

Papers Presented to Local Branches

EFFICIENCY IN THE DRUG STORE.*

A. K. LOBECK, PHILADELPHIA.

The word efficiency comes from the same Latin root from which the word *effect* is derived, a root meaning *to make* or *to do*. The accepted definition of the words efficient or efficiency comprises the causing of *effects* or the producing of *results*. Let us hold on to this idea so that as we proceed deeper into the subject we will have something to which we can return when we go astray.

The owner of a drug store, to be efficient has two ends to accomplish. He must serve his customers with the best goods for the lowest prices possible, and he must make money for himself.

When we focus our eyes on the proprietor of a store we discover several factors with which he has to deal. Reduced to simplicity these are the factors: himself, as a personality; his clerks and other help; his stock in trade, store and utensils; and finally his customers. The efficiency of his whole business depends on how he controls these four factors, i. e., how he manages himself, his help, his stock, and his customers.

Himself. The proprietor of a business must be *interested* in it. That sounds like a very commonplace remark but, unfortunately, there is reason for it, for there are too many listless, uninterested men in business to-day.

When a proprietor feels that his interest is waning, there is nothing in the world will wake him up or invigorate him so much as an attempt to study his business with the view of making it more efficient. Of course it seems very illogical to expect a man who has fallen into such despondent and sluggish condition, which borders on despair, to turn in a moment and take the supreme interest in things which a study into efficiency demands. But, just the same, that is exactly what I say should occur. It is like a religious revival. And there is a psychological reason for it too. Professor James, the great psychologist, has said that it is indispensable, when a person is going to break off a bad habit, that he should adopt a new one in the most vigorous way possible, so as to destroy the old channels of thought.

The reason I bring up the question of the proprietor first is because I am sure that if the proprietor is not vitally, enthusiastically, and constructively interested in his business the end sought for will not be reached.

The Help. Shall we class the help with the cash register, the soda fountain, the mortars and pestles and the bottles on the shelves? Isn't the help part of the machinery of the store? You start at the suggestion but I am quite con-

* Read before the Philadelphia Branch, January, 1914.

vinced that every one of you is so classifying help in actual practice. You rent your store for so much a month; the interest on your investment for stock and fixtures is so much a month; you pay your clerk so much a month; apparently there is no difference. When I urge now that a clerk, and even a janitor, should be paid a regular salary and then a bonus depending on profits, many of you will say that it is all very well with some stores but not with yours. Do you know that that is just the cry that everybody puts up when improvements are suggested? We all think that the principles of scientific management are all very good in the case of other people but that we are an exception, or that we have peculiar conditions which have to be overcome some other way.

Another reason why we are unwilling to pay a clerk a bonus on the profits of the store is, not because we are stingy, but because we do not know what the profits are. We have no basis upon which to figure a bonus.

This plan is not proposed in order that the clerk will receive more money, but that he will know his income depends upon the success of the business, so that his whole attitude toward the business will be changed. Instead of being classed with the stock in trade and the machinery of the store, he joins hands with the proprietor as an active co-worker. It is a change in his attitude of mind which is greatly to be desired.

Then there is something else about the help which is even more important than how he is paid, and that is, what his responsibilities are. Every man in the store should know definitely where his duties begin and where they end. There should be an understanding so that everyone can work in unison. Unless there is an exact division of labor some things are certain to be neglected and the proprietor usually blames such neglect upon the nearest clerk. When there is a proper distribution of the responsibility, it does not mean that one man can not do another man's work when necessary, but it means that there is a basis for discipline. One man says, "Discipline is the keynote for the highest efficiency. Have each man's duties mapped out for him." No matter how small the establishment, this is vital.

The Stock in Hand, i. e., the Machinery of the Business. One of the most important parts of the machinery of the business is the money. The money that goes in and out of the business stands on just the same plane as the drugs and medicines which go in and out of the business. The money that is on hand stands on the same plane as the drugs which are on hand. The only difference between the two is that money is a universal medium of exchange while the drugs are not. It is handier to have money than it is to have a stock of drugs. But money is really quite in the same category with all other commodities. This is a basic economic principle.

