

# 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.

## HOW MUCH PRESCRIPTION BUSINESS IS THERE?

*(Continued from p. 283, March Issue)*

Horace Hampton, progressive Centertown druggist, and his friend and classmate, Lloyd Hamel, of Cleartown, were enjoying the 17-cent cigars which Mr. Hampton had abstracted from the case before they had gone to lunch.

"This has been very pleasant," began Mr. Hamel, "I've enjoyed seeing you and it's been a pleasure for me to get your ideas on how profitable a good volume of prescriptions can be. But, Horace, as you said just before we went out, there is a big difference between knowing that a worth-while number of prescriptions would be profitable and actually getting those prescriptions."

"Just a minute—not so fast, Lloyd," interrupted Hampton. "You've left out an in-between step which is just as important.

"You could put your store in the middle of the Sahara desert and work hard from now until you're ninety and you wouldn't do any business in prescriptions or anything else. For all you and I know, Cleartown may be a Sahara desert as far as prescriptions go and you'd only be wasting valuable time and good money in an effort to get something which wasn't to be had.

"How many practicing physicians are there in Cleartown?"

"Oh, twenty or twenty-one, I'd say, Horace."

"Now of course it would be fine to know how many prescriptions each doctor writes a day, but of course it's next to impossible to find out—at least not directly."

"I see what you're driving at, Horace; the total number of prescriptions written daily in Cleartown is the total amount of such business to be had. If that is a worth-while amount and my five competitors aren't too strongly entrenched, it's up to me to get my share or more than my share of this total volume. But how in the world can anybody find out even indirectly how many prescriptions our physicians write?"

"It isn't as difficult as you might think at first, Lloyd. Start this way. It's just a case of resolving the thing into its component parts. I'll bet you know every one of the physicians in Cleartown by name—probably a lot of them by their first names. If you don't, you should.

"Write the names of each one of these physicians on a sheet of paper and after each man's name write the number of prescriptions you think that man averages a day."

---

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

"If you have any doubt about any particular name, go to him frankly and tell him that you are trying to get an idea of the volume of prescriptions that are being written in Cleartown.

"You know and I know that physicians time and time again have given far more confidential information to responsible people, so you should feel no hesitancy in asking this from those men the extent of whose prescription writing you can't estimate yourself.

"From your own knowledge and from what physicians will tell you, you thus obtain at least a careful estimate of the total amount of prescription business that is available in Cleartown. Notice that this estimate is apt to be high, for psychological reasons, but none the less it gives a fair idea of the amount of this business there is to be had.

"Then divide that estimate by the six drug stores in Cleartown and you have an idea of what your share ought to be. Of course, you hope eventually to get more than your share, but if you're only filling one or two prescriptions a day, I'm dead sure, without looking any further, that you're not getting your share.

"You understand, of course, that this total volume of prescriptions will vary from month to month; you've been in the drug-store business too long for me to have to tell you which are the best prescription months.

"One more thing about the prescription business, and it's a thing often overlooked by druggists who are wondering how they can increase their sales and profits in prescriptions. Curiously enough, a big share of the profits of a prescription department can come from sales which aren't prescriptions at all. I mean olive oil, castor oil, syrup of ipecac and a thousand related items. It's useless for me to try to list them from memory because I might omit some of the most important ones, and mention others for which you would have no demand. The simplest way to do is to start with the A's in the prescription room stock and go right down the line checking off preparations that you consider salable. It's amazing how many of the simplest remedies are missing from the average home medicine chest. Look around in your friends' homes and be convinced.

"Remember, though, that you can't carry water on both shoulders. You can't expect physicians to coöperate with you if you plaster your store with suggestions about self-medication. On the other hand, physicians actually encourage druggists to push the old, time-tried preparations that everybody knows about.

"This applies not only to the items which are primarily medicines, but also to such things as flavoring extracts and spices. Druggists will tell you that the bulk of that business has gone to grocery stores and that it's pretty nearly hopeless for a druggist to try to get much of it from them. The grocers got it through the medium of low prices and that's the way they're keeping it. There are still great numbers of people who appreciate quality and the druggist's big opportunity is to get a share of the business on that basis.

"Of course, I'm only speculating. It's up to you to find out if you can sell a worth-while amount of these classes of prescription-room merchandise. You have learned that proper display will sell candy and toilet articles and a lot of other things that formerly were not featured in drug-store lines. At small expense and trouble you can find out about the sales possibilities of these other goods."

"But that doesn't tell me how to get people to bring their prescriptions to my store, Horace," protested Mr. Hamel.

"No, indeed, it doesn't. Come back to the store and I'll show you some of the things I had to do to get my share of the prescription business. I've only been trying to explain how to determine whether or not you have in Cleartown enough prescription business worth going after."

(To be concluded)

---

## HISTORICAL FRAGMENTS.

### NO. 22. THE FUGGERS IN PORTUGAL AND SPAIN.<sup>1</sup>

BY EDWARD KREMERS.

Every American boy and girl will possibly recall that he or she learned in his or her United States History of a Portuguese Prince Henry whose cognomen was The Navigator. He or she will also remember that six years after Columbus had made his memorable voyage to the West Indies, a Portuguese, Vasco da Gama, circumnavigated the Cape of Good Hope and discovered the all water route to the East Indies. Thus, the Portuguese were the first to develop the spice trade by way of the new route. That the King of Portugal should levy a tax of 50 p. c. of all of the spices imported and that in 1505 he insisted on the sale of all spices through his officials in order that he might control the price does not seem surprising in the light of royal privilege.

In a previous account<sup>2</sup> it has been pointed out that Germany was the best customer of Venice, so far as the Levant trade of the Queen of the Adriatic was concerned, also that the import and export trade of Germany was largely in the hands of the Hanseatic merchants. When, therefore, in 1501 the war between the "Gross-sultan" and the Republic of Venice practically put a stop to the Levant spice trade (p. 22), the Fuggers, merchants of the Hanseatic city of Augsburg, made an attempt to establish trade connections with the Levant *via* Genoa. They had already collected at Genoa large supplies of copper in which they had a practical monopoly and which they intended to send to the Orient in exchange for spices, when the first spice-laden vessels arrived at Lisbon and thus pointed the way to a more convenient route for the importation of East Indian spices.

By August 1, 1504 the factor of the Welsers, Lucas Rem, had closed a contract with the King of Portugal which allowed them, together with Italian merchants, to participate in the fleet to be sent to the Orient. In the 1505 fleet the Italian merchants (Genoese & Florentine) participated with 30,000 cruzados. (Somewhat more than a ducat.) The Welsers alone participated with 20,000 ducats and the Fuggers, Hoehstetters, Imhofs, Gossenprots and Hirschvogels together with 16,000

---

<sup>1</sup> Gleanings from Konrad Haebler, "Die Geschichte der Fugger'schen Handlung in Spanien." Page references to Socialgeschichtliche Forschungen. (Ergaenzungshefte zur Zeitschrift fuer Social-und Wirtschaftsgeschichte.) Heft I, 1897. The figures in parentheses throughout the text refer to the pages of Ergaenzungsheft 7 and are inserted for the convenience of any one who may choose to verify the statements made or to seek additional information.

<sup>2</sup> Historical Fragments, No. 21: A German diarist in South America.