, as every cloud its silver lining, and as it has been with many of us, I have had mine. Now I am going to unfold the story of how I conduct my store. Should the pronoun "I" occur frequently, I request that you be as charitable with me as you are in parting with your profits.

You will admit that the pharmacist and pharmacy as a profession are some distance from par. To conduct a pharmacy differently from the usual store has ever appealed to me, at the same time I thought the success of my methods would be a stimulating example to others and perhaps, in a small way, helpful to pharmacy in our city.

Possessing the cardinal points, having had the experience, knowing the business, having some money, also credit and nerve in sufficient quantity to suit conditions, I opened up. My store is located in the upper part of the city (New Orleans)—a residential neighborhood, locally known as the "silk-stocking" division. How are you going to operate your store? was the usual question. "Run your Business"—many exclaimed in horror—"that will never do; you will go broke in six months." "Let the public run your store"—meaning "let them operate your dollar"—was the nature of the advice handed me. Such advice being foreign to my make-up, "the glad hand became the cold mitten." Advice and observation drew the line of demarcation, and I concluded, "my dollar my way; where I am right I will be right and where I am wrong I will be wrong." I opened a neat and up-to-the-minute store, rated "Excellent" by state and city health boards. Such conditions I maintain at all times. I keep my store clean because it is a part of my make-up, and I feel should I deviate from cleanliness my investment would depreciate, which should not happen. With a large part of the public cleanliness is not considered at all.

INVENTORY AND PROFITS.

November next will complete my eighth year of business. For the first seven months I met all conventional prices ruling at that time. The inventory of the following June showed a deficit; I "raised the ante and the usual discards" took place. Another year rolled by, with more deficit. Had the calls, but stood pat on "No sales without a profit;" some of the public are unwilling to allow a legitimate margin. Stock-taking reveals a true condition; from time to time

* Parts of a paper presented before Section on Commercial Interests, A. Ph. A., New Orleans meeting, 1921.

I've raised my prices to adjust conditions. I am going to make my profit, and I don't care how high the wholesale cost goes. But, I do care, and have kicked and will continue to kick many articles out of my store, when the manufacturer charges more and advertises them to the public at the same old price. When the manufacturer wants to play the philanthropist, let him do so, but, not at *my expense*; I like to have my way in such matters. In advertising, I use the expression "Dependable drugs;" I make all of my pharmaceuticals, likewise my own preparations; no doubt this comes high in some cases; however, when your trade is aware of such methods they repose confidence in you, and individuality counts. In a general way I have done considerable advertising (spent about \$3,000 in 8 years). My trade comes by volition and usually pays me a higher price than they have been paying; I use neither religion nor lodges with the high sign to attract them. I show them my store and explain my methods; if it appeals to them we do business. Every time my store is mentioned it's good business whether they become customers or not. By such methods I have built up a neat and clean clientele; they are not shoppers, and they know my methods of doing business. My customers, in changing, usually call me up and mention the fact. I ask the following questions: Any complaint on drugs? No. What about the service? Excellent. You find my prices high? Yes. "Madam, while I regret to lose you as a customer, in a measure I consider this a compliment. Should you wish to reopen your account on the former basis I'll be pleased to have your patronage." I give my customers good treatment; this they realize and many who leave me return and become permanent customers.

I stock the usual line of sundries; my profits thereon come from frequency of call rather than cost. All patents are sold at full prices. Imported colognes, etc., I have not stocked for four years; I endeavor to avoid disputes, and as the department stores sell these goods to the public at cost, I direct this business to them. The usual and unusual sick room necessities are always on hand.

PRESCRIPTION DEPARTMENT.