The point, then, is that the druggist has a certain stock of business machinery on hand, among which is money. This business machinery he has to handle, manage and care for in various ways. In general these things all have to be cared for in the same way, as for instance keeping records of the amounts on hand, and keeping safely what is on hand, but specifically different methods are used to attain these ends.

Money being the most important of these commodities, simply because it is a universal medium of exchange and on account of this fact being the *meter* by

which the business man knows whether his business is producing results or not, it is essential that its records be kept with the greatest care.

This is ordinarily done by a device known as bookkeeping. Bookkeeping may be exceedingly complex or very simple, depending on the facts which are desired and the nature of the business. The ultimate fact which the druggist desires to know is what the net profit on his business is for a given period of time. But while this one fact is being learned a great many facts in the form of by-products may be produced. Some of these, for instance, are:

1. Amount of profit or loss every month on a given line of goods.
2. Percent of profit or loss on the investment for the different lines of goods showing which is really the most profitable.
3. Proportionate cost of handling different lines of goods based on rent of floor space, etc.
4. Distribution of the sales throughout the season, week, or day, giving a basis for the employment and relief of help.
5. Record of purchases of various lines of stock, giving data which will show whether it pays to buy in quantity or not.

Have you ever heard the expression that "a druggist can not see farther than the cash register"? I have that statement from an efficiency expert who has that belief because he knows very well that many of them are quite satisfied if they know what comes in each day and what goes out each day or simply if they know whether they are gaining or not.

Isn't it true that there are some proprietors whose pockets are simply an extension of the cash register drawer? The man who fails to appreciate the fact that his business is an organic entity which deserves to have an account by itself, is the kind of a man who doesn't know whether he is making money or not, and there are many of these.

There is another reason why the druggist should keep a rather accurate account of things. Every day the druggist is in business means so much valuable experience for him. And he is paying for this experience too. Should he fail to make it useful to him by not keeping a record of what is happening? The principle is the same as the case of a salesman who is on the road for a large firm. Everything he does he has to record, and all of these records are sent back to the home office to be sorted over, arranged and systematized to form the backbone for the firm's policy.

It may seem to be out of the question for the druggist to engage in a detailed system of bookkeeping. However, this is what he should do, and this is about the minimum.

He should have:

1. A columnar cash book in a handy place all the time in which are entered each day, from the cash register slips, on the left-hand side in the proper column the receipts from each line of goods, and on the right-hand side, in suitable columns, the amounts paid for salaries, for supplies, for each line of goods separately, and for miscellaneous and petty expenses.

Very little effort is needed to keep the cash slips entered up to date. The principle of the operation consists simply in sorting out the income into several incomes, and in sorting out the amount which is paid, into the several accounts corresponding to the incomes.

In a store doing more or less of a merchandise business the columns on the left side of the cash book would be something as follows: Proprietaries, Drugs, Cigars, Candies, Stationery, Prescriptions, etc. On the right hand side of the book would be similar columns so that when the columns on the right are totaled and subtracted from the totals of the respective columns on the left plus the inventories, the differences will equal the profit on the different lines of goods, from which should finally be deducted the right proportion of the overhead charges such as rent, to obtain the net profits.

Whether there are several cash registers in the store, whether there is only one with several keys, or whether there are none, this system of cash book can be readily adapted to the business. Moreover, as the business changes and new lines of goods are taken up or old ones subdivided, new columns can be added.

2. A second book which the druggist needs is his check book. When he makes out checks, he transfers the amounts from the stubs to the proper columns on the right-hand side of the cash book. When he deposits cash on hand in the bank he makes no record in the cash book, whatever, but he keeps a record in the check book. However, before he deposits a check which comes in he must be sure to record it properly in the appropriate column on the left side of the cash book. The difference between the listed deposits in the check book and the checks drawn equals the bank balance. The difference between the two sides of the cash book (when the left exceeds the right) equals the cash balance. The difference between the cash balance and the bank balance equals the cash on hand in the cash drawer.

