

SECTION ON COMMERCIAL INTERESTS, AMERICAN PHARMACEUTICAL ASSOCIATION

WHAT IS WRONG WITH THE BUSINESS END OF PHARMACY?*

BY JACOB DINER.

Whenever a subject of popular interest holds the people's attention we can always feel certain that the newspapers of the Metropolis will bring some interviews with prominent actresses, pugilists, beauty doctors and others, who have not the least idea about the subject upon which they are interviewed and are therefore best qualified to offer expert advice. We see the bachelor-girl quoted on how to bring up children; the old maid can tell you how best to hold your husband's affection; the bald man recommends his hair restorer, the twelve dollar a week clerk tells you how to conduct your business so that you may become rich in a short time, and old John D. R. can tell you just how you can live on \$1.99 a week and save money on a \$2.00 salary. It is for this reason that I do not hesitate to stand here before a collection of the most prominent and most successful pharmacists of this country and endeavor to assay just what is wrong with the business end of pharmacy.

Many men divide pharmacy into two distinct entities: the professional side and the commercial side. Those claiming to be "strictly ethical" generally refute the idea that any such thought as financial success ever enters their minds. They only live and are willing to die for the "Profession" with a capital P. Those who make no pretensions to so-called professionalism are often ashamed to admit that they make splendid use of their professional attainments to the benefit of their patrons and no less to the advantage of their own bank account. So that on one hand we have a collection of pseudo-scientists and on the other hand some rattling good business men who pretend to be ashamed of their profession. Here and there we find men who are not ashamed to make money honestly as business men and who are candid enough to admit that their knowledge of the profession has helped them to make the business successful. I refer to such men as our old war-horse Henry P. Hynson. It is he whom I first heard speak of the "Science of Commerce" and often have I thought of this classification which has since become standard and has found a home in many of our more advanced universities.

The average pharmacist is neither a business man nor a professional man. He is fooling himself while he believes he is fooling the people. Let us take up the average pharmacy and briefly analyze both its business and its scientific methods: As we approach the brilliantly illuminated corner we behold the windows beautifully displaying a half dozen empty cartons advertising somebody's Sure Cure for Sane people. The window space represents perhaps 20 percent of the rent which the proprietor of the pharmacy pays for his store. The article advertised gives him probably 5 percent gross profit. The light, heat, help, insurance, depreciation of fixtures and other overhead expenses, including rent, make the cost of doing

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business not less than 25 percent of the gross receipts. Yet here is a man giving up space, help, light, etc., for the return of 5 percent gross, and he does not even obtain any advertising value out of it for himself or his store, because the man on the next corner and the men for ten or fifteen blocks in either direction are displaying the very same article or similar articles at an equal loss.

Then we wander into the store proper. At least half the shelf-room is taken up by the display of proprietary medicines, the sale of which we know yields a tremendous profit, but to whom? Surely not to the retailer. Again he loses so that the other may gain. A philanthropist pure and simple. But the show cases, surely they will hold something on which a profit may be made, something which will help to establish him with his customers as a pharmacist worthy of their confidence. Let us see. On one case there is a liberal display of Cough Mixture recommended to cure all ills of the respiratory tract from asthma to tuberculosis. Of course the pharmacist has compounded this himself and so is sure to make all the profit that can be made out of it. But let me think. Did I not see that very same preparation in the store down-street and in the store up-street? I sure did. The only difference is that one was labeled: "Made expressly for Jones," and this is "Made expressly for Smith." Each one of these, Jones and Smith, paid a liberal price for the time and labor it took to compound, bottle and label that Cough Mixture. Each one of them recommends "his own" as superior to any other preparation, the composition of which is unknown to him, notwithstanding the fact that it is liberally displayed on the shelves. Jones and Smith are as ignorant of the composition of "his own cough mixture" as he is of *Snookum's Sure Salve for Sore Sides*. And so they go on fooling themselves while they think they are fooling the people.

