

management

management updates

Navigating retail management concepts

FORMER Sigma senior manager, Mike Lazarow, appears to have made an impact with one of his new ventures. Along with partner Hillary Kahn, a retail consultant with 30 years experience, Mr Lazarow has turned down offers from wholesalers to take exclusive rights of the retail management concept that inspired the establishment of Retail Management Systems.

Mr Lazarow told the *AJP* that improving the levels of retail management expertise was one of the key challenges for pharmacy and he wanted the Retail Navigation Systems concept available to as many pharmacies as possible.

'Pharmacies, on average, are not responding to retail trends. People are time poor these days. They're much smarter about health issues today and

want to have control. In pharmacies, it's not good enough that consumers have to search for product themselves and ask for assistance,' he said.

He bemoaned the lack of enterprise and change shown by the number of existing banner groups.

'Probably apart from Terry White Chemists, the banners have done very little over the past four years to add excitement to their offering.'

The Retail Management Systems concept involves meeting the consumer's need for direction and information in a category management format, while understanding the time and staff resource constraints felt by many pharmacies.

'There's something missing in most pharmacies—something that communicates to a customer walking in. Often the

consumer doesn't know what they need to know. That's why there needs to be a system—a crafted solution—that strongly identifies a department and offers information that's not in techno speak, which is important,' Mr Lazarow said. 'For instance, have you ever heard a customer say that they want help with cessation of their smoking habit? No, people ask for help to quit smoking.'

Retail Navigation Systems conducted a pilot on their system with the support of the Guild, with such luminaries as John Bronger and Bill Scott taking part.

'We had dramatic results on uptake and sell through and now we're wanting to roll it out into a wider market.' Mr Lazarow said he'd already received interest on the concept from US and Canadian groups. ■

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Golden goose or stuffed chicken

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growth, the loan will take 15 years to repay!

However, those willing to pay a 16 per cent cap rate will need to achieve an annual profit growth of 10 per cent to repay the loan over 10 years, which has proven to be very difficult for many.

When I ask prospective buyers about their plans to grow the business they want to buy, I'm usually met with a blank look or a reply, such as 'why do I need to do that?' Those who do have constructive growth plans, and apply them, create pharmacies that continue to lay golden eggs. They have nurtured the goose and adapted to the changes.

The 'stuffed chicken' alternative is becoming more common as new owners enter ownership and fail to recognise the importance of this concept. And this is happening at a time of exponential change putting continual pressure on the bottom line of retail pharmacies. ■

From the consumers' perspective

A series of syndicated patient studies, Consumer Health Perspectives, has been launched by Amrinteractive, a member of the Harris Interactive Global Network.

These quarterly studies on a range of health related issues offer the opportunity to learn more about the consumer or patient perspective of the health system in Australia.

The studies analyse responses from a sample of 2,000 patients drawn from the amrinteractive Chronic Illness Panel, a pre-qualified Internet panel of more than 21,000 Australians suffering from one or more of 59 medical conditions. Reports are available on a range of syndicated study topics including:

- patient compliance;
- health information sources;
- patient education;
- understanding the patient/doctor/pharmacist relationship;
- health advertising—awareness and

impact; and

- understanding of the PBS structure.

'Pharmaceutical companies and healthcare groups, government, private health insurance funds, hospitals, and educational institutions are all seeking more information about what the patient does and why', according to Laurie Axford, account director of Amrinteractive's health division.

'Empowered with more information from a variety of sources, including the Internet, about disease states and treatment options, patients are becoming more informed and active in the decision making process about their health. We need to understand what they are actually doing.

Where are they sourcing information and what are their education needs? How are the dynamics of the patient/doctor/pharmacist relationship working in relation to health information and generic substitution?' ■