At intervals the bank pass book should be balanced at the bank and the check book should be reconciled to it. Thus the indicated bank balance in the check book plus the amounts of checks not returned by the bank equals the bank balance shown in the bank pass book.

3. When the store does a credit business a third book is needed. This is the ledger of accounts of customers. The simplest and most effective form of this which I have seen, is handled as follows:

When an account prescription is filled the prescription blank is stamped with a numbering machine and placed on a file. In the same way when a credit customer gets other articles in the store, a charge record is made out on a simple pad, this being kept usually in the cash register drawer (or it can be written directly upon the bill with the duplicate sheet beneath). Every week or so the prescriptions and charge slips are entered on bills. The bill head is made in a duplicate form which is folded over so that a carbon paper may be placed between the two sheets. With the typewriter the various items are entered upon the bill, the prescriptions by number only. The lower sheet which is therefore an exact duplicate of the bill, forms a page for a loose leaf ledger. When the upper sheet is sent as a bill to the customer the lower sheet is torn off and inserted in the ledger. When the bill is paid it is stamped so, and at the same time the corresponding page in the ledger is so stamped. Moreover, when a bill is paid the various amounts are entered in the left side of the cash book in their proper columns.

These three books constitute all the bookkeeping necessary but there is an additional device which is important. It is an order book. The order book is kept in a definite and convenient place. As soon as it is noted that an article is needed it is entered upon the book in the first column. There are several other columns so that when the article is ordered, opposite the original entry in the other columns, are entered the initial of the firm, the date, the quantity ordered, price, etc. Then, when the goods arrive, they may be checked.

When the bills come in from the wholesale houses, they can be checked either from the goods or from the order books already checked. The bills until paid should then be kept together in a folder with memoranda of all other items which require payment for which bills may not come to hand. This folder represents then the liabilities of the firm, in the same way that the account ledger represents the resources, and these two lists should be taken into consideration when profits and losses are being figured. When the bills are paid they are removed from this folder and the various items making up the bill are distributed in the proper columns on the right side of the cash book.

While some of these phases of the accounting may seem complex, it is all really simple and very readily done without consuming much time and with a very small chance of error. Practically all of the desired facts are readily available when wanted; profits on any line of goods can be figured in a very short space of time, and the cash account is always in a form so that it can be checked with both the cash drawer and the bank balance.

A good feature of such a system is that as much as possible is kept in the original entry.

This concludes that part of our discussion which has to do with the taking care of the money. The next problem is the taking care of the other commodities in the store, and in the handling of these commodities. Let us go to the prescription counter first. The following are some of the things that have to be taken care of here and arranged so that they can be found readily: poisons, chemicals, proprietary chemicals, tablets, tinctures, pills, clear and colored bottles, corks, vials, pill and powder boxes and other small containers, capsules and caps, all of varied sizes.

The poisons, chemicals, etc., should each have a special compartment and should be arranged alphabetically therein. There are certain difficulties in this connection and one of the greatest of these is the fact that these chemicals, etc., are kept in their original containers, and that these containers vary so in size and shape that a lot of shelf room would be wasted if a strict order were adhered to. This same difficulty arises in the stock room of every line of business and is overcome by the employment of the following principle: When there is a miscellaneous stock of various sizes which it is desired to keep in a uniform way it is necessary to divide the storage space into units which will accommodate the largest class of the articles to be stored and then subdivide the units to suit the sizes of the smaller articles as they are interspersed among the large ones. The particular device which suits the drug business looks like a filing cabinet, in which the compartments are of the same size and shape. When one of the compartments is pulled out and looked at from the side it is seen to have adjustable shelves running across it so that a large bottle can be stored with small ones and in a minimum of space. This device is supreme over all other methods and is almost indispensable where space is limited.

