

PROFESSIONAL PHARMACY, II.*

At the Rapid City meeting of the AMERICAN PHARMACEUTICAL ASSOCIATION last year, you were kind enough to listen to a talk by me on this subject and to request me to continue my study of the development of professional pharmacy. For those who did not hear the talk last year, I will say that it appeared in the November 1929 issue of the JOURNAL, A. PH. A., pages 1170-1176.

In the above paper appears the following:

"The foregoing list is far from complete as many replies gave me a great deal of information but not the data that I wished and, without doubt, a number of professional stores were not approached. I believe the information contained does show a decided trend on the part of American pharmacy to separate into two distinctive types, professional and commercial. I am convinced that this trend is only in its infancy. Of the 117 stores reported, 64 or 54.7 per cent were established in the last nine years and 44 or 37.6 per cent in the last five years. Eliminating 16 reports for which we have no accurate data, these stores are compounding an average of 16,300 prescriptions per year, or 45 daily. I feel sure that there are a goodly number of non-professional stores that equal or exceed this average. However, we must not lose sight of the fact that 54.7 per cent of these stores were established within the past nine years and it takes considerable time to build up a professional business."

In my endeavor to complete this study, I wrote the Secretary of every state pharmaceutical association as follows:

"At the last meeting of the AMERICAN PHARMACEUTICAL ASSOCIATION I presented an address on the development of professional pharmacy, a reprint of which I am enclosing. I stated that this study was not complete because it was impossible to reach all the professional drug stores and the A. PH. A. asked me to continue the study and present a further report at its next annual meeting.

"I am writing to ask you if you will be kind enough to give me the names and addresses of all professional drug stores in your state. I fully appreciate this is a big request but I hope your interest in pharmacy will prompt you to assist me. Perhaps you are not the one who has this information for your state. In that case, I will deeply appreciate your giving me the address of someone within the state who may have the information. Thanking you in advance, I am
Sincerely yours,"

This means that every state in the United States was covered as far as the coöperation of the state pharmaceutical associations make it possible. In answer to these letters, I received about 250 names of professional or semi-professional drug stores. After checking with the list that submitted data last year, I still had about 150 stores to solicit for information. Of this number, a great many replied that their stores were not professional and therefore my letter did not pertain to the type of business they were conducting. However, I did receive replies from about one-third of them and data from forty. The data was requested in the same form as used last year and is reported here, but will be presented later in a slide that shows date of organization of the store, number of prescriptionists employed and annual number of prescriptions compounded. This slide shows data from thirty-seven stores. It is interesting to note that only nine of the thirty-seven stores compounded more than 20,000 prescriptions a year and that twenty or more than one-half of them compounded less than 12,000 prescriptions a year. I believe that it is evident that the 154 stores from which data are sub-

* An address by C. B. Jordan before AMERICAN PHARMACEUTICAL ASSOCIATION, Baltimore meeting, 1930.

mitted fairly, completely covers this type of professional business in the United States and, I think, that further study at this time will not uncover many new professional drug stores.

Store No.	Date of opening.	Prescriptionists.	Annual No. of prescriptions.
118	1906	2	11,000
119	1910	2	7,500
120	1904	2	10,000
121	1898	2	2,000
122	1919	2	10,000
123	1917	3	15,000
124	1924	2	6,000
125	1911	2	10,500
126	1913	3	10,000
127	1890	3	10,000
128	1923	2	5,000
129	1903	3	4,000
130	1907	3	12,000
131	1919	2	10,200
132	1919	4	45,625
133	1926	4	38,000
134	1919 (2 stores)	5	20,300
135	1908	2	8,500
136	1891	3	11,200
137	1926	2	13,453
138	1919	2	16,790
139	1903	3	17,000
140	1929	2	15,000
141	1899	2	3,000
142	1924	4	25,550
143	1925	2	6,500
144	1926	2	1,500
145	1929	2 (in 5½ mo.)	2,551
146	1915	14	75,000
147	1921	5	9,957
148	1912	4	25,600
149	1895	6	50,000
Have filed over 1,400,000 prescriptions to date.			
150	1906	4	29,200
151	1925	4	42,000
152	1919	2	5,000
153	1924	2	14,000
154	1898	3	20,397

A study of the data from the complete list of 154 stores reveals some interesting facts:

First. Eighty-eight or 57+% were started since January 1, 1919, or in the past eleven years, and 57 or 38-% have been started since January 1, 1924, or during the past six years.

