

# **INDEPENDENT PHARMACY** **SURTHRIVAL** **SERIES™**



## **Effective technology can be the Rx your business needs**

by Chris Linville

*In November 2019, NCPA announced the SurThrive series. From now through October 2020, America's Pharmacist® will assemble some of the country's top experts in the pharmacy industry each month to share their insights on business, marketing, technology, personnel management, and much more. It's what every independent pharmacist needs to know to survive and thrive in a changing marketplace.*

In 2010, Dared Price and his wife Renee purchased Graves Drugs, with locations in Winfield and Arkansas City, Kan. In August 2019 they purchased four more Kansas pharmacies. All the stores operate under the Price Pharmacies corporate umbrella. (They are also partners in ProRx, a group of 29 locally owned retail pharmacies located in Oklahoma, Kansas, Missouri, and Arkansas. The partnership program was launched by Willie Osborn, owner of Osborn Drugs in Miami, Okla., and is now led by his son, past NCPA President Bill Osborn.)

Price, who serves as an officer and fifth vice president on the NCPA Board of Directors, admits that there were some initial doubts when he took ownership over what were then two struggling pharmacies.

"After the first year I looked at my wife and said, 'What did we get ourselves into?'" he says with a laugh. "The first couple of years were pretty rocky."

But through hard work and persistence, things slowly turned around.

"We wouldn't be there without adding the adherence program, the med packaging, workflow – all the things we have added to streamline processes and give people things they want, as opposed to just having people come in, you put their pills in the bottle and send them out the door. Our goal is to be more of a health care destination than a pharmacy."

And Price cites a common thread through all of that. "I do attribute the use of technology to the health of our business today."

### **MANAGING INVENTORY**

In any business, getting a handle on inventory is essential in managing costs. Product sitting on shelves is money wasted. Price says he has invested in inventory management software that's independent of his pharmacy software.

"It coordinates with all the different locations," he says. "We have a lot of people on adherence so one of the things that the software does is that it knows to order a few days ahead of time, because in a traditional pharmacy, you bring up a prescription, you use a bottle, you take the sticker off the bottle and reorder the same day. This allows us to not have to worry about any of that. It just automatically sets that reorder point 27 days down the road or 88 or whatever is needed. So, every day it is constantly setting reorder points, it's

looking at usage, current inventory, and a number of other things.”

Price also says the software allows for inventory sharing.

“It might see that Store A hasn’t used this medication in 90 days, but we use it every 10 days in Store B, so we tell Store A to transfer that medication to Store B, so it can be used in a timely manner,” he says. “It is evaluating what we have on hand and what our needs are all the time. So that’s really helped us reduce our inventory, and especially reduce our dead inventory to a great degree. So as far as turns go, we are able to get a lot of them per year in all of our stores.” Price says his pharmacies do about 13-16 turns annually.

#### **ADHERENCE SOFTWARE**

Price Pharmacies has about 1,200 patients enrolled in its adherence program. For this, Price uses an adherence software. The pharmacies also do multi-med packaging, and Price says he is evaluating transitioning to strip packaging.

“What we’ve done is start small with using something that’s not as expensive as strip packaging software or machinery and get some patients on that. As you reach certain benchmarks you just go up to the next level,” he says. “At first, we started with the free software, reached a certain number of patients, then we upgraded to a new type of carding system. Now, with more patients, we are looking at robotics and strip packaging.”

#### **EVALUATING OPTIONS**

Price says there can be a tendency for some people to jump in feet-first to get the most expensive toys with all the latest bells and whistles. He prefers a more measured approach.

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“We’ve just kind of gradually increased what we do,” Price says. “I rely heavily on my other pharmacists and colleagues. Everybody uses certain software, so when I’m evaluating, I always try to reach out to colleagues who use it and ask them things such as fees, the true cost to own the machine, and what it costs upfront. Then you can go to their pharmacy and see how they are using it and evaluate how much time it takes to learn and get up to speed, and any other important details.”

For robotics, for example, Price says there’s more involved than simply placing it in the pharmacy, plugging a cord into a socket, and flipping the “on” switch.

“With robotics, and you might think, ‘Oh it’s going to do it all by itself,’” he says. “But you have to have people who manage that robot, fill it, know how to fix it, and know what kind of product support you get from the manufacturer. There are lots of different things that you have to evaluate. We try to do all of that before we take the leap, so I’m kind of a conservative buyer.”