Very often some of these chemicals, etc., are bought in a rather large quantity and transferred to small shelf bottles to be kept in the cabinet while the main quantity is stored away. In such cases it is suggested that on the front of the cabinet where the contents are listed some distinguishing mark be placed after or before the word to indicate that there is a quantity of this in stock elsewhere.

Where the expense prohibits the installing of such a filing system and where an improvement over the ordinary cabinet is desired, a very effective cabinet is one which has double or even triple doors provided with shelves. The conservation of space by means of such a cabinet is remarkable. In such a cabinet the different doors are used, one for poisons, one or more for chemicals, etc.

In case the unit filing system is in use, lists of the contents are attached to the outside of each division, of course in alphabetical order, and each class of articles relegated to its own sections, this arrangement being designated by large conspicuous labels. When ordinary cabinets are used, the alphabetical order is preserved but it is frequently convenient to have in addition, in each cabinet, a little stock list indicating the exact location of stock on the shelves. In the best stores that I have visited this was done.

The bottles, corks, vials, pill boxes, etc., are conveniently stored in drawers, beneath the prescription counter, these being divided into suitable compartments. It is essential that these drawers be labeled conspicuously on the outside. Capsules, caps, etc., are usually placed in drawers, above the counter, which should be accurately labeled. At the end of the prescription counter nearest to the store, should be the typewriter and beneath the typewriter a drawer for labels and paste. Many little details in arrangement suggest themselves here but any man who is on the lookout for efficient methods will devise just as good ones for himself. For instance, the caps and corks are kept near this end of the counter. Just beneath the ball or box from which the red cord hangs which is used for tying up the caps, there is kept attached to the counter, a stout piece of cord which is wound around and pulled tightly on the cap just after placing it on the bottle, thus giving it a good permanent crease which it retains when the more delicate red cord is applied.

When a prescription is filled this is about the routine to be followed:

First. Hang the prescription in a clip right in front of the counter where the dispenser can see it all the time.

Second. Take from the shelves the bottles of chemicals, etc., needed for the prescription and stand them in line at the right of the center of the counter.

Third. Weigh out each ingredient in order and incorporate it in the prescription, at the same time placing each bottle, immediately after weighing, to the left of the scales together with the weights which were used. By placing the used bottles at the left, one is sure that the ingredients on the left are in the mixture and those on the right are not in the mixture.

Fourth. Upon the completion of the prescription, have the ingredients and their weights checked, preferably by another individual.

Fifth. Label the bottle and wrap it up.

Sixth. Return the bottles to their proper shelves. This is facilitated and mistakes avoided if each class of bottle is designated by a certain bright-colored sticker which is placed on every bottle of that class. For instance, every poison bottle might have a red sticker, every chemical bottle a green one, every tincture bottle a yellow one, etc.

Seventh. File the prescription away. The ordinary method, of course, is the wire file. This has many objections, but it has some decided advantages. The advantage this method has over pasting into a book, is that, not only is time saved, but memoranda can be made on the backs of prescriptions, which is often done. Then, of course, books take up more room. The method of

filing prescriptions in sliding drawers has the advantage of keeping them neater, but they are less available, it seems to me, and it takes up a little more room and is more expensive. The best stores I visited in several cases still retain the old style long wire file with one or two minor improvements, and I admit its superiority.

Eighth. Wash up the pestle and mortar, graduates and other dishes instead of standing them around in the sink.

In connection with the prescription counter it is almost essential to have a list of the usual customers of the store with addresses and a mark indicating C. O. D. or O. K. for charge, so that when the messenger delivers the articles he has at the same time instructions as to whether collections must be made. Usually back of the prescription counter, there is a shelf reserved for books such as Pharmacopœias and Dispensatories, and if space is available also for current pharmaceutical literature. There is also a definite place, either a drawer or shelf, for catalogues of wholesale houses. In one store I visited almost half the space on the prescription counter was filled with a pile of miscellaneous journals and pamphlets, many still unopened; this to the great discomfort of the clerk who was at that time filling a prescription.