Second. Eliminating reports where data was estimated and not given in actual figures, we have 136 stores compounding 3,297,862 prescriptions annually or 24,249 annually per store or 66 per day per store.

Third. It required 492 prescriptionists to compound these 3,297,862 prescriptions or 18 prescriptions per man per day. Since several of these stores also

do a commercial business, it is a fallacy to assume that these men were fully employed in compounding 18 prescriptions per day. If we eliminate all stores that do less than 10,000 prescriptions a year, we find 404 prescriptionists compounding annually 2,991,647 or 20 prescriptions per day per man.

Twenty prescriptions per day per man is not enough to keep him busy even if he spends considerable time in manufacturing preparations for these prescriptions, therefore we must assume that these men are engaged in other employment. A study of the data reveals that the number of prescriptions per man varies greatly in those stores that compound less than 25,000 prescriptions per year. Either the men are employed in other duties or the overhead for labor is high.

If we eliminate all those stores that compound less than 25,000 prescriptions per year, we still find great variations as illustrated by:

A store requiring 14 men for	75,000 prescriptions
and one requiring 9 men for	100,000 prescriptions
One requiring 10 men for	45,000 prescriptions
and one requiring 5 men for	45,000 prescriptions
One requiring 13 men for	54,050 prescriptions
and one requiring 4 men for	60,000 prescriptions

I believe these variations can be explained by assuming that men are otherwise employed in some stores or the cost of labor-overhead is high or by a combination of both of these.

If we eliminate all those stores compounding less than 25,000 per year, we find 22 prescriptions per man per day. If, however, we select a group of the best stores, we find them compounding approximately 50 prescriptions per man per day, which is probably near the maximum average for full-time employment.

Fourth. Although it usually requires considerable time to become established as a professional pharmacist, some are fortunate in their selection of location or in beginning with a good clientele or both because some of the younger stores are enjoying an excellent business. This is illustrated by the following:

A store opened in 1925 compounds	28,080 prescriptions annually
A store opened in 1926 compounds	20,000 prescriptions annually
A store opened in 1929 compounds	18,000 prescriptions annually
A store opened in 1923 compounds	50,000 prescriptions annually
A store opened in 1925 compounds	46,600 prescriptions annually
A store opened in 1925 compounds	42,000 prescriptions annually

A careful study of this data will probably reveal more interesting facts, but that is left for the reader to deduce for himself.

Last year I pointed out that a person opening a professional drug store should be prepared to finance a losing proposition for some time, probably six months or a year. I was interested in the story of how one young man went about selecting a site and financing his initial effort. He travelled over three of the Midwestern states in an automobile studying the cities until he found one that he thought should support a professional store. After selecting his city he carefully selected his place of business, considering proximity to prescribing physicians, rent, etc. The first few months he closed his store and delivered his own prescriptions. Unless it was a rush prescription, this was done during the lunch and dinner hours. Within a short time, he was able to employ a delivery boy and in less than 18

months he employed a registered clerk. He is now, after two years, doing a nice business and his venture bids fair to be a success.

Since the publication of my talk of last year, I have met considerable interest in this subject. Several young men have written me about this or that phase of a professional store. I have also supplied copies of the names and addresses of these professional stores to a number of interested people, always taking care to protect those who have given me confidential data. I take these inquiries to mean that there is an awakened interest in professional pharmacy and we may expect greater development in it in the future.

A letter from one of the semi-professional stores contained the following:

"One must make every effort to do as large a volume as possible, but, after all is said and done, we point with pride to our prescription department as the symbol that gives us public trust."

No truer thing can be said, but it is unfortunate that many commercial stores use that symbol as a cloak for their commercial operations. A proprietor once told me that his prescription business was insignificant and he cared little for it as it was not a financial success. Yet every advertisement that his store carried in the newspaper had "Prescriptions a Specialty" in bold type and in a prominent place. He was using this symbol of public trust to draw trade for commercial operations. As long as any number of our pharmacists continue to do this, just so long will it be difficult to build up public trust.