My prescription department is quite complete. This department carries cost of drugs plus knowledge and time charge, and I have educated my clientele on that point. The prescription is the "passenger train" of my store. Example of prices: One ounce of saturated solution of potassium iodide, \$1.25; dropper 10c extra; tincture of nux vomica in drop doses, 85c to \$1.25; half ounce of ointment, 75c up; one ounce, \$1.25 up; three to four baby powders, 50c to 75c; one dozen powders, not less than \$1.25, and up; narcotic prescriptions, minimum \$1.00; three to four codeine tablets, \$1.00; one dozen $\frac{1}{4}$ gr. codeine tablets, \$1.35; pills, 20 to 30, \$1.25 to \$1.75; 40 pills at 5c each, when in capsule, more; the average 12 capsule combination, never less than \$1.25; 2 ounces of liquid, \$1.25; 3 ounces, \$1.35 up; 6 ounces, \$1.50 up; suppositories, half dozen, \$3.00; one dozen, \$5.00 to \$6.00; liniments run 50c per ounce in quantity of 4 ounces up. Eye and skin consultation prescriptions carry an extra charge. On other prescriptions one should consider the cost of material, also the number of doses, and figure the cost on dose. In every line the strong pays for the weak.

Herbs, chemicals and finished pharmaceuticals have all advanced, whether home-made or ready-made, likewise specialties. Bottles, corks, labels, boxes, paper, etc., have had their airship turns. To offset this increase in the prescrip-

tion department my average on prescriptions has advanced accordingly: 1912—50c; 1913—60c; 1914—65c; 1915—77c; 1916—79c; 1917—82c; 1918—97c; 1919—\$1.04; 1920—\$1.17; half of 1921—\$1.27; volume has held up good; I have conserved energy and stock.

A service charge is made on all night work, one dollar being the minimum fee. The physician has three scales for the same service, *i. e.*, office charge, bedside, and night call, and no one takes offense at him; why should the corner druggist be the exception?

I have only a very limited amount of money invested in patent medicines; I endeavor to turn that stock every sixty days. I have a soda fountain and the attending troubles. This department, from my observations, requires careful watching in order to operate it at a profit.

What discount means for the note, bookkeeping means for the business; even then business is somewhat of a gamble, and one should know what his profits are; a gambler never has a loss. I can find my first check, my first bill, my first statement and my first "lemon letter" from the wholesaler as quickly as the last one thanking me in endearing terms for my remittance. I charge myself with every item taken from stock; my name appears on the customers' ledger. When I close at night I know approximately how much I have made or lost; every night all work for the day is cleaned up—new business begins on the morrow. I make monthly trial balances, render a periodical financial statement to the agencies, and also to the bank. Everything over \$2.00 is paid by check. I keep copies of all deposits, which settles disputes where checks are cashed for customers. Suburban banking facilities and keeping change run newspaper advertising a close race for first place. These are customers' privileges.

BUSINESS RECORDS.

Every June, between the 20th and the 25th, stock is taken. Our yearly estimates are based on $33\frac{1}{3}$ percent, and it generally runs to 40 percent and better; I now base it on 50-50; I have heard this expression so often it appeals to me, and as I use multiplication on charging and division on profits, it is no more than natural that I should be inoculated. This is no wild boast; having everything on my finger tips, and because cost is known. For my personal information I keep a little handbook, a confidential monthly synopsis on the business. If necessary, charges can be changed according to the records.

The general cash book is most important—for ready reference it cannot be equaled. The credit side of my cash ledger has the following divisions—Bank, Soda Sales, General Sales, Expense, Sundries. The debit side—Personal, Soda Account, Bank, Merchandise, Expense, Sundries. It takes just a moment of your time to obtain information. I keep all records in my safe for the allotted legal time—inventories since I first opened. Should I have a fire the current bills for the month would be the only trouble in connection with settlement.

Between bookkeeping, our synopsis and a general sizing up of stock, our estimate is always within one hundred dollars of merchandise on hand. This I would call team work. Since Sunday closing I have found this exception; with seven months of Sunday closing, which came within 1920, I found \$450.00 more stock on hand than I ever had before; with twelve more months of Sunday closing, and

a falling market, I have found \$525.00 more. This makes a fellow think of the leaks that he had on Sunday opening.

A complete list of accounts collectable and bills payable is struck off every month. This is vital information for the business. All invoices are pasted in invoice books and these books are properly numbered when filed away, likewise all other books pertaining to the store or business. I have a complete record of all advertising, which is carefully pasted in an invoice book; this refreshes one's memory and prevents duplication. I believe in writing my own advertisements.

