

DEPARTMENT OF BUSINESS MANAGEMENT

Conducted by Paul C. Olsen.*

COMMENTS, QUESTIONS AND SUGGESTIONS ARE INVITED AND WELCOME.

Readers are invited to submit comments, criticisms and suggestions regarding the material which appears in this department. The Editor also will undertake to answer questions regarding general problems of business management. Letters of general interest will be published, but the writer's name will not be revealed without his permission.

BUILDING A MARKET FOR PREPARATIONS OF THE UNITED STATES PHARMACOPŒIA.

My purpose in this article is to try to indicate some of the reasons why U. S. P. preparations can be promoted profitably by retail pharmacists. I also want to point out here some of the difficulties and limitations likely to be encountered in such efforts. In other articles in this series I will undertake to indicate exactly the promotion methods which can be employed most effectively, not only for these preparations but also for those of the National Formulary.

To get at the reasons why the very inclusion of a preparation or substance in the United States Pharmacopœia is an important selling point, it is necessary to review briefly the plan and purpose of the Pharmacopœia. The Pharmacopœia is the composite recommendation of physicians and pharmacists on the Revision Committee and these physicians and pharmacists, in turn, are the elected representatives of their respective professions. The Pharmacopœia lists those substances and preparations which in the judgment of the Revision Committee are at the present time pharmaceutical necessities and of approved therapeutic value. The fact that the Pharmacopœia is revised decennially by these representatives of the entire medical and pharmaceutical professions is an assurance that the substances and preparations included in it are in accord with the latest discoveries and developments in the professions of medicine and pharmacy.

The Revision Committee determines not only the substances and preparations to be included but also standardizes their strengths and dosages.

Further authority is given both to the United States Pharmacopœia and to the National Formulary by the Food and Drugs Act of June 30, 1906; the standards adopted in this act were those of the U. S. P. and the N. F. As stated on page xxvi of the United States Pharmacopœia X, "the passage in this legislation *compelled* official preparations to be made in accordance with the requirements of the standards of the United States Pharmacopœia (and National Formulary), and a far greater interest was taken in these standards in all parts of the country."

The problems in promoting the sale of U. S. P. preparations divide themselves into two general groups. One has to do with the household preparations, to the direct sale of which, by pharmacists to their patrons, physicians do not object; in fact, they actually encourage the sale of these preparations. The other has to

* Instructor of merchandising, Wharton School of Finance and Commerce, University of Pennsylvania, Lecturer on Business Administration, Philadelphia College of Pharmacy and Science.

do with those substances and preparations which are dispensed in prescriptions or on physicians' orders.

To promote the sale of U. S. P. preparations, the retail pharmacist, therefore, must work in two general directions: one, creating among his patrons, professional and lay, a greater interest in and desire for the U. S. P. preparations which can be classed as household remedies; the other, interesting physicians in the U. S. P. prescription preparations and substances in an effort to get them to order them more frequently.

Both of these propositions, naturally, bring up the question of the competition of proprietary products designed to serve purposes similar to those of the U. S. P. preparations. I hold no brief for or against the manufacture of legitimate proprietary preparations. In this series of articles I simply want to point out the facts as I have observed them. For instance, there is a considerable complaint that many of the ethical proprietaries differ in but minor respects from the preparations of the U. S. P. and N. F. The effect is to cause the retail pharmacist to stock not only the standard preparations but also several varieties of proprietaries which closely resemble them, thus greatly increasing his stock investment and decreasing his opportunities for profit.

On the other hand, it can be argued with equal force that when a physician orders the proprietary products of a responsible manufacturer he has every assurance that the product his patient will receive will perform the service for which it is intended. It is an unhappy fact that in some drug stores he has no such assurance if he specifies a standard preparation, particularly if it is of a perishable nature, because of the neglect and indifference of some dealers in maintaining their stock of the standard preparations of the U. S. P. and N. F.

