

DEPARTMENT OF BUSINESS MANAGEMENT

Conducted by Paul C. Olsen.*

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CAUSES OF LOST DRUG STORE PROFITS.

BY PAUL C. OLSEN.

The following is a tabulation of some of the principal causes of lost profits in drug stores. Such a list usually proves of greatest interest to the most successful druggists. The reason is that the druggists who are the most successful are the ones who are keenest and most desirous to improve their success. This very attitude of mind doubtless explains their prosperity. To any druggist who really wants to check over his own practices to make sure he is avoiding to the greatest degree possible the most important of the causes of lost profits in a drug store, this tabulation should be of some interest.

1. *Spoilage of Stock Purchased.*—Spoilage is most evident in perishable merchandise and, therefore, can be avoided there to the greatest extent. This, however, is not the only place in which spoilage occurs. Anyone who has bought a long established drug store has had the experience of going through the prescription room stock, if it has not been carefully maintained, and throwing away dozens of items therapeutically useless for which at one time good money had been paid. Shopworn goods also are in this class; the merchandise is all right but its appearance is not. On the other hand, some druggists hesitate to discard stale merchandise of a perishable nature, preferring to obtain the immediate profit, although such profits when obtained are at the risk of great future losses of prestige and patronage.

2. *Loss of Merchandise.*—These losses may be actual thefts. More frequently they result from failure to carefully check purchases when received; careful checking prevents the throwing away of small items with empty cartons and brings to light actual shortages in the order as delivered. Most frequent of all losses of merchandise, undoubtedly, are the losses which result from merchandise being pushed further and further aside, especially in dark corners of the cellar until finally its existence is forgotten altogether.

3. *Waste of Merchandise.*—Waste is most frequent when bulk merchandise is sold. This waste results not only from down-weight, but also from inevitable shrinkage from the handling incident to sales in bulk. This is one reason, for instance, that progressive druggists who sell ice cream to be taken out of the

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