Another writes:

"A person starting this type of business should be warned to wait until he has sufficient capital to carry on for a period of six or eight months. The loss of operation during the first six months was exceedingly heavy, approximately \$2000. We will make a little this month which is gratifying."

You will remember that this point was also stressed last year. Another writes:

"I pay only \$55.00 rent; employ one registered pharmacist besides myself, one unregistered man and one girl and did \$38,000 last year."

With such a low overhead, he surely made money. Another writes:

"Professional pharmacy is going to the fore, a condition for which the chain store is responsible, owing to their merchandizing of products not essential to the drug line. Our experience has been, surrounded as we are by eight chain stores within a radius of eight blocks, that we have been gradually growing. The physician is opposed to the chain store. This is what happened in our locality. A six-story building was erected for the purpose of a medical center. A big mistake was made. The lower floor was rented to a popular chain store, with the result that many doctors refused to take space in the building. To-day, after eight months, eight doctors have taken space in a building which could have accommodated fifty."

This is a rather interesting viewpoint and one worth considering. The individual who operates an independent store in competition with a chain should try to capitalize on all of his advantages, such as the one mentioned, and, if he does this, I believe he will be able to meet the competition offered by the chain.

A very successful professional store operator and laboratory technician has said:

"Many pharmacists will say that such work (technical laboratory work) can only be done in a large city. Our answer is that the country doctor has less time to do his own laboratory work

than the city doctor, and would be glad in most cases to have a pharmacist do it for him. If such were not true, why do they mail such work in to us? Doctors generally do not care much for laboratory work and are pleased to delegate it to a properly trained pharmacist. Some doctors object to turning their patients over to a fellow-physician, specializing in laboratory diagnostic work. They have no objection, however, to a well-qualified pharmacist.

"The average medical student slips through his chemistry courses and devotes his time to medical subjects. The average three- and four-year pharmacy graduate has twice the chemical training of the medical student, and is thus better qualified to do laboratory work. If girl technicians and nurses taught by doctors in small hospitals are qualified to do such work, it is obvious that the three- and four-year pharmacy graduate should be a hundred times better qualified.

"Pharmacists and pharmacy school faculties cannot expect professional pharmacy to advance until they eliminate the two-year course and train our future pharmacists with a *four-year curriculum*. Then the pharmacist will be equipped to take his place beside professional men, and will be recognized as one of them."

We, at Purdue University, are endeavoring to foster this idea by installing a beautiful professional store in our new building. All of our student prescriptions are dispensed from this room, about 15,000 per year, and our students are given training in decorating the show cases, window trimming, etc., and are taught to study the merchandise that should be carried in such a store. Our thought has been to place before them an ideal that they may later use when they wish to go into professional pharmacy.

The question is often asked, what should be the per cent of profit from such a professional business? I believe a successful operator may expect to make a profit of 20% of gross sales after paying the proprietor a reasonable salary. Recently a successful operator of professional pharmacies showed me his balance sheets for a number of years. The first one he showed me gave 16% profit, which I thought was too low. Examination of several showed that it was low as the average was well above 20% and he later explained the low showing of the first sheet to be due to unusual purchases of equipment such as new cash register, biological cabinet, etc.

If the operator can make a 20% profit in excess of his salary, and I believe he can do it on this type of store as soon as he gets it on its feet, I can think of no pleasanter and more profitable business for the pharmacist. I am so enthusiastic about professional pharmacy that, were I to start in pharmacy again, I would surely try it.

That this story may be a connected one, I will, with your permission, show the slides of last year together with a new data slide and slides of pictures secured this year.

Slides were shown.

RECENT LEGISLATION AFFECTING PHARMACY IN VIRGINIA.*

BY A. L. I. WINNE.¹

In most of the states this has been an "off year" in legislation, but in Virginia we have the custom of doing our regular legislating in the even years, and the regular session of the General Assembly of our state met early in January, and several matters of interest to pharmacy received attention.

* Section Education and Legislation, A. PH. A., 1930.

¹ Secretary Virginia Pharmaceutical Association.