I carry full insurance at all times; this protects me and my kind friends who trust me with their merchandise on credit. Everyone in your employ automatically becomes your agent; this places all responsibility on the boss, and in the eyes of the law you are it. To cover all conditions that might arise from error or spite, I carry defense insurance. My slumbers are not disturbed. With these days of delivery I want to impress the fact that a preparation or article properly dispensed or put up, properly labeled as to contents and properly tagged as to destination does not absolve or mitigate damages should your delivery boy leave it at the wrong house and they open the package and sustain injury. The charge would be that the delivery boy, your agent, did not show due care in making delivery, and you, as principal, are liable. Let this soak in and let it go down to the bone. The sword of Damocles is ever over your head. When it falls "you pack your grip and hit the trail"—everyone can come back, but the corner Druggist.

When I mentioned my prices, I imagined the impressions of some of you, charging me with extortion. Do you now think that my charges are too high for the risks I run? You have the same risks; are your charges what they should be? When you return to your homes consult with the one who pays your bills—the one who operates your store; are you and your family getting what you should out of the business, and are you properly protected? Some of you are not; your store is an asset while you are living, and a liability when you close your eyes. The mercantile agencies quote a drygoods store 50% quick asset; a retail drug store is not listed; you are not even on the horizon, and you hear business is on the square—you are or were on the corner, and that's all. You are there from 6 to 12, on some corners (many of you know your customers and their children better than your wife and your own children), working away thinking you are making money and saving humanity—far from it. Why should you not answer a rap on the counter and call from the front, "hurry up, I want to catch the car," for 5 cents' worth of stamps, and receive a call-down for charging 30c for some article that formerly sold for 25c, notwithstanding the 25 to 50 cent raise by the manufacturer, who continues to advertise the article for 25c? They tell you to purchase in quantity and work on the turnover; they have taken good care of themselves and leave you to the blistering sarcasms of the customer. You—a commercial man, and often a college graduate—stand for it, but bemoan conditions and condemn the business. I call my customers' attention to the facts. My flash point is low when denied a profit. The armadillo is protected by flexible horny plates, and when frightened or attacked he rolls up in a ball and can and will stand for all the abuse any other animal cares to inflict. I have observed that many pharmacists are of the armadillo type, and I often wonder, when they await penance on judgment day, will they again be up against long hours, no profits, and abuse?

As a chain is no stronger than its weakest link, the same can be said of a business that has a delivery system; more so when their delivery is a bicycle. I don't know who claims the honor for introducing this method; however, I am sure he was punished for this infliction. I use bicycles and the sons of "Ham" for jockeys, on a yearly basis; the cost per boy and wheel in eight years has advanced from \$1.00 to \$2.50 per day. It takes careful supervision to keep it at that figure.

C. O. D.'s are a source of trouble to many; I use the charge slip on the cash register for C. O. D.; for example, on a 20c purchase (most of my business is by 'phone), I strike out a 20c ticket, giving change for the difference of a dollar, unless instructed to send more; the change in this case would be 80c. The boy's name and street address of package is noted on charge ticket, also the amount of change given him. Upon his return the ticket is handed him, and he digs up the dollar. As long as this ticket is in the drawer the money is out, and I take no excuse from the boy. It's needless to say I have no losses from C. O. D.'s. Should the customers change their mind and want a charge, the boy is instructed to have them 'phone the store; this method keeps my boy and the house help honest. No collusion. I never send out more than one dollar change at night; many attempts are made to pull off the old trick, but it does not work at my corner. I never trust new boys with more than a dollar change; temptation is not thrust upon them.

Keeping a store clean is a proposition to many; this gives me little concern. The day, as well as the week, is split up for duties, death and sickness being the only things that break into my system with my help. An edge becomes a wedge, and never let anyone hold the big end. Every part of my store is cleaned on a ten-day trip. The soda fountain has daily attention, and a weekly bath. The complete cleaning is strictly porters' work.

