

BUILDING UP A PHARMACEUTICAL PRACTICE ON SCIENTIFIC LINES WHERE COMPETITION WILL FIND IT DIFFICULT TO FOLLOW.*

Before beginning his address Mr. Jones stated that he was pleased to see so many young men and women present for the future of pharmacy is in their hands. He continued—"There are not enough people passing the average drug store in the Northwest to tempt any young person, thoroughly prepared and thoughtful, to spend the major part of his or her time in merchandizing. In a report of the National Association of Retail Druggists figures were presented which might be used to support that statement.

"The figures are something like this: the average volume of drug business per store throughout the United States is \$25,000 annually. Of that, 28 per cent is represented by merchandise—by sundries; 22 per cent by patent medicine or proprietary articles; 14 per cent by soda fountain business; 10 per cent by prescription business; rubber goods, by 3 per cent, etc.

"We will combine two of the items—merchandise and patent medicines—which represent about one-half of the volume of business of the average drug store, on which the gross profit is about $33\frac{1}{3}$ per cent. The average overhead is about $28\frac{1}{2}$ per cent—that leaves 5 per cent net profit on \$12,500—on one-half of the volume of business—about \$600 net profit. That is the average store in the United States. The soda fountain business might make a little better or poorer showing, I am not sure which, because I have not had experience; the cigar counter is less profitable, I am satisfied, and the rubber goods bring better returns.

"Let us discuss the showing the prescription department makes. There is 10 per cent of the volume of business—a comparatively small percentage. If you will stop to consider, you will find 60 per cent gross is a reasonable amount to calculate on any prescription department. Now, the difference between 28 per cent and 60 per cent leaves a large margin; so that 10 per cent of the annual business will represent a profit more than equal to the half represented for sundries and patent medicines, which are distinctly articles of merchandise.

"If 10 per cent will show a profit more than equal to 50 per cent, why isn't it logical to develop that end of your business? Why isn't it business to develop that end of your business? You say, 'It takes too long;' or 'It is impossible in the community in which I live,' or give various other excuses; but they do not cover the case. Almost anything is possible if you set your mind to it, even in the community in which you live; you can do it in a way to fit your community.

"I am sure you will pardon me if I become just a little personal. I have with me this morning some things I would like you to see and criticize and ask questions about. In this box there are miscellaneous assortments, but of two sizes only, of compressed tablets of different materials, all made at my store. We have made hundreds of thousands of them. We do not make all lines of them, by any means, and I do not advise you to do so. But it is convenient occasionally to be able to make compressed tablets—you can understand why.

"You may think that a difficult operation; it is not—you must be careful

* Parts of an address by D. F. Jones of Watertown, So. Da., before Scientific Section of Minnesota Pharmaceutical Association and Northwestern Branch, A. P. H. A.

about the granulation of the material; the compression is a very simple matter. Such work impresses the physician, especially, if he desires a tablet of a certain formula, which you can make instead of sending the formula to a far-away manufacturer, necessitating a wait before dispensing.

"I have an assortment of ampuls—this is one of chlorine—we have ampuls of various kinds; some we make from day to day. I would not advise the making of all your ampuls; it would be impossible. We only do the work in a particular line; about all of the ampuls we prepare are what might be termed emergency products.

"In this day physicians desire many preparations in ampuls. What does it mean? It means, unless we prepare the ampuls we are losing opportunities; if we buy them, they simply pass through our hands at a small profit, and we lessen our professional standing—the inference is we are not able to do the work.

"It is not a difficult operation at all. The technique is something you will have to work out, and your apparatus must be right; you can use a burette for an ampul filler; you can make the glass tubes yourself. The autoclave is the thing to be particular about—I believe it would be a problem for some of our colleges of pharmacy to work out a good one. The market at present does not offer one that is exactly suitable for the retailer's use. It must be absolutely tight, otherwise, during sterilization of the materials, the ampuls will burst. The autoclave cannot be opened until the temperature has been reduced or an accident will result.

"In the work of preparing ampuls, we find from experience that the demand is growing rapidly. The physician appreciates very much the convenience of sending in a formula and, in the course of a few hours, having the ampuls ready for administration. In my experience, I find physicians suggest, occasionally, the stocking of, for emergencies, certain formulas. That part of our business is growing quite rapidly. What is the result of it? It is not altogether to be figured from the standpoint of direct profit, but in the professional standing which is established thereby.

"If the pharmacist establishes himself in a community as one ready to give service in emergencies, he is usually thought of at other times. There is scarcely a day goes by without a call from a physician to help him out, and he does not forget us at other times during the day; he frequently informs his patient of this service and we profit in that way.

"Such work has a tendency to build up the part of your business represented by the 10 per cent. If you can build that up to 50 per cent of the volume—which is not a difficult thing to do at all—so that 50 per cent of your volume is represented by the prescription department, and your net profit is the difference between 28½ and 60 per cent, then the total net profit is increased materially. I hope you will all agree with me that it is worth your while to give very close attention to that part of your business.

"In my experience, on numerous occasions, I have been called upon to assist the physician and nurse at the bedside of the patient; I have worked all night in connection with saving a patient's life. I have been called upon to pass upon the cause of death of some person who has not had medical attendance. These things

come naturally to a person who gives careful attention to the prescription department in his store.