Manufacturing pharmacists naturally take a greater interest in preparations over which they have exclusive control. In this connection it is well to emphasize that the manufacturing pharmacists of to-day are, in a surprising number of instances, the retail pharmacists of yesterday. In other words, the number of proprietaries widely sold to-day which were originated in the prescription departments of retail drug stores is astounding. Therefore, in suggesting any plan for a retail pharmacist to promote the sale of standard preparations, both to physicians and to the general public, it is necessary to take account of this natural tendency to want to feature specialties over which he has exclusive control.

In favor of the preparations and substances of the U. S. P. it can be argued that no other group of medicines has or can carry the recommendations and authority which they do. No other group of medicines ever has enjoyed the combined recommendations of the elected representatives of the entire medical and pharmaceutical professions. It is safe to say that any proprietary manufacturer would be exceedingly happy if his product could carry such recommendations.

The very universality of the approval of the U. S. P. preparations creates a situation which is responsible, in considerable part, for the lack of more interest in them. The standards and formulas are open and available to everyone. This non-exclusive nature of the manufacture of U. S. P. preparations has created in the past a situation in which competition in their sale has been reduced largely to a matter of price. In fact, many pharmacists believe that this is the only basis upon which there can be any competition.

In other fields no such belief exists. For instance, among the railroads the fares between various points are fixed by law or by ruling of the Interstate Commerce Commission or state commissions. Yet everyone is familiar with cities in various parts of the country in which the bulk of the passenger and freight traffic is handled by one or two of several competing railroads, all of which are compelled to offer their services at the same price. I hope, therefore, to be able to point out in later articles in this series, means by which pharmacists can promote successfully the sale of U. S. P. preparations in spite of the supposed handicap of their open and non-exclusive nature.

Another problem to which attention must be given is this. There are several hundred preparations and substances listed in the United States Pharmacopœia and hundreds more in the National Formulary. Naturally the selling opportunities for some of these preparations are greater than for others. Furthermore, demands will vary in different parts of the country and in stores of differing types. Since it is a physical impossibility for a pharmacist to concentrate attention and selling effort on every one of these hundreds of items, it becomes necessary, therefore, to develop methods by which he can promote those items which, for his type of store and community, have the greatest opportunity for sale.

The problems involved in profitable promotion by retail pharmacists of the sale of U. S. P. preparations thus include the following:

1. A recognition of the basic division of U. S. P. preparations into those which are household remedies and those which are, ordinarily, dispensed, and, accordingly, the creation of two separate promotion problems, one among the general public and the other among the physicians.
2. A recognition of the natural interest pharmacists feel for preparations which they control exclusively.
3. A recognition of the undoubted appeal of ethical proprietaries to the physician.
4. A recognition of the fact that U. S. P. preparations carry the recent recommendations of the representatives of the entire medical and pharmaceutical profession and are standard under the United States Food and Drugs Act of 1906.
5. Promotion of the sale of U. S. P. preparations on other than a price basis.

ABSTRACTS OF PAPERS OF SCIENTIFIC SECTION, A. PH. A., RAPID CITY MEETING

"An Investigation of Oregon Grown Peppermint," by Alice H. Hayden and E. T. Stuhr.

Chemical constants of four samples of oil from Oregon grown American peppermint determined and compared with Japanese sample. Menthol yields show possibilities of successful growth. Crystallization of menthol dependent upon methods employed.

"Botanical, Pharmacological and Chemical Study of the Root and Stem Bark of *Viburnum Rufidulum*," by Heber W. Youngken, James C. Munch and Florin J. Amrhein.

Adequate supplies of material have been collected, identified pharmacognostically and subjected to pharmacological and chemical investigations. Work is being continued upon other identified species of *viburnum*.

"Native Drug Plants of Nebraska," by E. T. Stuhr.

Detailed list of drug plants found within the state.

"Pacific Coast Drug Plants," by E. T. Stuhr.

Detailed list of drug plants found along the Pacific Coast.