I keep soda and ice cream, with a limited variety of trimmings; no street servings and special cash price. When regular customers want a charge they are informed as to charge price. My charge price varies from two to four cents additional. On the drug end I get away from small sales; there is such a thing as a sale being made at a loss. The retail drug business is a business of small sales, therefore never make a sale without a profit. The head of a nail keeps the shingle on the roof; likewise profit keeps the sheriff away and provides cash for the rainy day. One should not take snap judgment on pricing prescriptions (85 percent are underpriced); "He who hesitates is lost" does not hold good in pricing them. I keep up on prices of all kinds—often get in touch with the wholesaler by 'phone. I observe the slogan of the day, "Safety First," and find that it pays. It keeps you from doing the customer or yourself an injustice. My library of prices is complete; I never put a price list away without looking it over; this is done at once.

As to open accounts, I use the duplicate system; customers' bills are always up to date. I never disappoint myself or a customer on a bill. It's handed to them in a sealed envelope by boy, or mailed on the last day of every month. In eight years I have never missed getting the bills out on time; incidentally I wish to invite your attention to the fact that the weather is always good on the last two days of the month, so I make hay while the sun shines. Sixty-five percent of my business is done on credit. I never refuse credit. I don't care for references; I tell the customers if they are honest they will pay, and if they are dishonest they

will not. I also tell them when a drug bill is beaten they come awfully low in the moral scale; standing in the community is no line-up on them either. I sue when necessary. I personally know very few of my customers; I recognize their voice, know their signature, execute the order, get the check on pay day. This is clean business—the kind that appeals to me.

SUNDAY CLOSING.

A little more information on Sunday closing. In the early part of 1919 I tried to induce the druggists of this city (New Orleans) to adopt Sunday closing; for a time it promised success, but some weakened. On August 3, 1919, I inserted in the three local papers my notice of Sunday closing under the caption "A Pioneer Venture." I have lost some customers, but others have taken their place. The world is large—is my liberal view of life. Commercially, in dollars and cents, Sunday closing with me has been a success. The leaks closed on Sunday amount to quite an item, perhaps more than offsetting the profits on those days were my store open. From a personal view—I have 52 days of no trouble, draw my dividends weekly, and can have my rest and pleasure under normal human conditions. I am growing old gracefully with the "pep" of youth, plus the neighborhood respect and the respect of other commercial people. I hear "Ames is high," "Ames is dependable;" like the magnet it attracts a class that affords me a good living, on the minimum of effort and investment.

WHAT SHOULD BE THE ATTITUDE OF THE PHARMACIST TOWARD THE VARIOUS CULTS, 'ISMS, 'PRACTICES, 'PATHIES, AND HEALERS?*

BY W. F. GIDLEY.

One of the leading pharmacists of the country said to me a few weeks ago, "Both the profession and business of pharmacy know very little about cults and 'isms and have done very little reading on these matters. It is time for them to do so now."

The pharmaceutical profession has apparently viewed these aberrations in dignified silence and charitable toleration—because, as we now fear, of ignorance as to their true character.

Our profession stands to-day shoulder to shoulder with others in combating the menace of the general sale of narcotic drugs, of intoxicating liquors, abortifacients, etc. We assist in securing action to control the itinerant drug vendor. There are many reasons why our profession should take an aggressive, militant attitude toward the various non-medical "healing" cults. Moral reasons alone are sufficient for the severest indictment against them.

For some years past the writer has taken occasion to discuss with senior classes in the School of Pharmacy the 'isms, 'pathies, sects, cults, and healers, pointing out some of the glaring expositions of the alleged efficiency of osteopathy, chiropractic, so-called Christian Science, spinology, neuropathy, naturopathy, spondylotherapy, naprapathy, spiritualistic "healing," cosmetic "therapy,"

* Read before Section on Education and Legislation A. Ph. A., New Orleans meeting, 1921. It was voted that the paper be printed. The recommendation of the author relating to action of the Association was modified, making it read, "pharmacists should enlighten the public relative to such practices and use every reasonable means in exposing their methods."