“Too many are placing the prescription department over in some dark corner, and not out where it is prominent. I may have the opportunity of arranging another store before I retire and, in that event, I am going to make the prescription department a more prominent feature.

“The trouble with the young men of to-day is largely this: they cannot stand competition. There are here present this morning a number of young men and women who are recent graduates in pharmacy; perhaps they are engaged in business, or are expecting to go into business. To them I would say—If you are under the tendency of the times you have the idea that you are thoroughly prepared—much better prepared than the man with whom you served your apprenticeship; yes, you are even better prepared than the men who instructed you in college! That is quite a common feeling, I think, of young men and women. It is natural.

“If in business, you find, after some experience, the department store is tempting your customers away by cutting the prices on certain drug-store articles—articles you are handling—your resolve is, ‘I will go them one better! I will cut below them.’ You must consider that they have, perhaps, a thousand dollars to your one, and, what is more vital, they have back of that article on which they cut the price to attract people to their store, merchandise which they can sell your customer, in larger quantity, at a very large profit. That is what they are after and, therefore, they have an advantage over you—you are at such a disadvantage that every time you attempt to meet them in competition you lose.

“Around the other corner is a Greek. It is quite the common practice these days for the average drug store to operate a soda fountain and luncheonette. This Greek is operating just such business successfully. The crowd seems to be going to his store. You say, ‘Who wants to trade with a Greek when there is a pharmacist here ready to serve?’ So you go into competition with this Greek, but the Greek can live on what you waste, figuratively speaking, so you are up against two competitors who outclass you.

“The result is, in a short time, you are kept so busy working to get the dollars to pay your wholesale bills that you have not time to think or to read or to keep up to date on scientific matters. Day by day, you forget what has been taught you in the college of pharmacy, instead of improving your mind, so that in a few years you become incompetent. It is difficult for you to serve the public as you should. You have forgotten all the things you once knew, because it has been necessary for you to look after the dollar to such an extent that everything else has been crowded out.

“You are a good deal like the trotting horses—we have all watched races on the track. We have observed the leading horse coming down the stretch; perhaps he is our favorite. Another horse is catching up, and finally is neck-and-neck with our favorite. What happens? There is a break. The leading horse loses its gait; drops behind; is out-distanced by the other horse.

“That is just the trouble with us to-day in the drug business. We cannot stand competition. We must not permit the other horse to come up neck-and-neck; if he does, we break, and we drop behind in the race.

“My suggestion is to pay very little attention to competition. Outline your

own policy and put your ideas into shape so that you can carry out a certain line of endeavor, and then stick to it. Don't recognize competition; that is, center your efforts on your policy and plan.

"I do not carry the stock a great many of my competitors carry and, frequently, have calls for articles not in stock. I have my own ideas about those things. Strangers come in and inquire for some article, and I say, 'I am sorry I cannot supply you to-day.' 'Will you direct me to some other drug store?' My reply is—'This is the only drug store in town.' Sometimes they don't see the point, but soon they smile, and before they pass out, I direct them to some other place where they can procure the article they want.

"I have mentioned the making of tablets and the filling of ampuls; I might mention the making of volumetric solutions and sterilized solutions for intravenous injections and various other demands the pharmacist can create; there is no limit to the possibilities. You young men and women may not be interested in the articles mentioned, but there are many other lines of endeavor in which you can profit, if you are interested. What I am endeavoring to do is to interest you in thinking along just a little different line from the average pharmacist—away from excessive merchandizing and more toward professional practice.

"We are deluged with propositions of merchandizing until we do not know just where we are at. If we think as little as possible about them and more about the professional service we can give to the community and physicians, we will be doing ourselves and our communities a real service.

"In my opinion that is the vital thing to which we should direct our endeavors. You take the \$25,000 average and compare that with the store to-day that is doing \$100,000, and I will venture to say the store doing \$25,000 annual business, directed properly, will show a greater net profit than the one doing \$100,000. I am speaking of stores located in towns of about 10,000 population. I am not speaking of city stores, because I know very little about them, but I think the same principles will apply there. I hope you will think about these suggestions. If the younger pharmacists will maintain and develop the interest of the Scientific Section, we can hopefully look to the future."

PHARMACEUTICAL EXHIBIT AT THE MEETING OF THE AMERICAN MEDICAL ASSOCIATION IN ATLANTIC CITY.

The Philadelphia Branch of the AMERICAN PHARMACEUTICAL ASSOCIATION has undertaken the preparation and display of the more important drugs and preparations of the new Pharmacopœia as part of the scientific exhibit of the A. M. A. Convention, May 25-29. Many may remember a similar exhibit in Atlantic City in 1909, when very effective publicity was given to official preparations during the annual A. M. A. meeting.

On Friday afternoon, May 29th, several

papers will be presented before the Section on Pharmacology and Therapeutics as a feature of the exhibit, one by Dr. R. A. Thatcher, of New York. This meeting will be held in the Gold Room, Chalfonte Hotel. Members of the A. Ph. A. will also be invited to be in attendance on certain days of the convention to present the material to visiting physicians. All pharmacists are cordially invited to be present at the meeting of the section and visit the exhibit.

The Committee is composed of Dr. H. C. Wood, Jr., John K. Thum, Ivor Griffith, Charles H. LaWall, Ambrose Hunsberger, and E. Fullerton Cook is the Chairman.