The criterion which shows whether a store is well arranged or not is the time and trouble that is required of a new clerk to find the things he needs.

Inspection of the cellars of several stores developed much of interest. The cellar is usually the stock room, and the ideal stock room, as intimated before, is divided into uniform sized units, which are subdivided to meet necessary requirements. The advantage of this, as mentioned before, is that it enables one to adopt any method of arrangement he desires, regardless of the size of the articles. He can arrange proprietaries together, or all the products of one firm together, or he can divide the stock into classes and arrange each class alphabetically. The division into unit compartments lends itself to any method of subdivision. The compartments are numbered and a stock-index of the goods refers to the unit compartment only, so that slight variations and adjustments are always possible without spoiling the system. No store visited, utilized the possibilities of this arrangement to the fullest extent.

In most stores inspected, the cellar was dirty and the stock subject to more or less dust. A very simple contrivance to prevent this, now in only very limited use, was suggested to me by a student who found it more than satisfactory. It consists in placing rolling window shades in front of the stock shelves. One roller is placed near the ceiling, the shade rolling about half way to the floor, at which point another roller is placed reaching the remaining distance. At the edges of the shades are nailed strips of wood behind which the edge of the shade passes. This keeps the shade close up against the shelves, and prevents the entrance of dust.

As soon as goods come into stock it is well to price-mark them immediately, as they are unpacked, and at the same time the wholesaler's bill should be checked.

In the main part of the store a strict logical arrangement of things cannot always be adhered to because display is often essential. The usual arrangement is that which tends to keep articles most in demand near at hand, and in many cases already wrapped or put up in small packages. Patent medicines are classi-

fied, with cough syrups together, liniments together, and so on. Wrapping paper cut in several sizes and kept in handy compartments just under the counter, saves time during the busy part of the day, and the use of elastic bands to snap around small packages adds materially to the speed of serving customers, but, owing to expense, should be used only during rush hours.

A drawer of labels similar to those in the prescription room should be kept in the front store, also corks and bottles. Many stores have auxiliary devices to help the clerk. For instance a stamp-vending machine saves much annoyance and I have assurance that it pays for itself.

In a large store the general arrangement is important. For instance, the aisles between counters should be opposite each other to facilitate the movements of clerks.

The Customers.—The final problem which confronts the manager of a store is his relation to the public. In this is comprised advertising, window dressing, etc., the details of which will not be considered here.

In closing I will summarize:

First of all, the proprietor himself must be interested in maintaining a standard. He must keep himself keyed-up by visiting other stores, by meeting other men, and by reading periodicals relating to his business.

Second, the proprietor must organize the work of the store so that all employes know exactly the extent of their duties and for what things they are responsible, and he must see to it that all including himself, have suitable hours for rest and recreation.

Third, he must look after the machinery of his business, including money and stock in trade, with an eye to the conservation of movements and time. He must have suitable arrangements for perfect cleanliness and order.

Fourth, he must study his customers.

After this exposition some of you may be reminded of the incident at the War Department at Washington just prior to the Spanish-American War. For several years the whole system was pervaded with an inordinate desire to get things in the most systematic condition possible in preparation for that event, and perfection was almost realized in every branch of the organization. During the war one of the clerks was heard to remark, "Oh, dear, I had this office in such fine shape, and then along came the war and upset everything." Evidently he had the idea that the war was an unjustified interruption of the work of the War Department. It may occur to some of you that after the store is systematized a rush of customers will come and upset the whole system. Therefore as a final suggestion let me add—organize the store while it is in action, so that every new arrangement will be put to an immediate practical test.

I stop now with the remark of a student: "Efficiency saves time and money, and the spirit of efficiency is the knowledge that one has trained himself to do all things well. It is full of inspiration to any worker. Being armed with that spirit he does his daily work better and looks beyond his daily work to further and to greater things."