While we are looking over the show cases in comes a salesman. He represents the wholesale house from which we buy all our goods. Out comes the want book and we order $\frac{1}{12}$ dozen of this, 3 gross of that, and 1 ounce of something else. There is no attempt to organize the buying end. Could we more profitably buy 1 dozen of this or 10 pounds of that and by so doing save an appreciable amount? Do we feel from reading the market reports, that it would be advisable to lay in our fall stock or our winter supply of this, that, or the other thing? Inasmuch as we used 2 barrels of citric acid last winter, bought in 5-pound lots, when we needed it and paying all sorts of prices, would it not be advantageous to make our contract for it now at the prevailing lower prices? Or inasmuch as we are now dealing with war prices, would it not be better business to buy from hand to mouth only and not order a whole barrel at one time, as we generally do? Those are the little things that we do not think about because, what's the use? We are strictly professional and ethical. But are we? Let us see. Who made up that last lot of Seidlitz powders? O well, we bought that because it is such a nuisance to put them up. But of course we make up our paregoric. Do we? Ask the wholesaler. Neither do we make up our tinctures nor our syrups. Our ointments can be bought much better (?) and much cheaper (?). And anyway, we have no time to waste on these things, we are too busy. Too busy doing what? Cussing out the drug business of course.

DISCUSSION.

ROBERT P. FISCHELIS: I think that Dr. Diner gave a good picture of some drug stores; but I hope that when he said that it was a picture of the average drug store, he was mistaken.

I have confidence enough in the retailer to believe that it does not represent the average store. The young men who are getting into pharmacy are doing so with a much clearer conception of the needs of it. When they watch the proprietor of the store, they see his shortcomings. I have talked to the clerks in a good many old-time stores—stores that have been so long in the place as to have become historical, and in which things were being done in the same way in 1916 as they had been done in 1816; and these young fellows knew just where the trouble was.

Now we have on the one side the people who are advocating scientific management, long accounting systems, etc.; and on the other hand, we have men who care nothing for any business system at all. We are going to strike a happy medium between these two soon, I believe. A prominent man in New York said to me that he thought that accounting was a good thing; but we must remember that he is a retailer with enough business to support two clerks and to keep them pretty busy. Such people do not have time for a lot of book-keeping. They want a short system of doing things.

In our business, we cannot adopt a complicated system, or get along without any at all, so we must strike a happy medium. This is being done in our schools of pharmacy, and the principles taught there are beginning to bear fruit. The younger men are going to adjust themselves to the conditions in some way, so as to make the best of the situation. I have every confidence in the future of the business side of pharmacy.

OTTO RAUBENHEIMER: There is one thing in the paper that struck me very forcibly. Dr. Diner spoke of preparations "Made expressly for" the druggist. This is one of the benefits that we have derived from the Pure Food and Drug Law. Before that law was enacted, practically every pharmacist had these preparations made for him by a manufacturing concern, and had a label put on them stating that they had been made by himself. Now has the pharmacist taken advantage of the fact, that there is something that he can do and make money by it, as well as bring out his own individuality? I do not mean putting up cures for tuberculosis. That is out of the question; but he could put up simple household remedies, and state that they had been made by himself. Let him do this; and if the preparation is any good at all, he will find that these will help in establishing his reputation as a pharmacist.

INTEREST IN THE EMPLOYEE.

The days are passing when the employee was regarded as a mere machine from which to get as much work as possible, without regard to any human reciprocity or interest.

The profit of coöperation between employee and employer is strongly emphasized by the huge earnings of a certain great automobile factory, which were due to the fact that the men and women who worked for it loved it. It treated them fairly, man to man, as friends as well as employees. And they responded.

Employers are finding out that faithful, intelligent employees are the best asset a business can have, and that such employees are not to be secured except by the reciprocal interest and faithfulness of the employer. So it is that the great and far-seeing businesses, among which are the banks, are laying plans to establish closer relations with the men and women in their service.

This is one of the most satisfactory developments of the times. All of us should profit by it, and should do our best to see that the idea gets full publicity. "It will pay your employees, but it will pay you even better," is the argument. Put on this basis, as being good business for all concerned, the idea will appeal with force to all classes. It is time that the discontented, ill-treated and underpaid employees should go, and the employer is beginning to see this for himself.

But don't forget that some of the reciprocating must be done by the employees.—*Bulletin.*