

Solid Petroxolin is a desirable ointment base for reasons well known to pharmacists. Because of the soap and wax in this base it works admirably for the incorporation of any amount of Peru Balsam. A smooth ointment with a good consistency results, and from all indications is permanent.

An ointment was prepared on October 16, 1925, as follows:

Solid Petroxolin	70 Gm.
Balsam of Peru	30 Gm.

Another ointment was made April 23, 1926, as follows:

Solid Petroxolin	50 Gm.
Balsam of Peru	50 Gm.

Both of these ointments have remained permanent. No signs of separation have occurred at any time. Both samples present a smooth, even consistency. From a pharmaceutical standpoint, Solid Petroxolin is the best base available for making an ointment of Peru Balsam, which meets the requirements of a permanent and suitable product.

ANALYTICAL LABORATORIES,
PARKE, DAVIS AND Co.,
DETROIT, MICH.

BUSINESS OR PROFIT—WHICH?*

BY P. HENRY UTECH.

"Business" according to Webster "is the exercise of one's knowledge and experience for purposes of gain." In this succinct phrase, we have what might be termed the basic factors or empiric formula for commerce or trade. In practice, however, these factors have a wide and varied application and it is therefore in direct ratio as these qualities are properly adjusted and intelligently applied to modern mercantile conditions that the success or failure of any given business or enterprise is determined.

Due to the many inroads made upon the business of pharmacy within recent years, it is highly important that greater emphasis be placed upon these fundamental principles; that more attention be given to detail and that better business methods generally be practiced by the pharmacist of the future if he is to combat successfully the many new forms of competition which have invaded the drug business within recent years. Carlyle doubtless did not visualize the practice of pharmacy a century hence, nevertheless his admonition is exceedingly timely and *apropos* when he tells us that "our grand business is not to see what lies dimly in the distance, but to do what lies clearly before us."

A casual survey of the drug business during a score of years reveals much interesting information. Many of us who have not yet reached that "sere and yellow age" of which the poets sing, can recall quite vividly the time when drugs, medicines and household remedies, in fact remedial agents of every character, were to be obtained only at the neighborhood drug store. In that ante-bellum age we somehow were obsessed with the belief that, as pharmacists, this was our peculiar and particular prerogative and ours only. Within the past decade or so, there has come an awakening. Changes have been wrought in the drug business that have been little

* Read before Section on Commercial Interests, A. Ph. A., Philadelphia meeting, 1926.

short of revolutionary. I refer more particularly to the advent of such institutions as the chain store, department store, five-and-ten cent stores, drugless drug store, independent price cutters, stock remedy peddlers, modern beauty parlors, to say nothing of the more recent entry into the field—the roadside gas service station. If, as the saying goes, competition is the life of trade, the drug business is destined to a most unusual longevity.

It is not my purpose, however, to discuss these newer forms of competition at this time, but rather to call to your attention a most undesirable trade practice, which—although not competitive in character—does nevertheless vitally effect our economic welfare. And with much of what we formerly regarded as our legitimate business diverted to other channels, it behooves us to give more study and consideration to such problems as the one I have in mind. You doubtless are all familiar with the practice of manufacturing pharmaceutical houses in allowing the pharmacist a discount of from 10% to 15% from list prices on many of their products. This discount is given also on orders solicited by their salesmen from physicians, hospitals and other institutions and later turned over to the pharmacist for delivery and collection. It is supposed to cover the incidental expense of handling, breakage, book-keeping, collection, etc., and still yield a profit. Suppose we analyze a typical transaction of this character and note the result.

A recent survey of 200 Philadelphia drug stores disclosed the information that the average overhead of the stores operating in that territory was 27.8%. A few reported operating expenses as low as 24.8%, and others as high as 29.3% but the average, as stated before, was 27.8%. Once this factor of overhead is known it becomes a simple matter to determine the proper selling price of any particular item or transaction in order to realize a profit. For the purpose of illustration, let us assume that the pharmacist is given a \$25 order of the character above referred to, to be delivered on a 15% basis. The moment he accepts the order his loss, according to the foregoing figures, is already 12.8%, and in order to cover his actual expense on this transaction alone, he is compelled to sell approximately \$75 worth of additional business before he can make the 27.8% which should have resulted from the original sale. Having this knowledge and information in our possession, the problem for us as self-respecting pharmacists and business men to solve is whether there is any reason or precedent whatsoever for accepting business of this character at any time from any source the handling of which can only result in a direct pecuniary loss.

The argument is frequently advanced that the increase in volume resulting from such business has the effect of bringing about a reduction in overhead—a pretext that is usually offered in order to evade the real issue. Nothing could be more fallacious, as a loss is a loss irrespective of volume or turn-over in sales. The one point to remember is, that it is not possible to succeed in pharmacy, or any other mercantile business for that matter, on a 15% margin of profit.

At the present moment, a determined effort is being made by pharmacists and the drug trade generally, in a nation-wide movement, looking toward the amelioration of many of the trade abuses above referred to through the medium of price maintenance legislation. The movement deserves the whole-hearted support and coöperation of every drug interest. The measure, if successful, will not afford a panacea for all our present-day evils, although personally, I am quite hopeful that

much lasting benefit will result. Meanwhile it behooves us as pharmacists individually to investigate and study our personal and particular problems; to check up more systematically each department of our business; departmentize your store if need be in order to stop these petty leaks and get your own house in order. Once this has been done, the remedy is very simple. Feature only the more profitable lines of merchandise and discourage the sale of less profitable ones. Concentrate your efforts on the sale of meritorious products, placing special emphasis on those of your own make. Sell quality merchandise always along with courteous, conscientious service. Let every transaction reflect your purpose and personality. By rendering a service of this character instead of being a mere purveyor of drugs, you will establish your position of prestige and responsibility in the community and have gone a long way toward convincing the public that the druggist is not merely more than a merchant but a successful merchant as well.

PHARMACY—PLUS.*

BY WORTLEY F. RUDD.¹

Pharmacy—plus—what? The answers would probably be as different as are the people who might undertake to give them. Perhaps the best cross-section of the ideals and trend of American Pharmacy might be gotten from five-minute papers on the subject from every dean and board member in America. I shall attempt to answer the inquiry from a point of view that has now been arrived at from as close observation of pharmacy through a quarter of a century as I am able to make.

The selection of this subject followed an incident in our school at Richmond. We have a faculty committee whose function is to arrange faculty meeting programs. The notices going out from the Secretary's office each month announce the subject for discussion at the next meeting. In February of this year, I believe it was, these notices carried the subject "Pharmacy—plus" and naturally it aroused a good deal of interest. Several faculty members had been asked in advance to present five-minute papers and they did it—a medley, to be sure, but altogether, rather interesting. It was then that I began to formulate my answer to the inquiry which the subject raised. Somehow the question has been much on my mind and the answer slow in coming.

I now realize that a sort of sub-conscious inhibition stood guard and would not let the answer come because it was an answer that I did not want to make.

Were it in my power to add one thing and only one to pharmacy and I had my choice of all that it needs, what would this choice be? Certainly I would not choose without great deliberation. In fact, the conclusion to which I have come after weeks of serious consideration has been arrived at almost entirely through the process of elimination! One by one, I have discarded, as of lesser importance, some of the things which are being added and which it might seem wise to add. Some of these that have been weighed and found not to meet the requisites of first

* Read before Section on Education and Legislation, A. P. H. A., Philadelphia meeting, 1926.

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