As Price says he is hoping to even-

tually do strip packaging, he’s been doing his homework.

“I’ve been to a couple of different pharmacies and they have walked me through what a typical patient (profile) looks like, how they do it, and ask what they like and don’t like about it,” he says. “Once you find all that out you can go back to the sales rep and say, ‘This is what I’ve heard,’ and give them an opportunity to walk through those things with you.”

#### **SYNCHRONIZING TECH AND PHYSICAL WORKFLOW**

Obviously having a pharmacy technology workflow system that can perform tasks accurately and efficiently is to everyone’s benefit. But the physical workflow is important so you don’t have staff literally bumping into each other. As no two pharmacies are quite alike, Price admits it can be a challenge.

“You just have to make space for it, basically; that’s part of the cost that’s going to go into purchasing something like this,” he says. “We remodeled the store four or five years ago and we doubled the size of the pharmacy. I thought, ‘We will

*Technology upgrades have freed up Price Pharmacies' staff to work on various patient programs and services.*



never use all of this space.' Well now we're going to double it again in the next year."

For something such as an adherence program, Price says it is critical that the technology side and human side are synchronized.

"It's a commitment," he says. "You need a committed space, a committed tech, and a committed team with the goal of keeping patients on an adherence program. If you don't, you won't be successful. One person is not enough. If others don't know what is going on, they won't be able to answer questions from patients."

Price admits the adherence program was struggling before hitting its stride about five years ago. "We had a couple of false starts before finding the right mix for our team, the right software, and the right program," he says.

Price says he's added some workflow tools, including a counting tool (not

full robot) in his busier stores, which has helped streamline things.

"Again, it's kind of a graduation," he says. "We don't go buy those on day one. I waited until we were a bit busier to justify buying that."

With some pharmacies, investing in new technology is seen as a way to reduce staff. Price doesn't look at it that way.

"We don't want to have less people, we want to add new programs," he says. "So instead of having three people counting all of the time, we can have one person count, and the other two people working on over-the-counter items, or any new programs that you want to add. That's the beauty of it. You can streamline your workflow and you are able to do more things with the same amount of people."

Some of the programs Price Pharmacies have added include smoking

cessation and a weight loss program, with a hearing assistance/consultation initiative in the works.

## **PHARMACIST ECARE PLANNING**

Price is an active member of CPESN® USA, serving as lead luminary for Kansas (his wife is also a luminary). A key part of the CPESN strategy is documenting patient interactions through the Pharmacist eCare plan.

"The care platform has been very important to us," he says. "So, we're trying to evaluate different platforms and measure cost effectiveness and things like that. A lot of pharmacy software has eCare ability, but we have definitely seen, in talking through contracting with third-party payers, that not all eCare platforms are created equal. There are some good ones out there and some in the beginning stages that need some work, so you have to be careful. Just because they say they have an eCare

platform doesn't necessarily mean it's going to work for what you want it to do."

Price strongly suggests pharmacists check with their CPESN network when considering eCare technology.

## USING TECH TO PROMOTE YOUR TECH

What if a pharmacy has all the coolest and most fun offerings, along with innovative products and services, all made possible through technology investment, but nobody knows? That's where tech needs to help sell the tech, through social media platforms such as Facebook, Twitter, Instagram, and others.

For example, almost every pharmacy has apps for online refills and other uses,

but Price says you can't stand still.

"You have to stay current on all of those things," Price says. "You have to continue to evolve and move forward. Doing a good job of advertising that you have those capabilities is a big deal."

Price says his outreach efforts are geared toward supporting local communities where his patients live and work.

"Now more than ever, with everything going on, it's important to support your local economy," he says. "I feel like our team has done a good job of utilizing Facebook and Twitter to try and tell our story and promote shopping local, and all of the things that we do to support other local businesses. Independent pharmacy, especially, that's who we are, we're all local businesses. Using technology to get in the forefront of people's minds and have everyone support local now is a big push."

Return on investment is considered a fundamental metric in determining if money is being spent wisely or foolishly. Price says he can't provide dollar specific metrics to demonstrate success. It's in other ways, such as increased efficiency, improved

workflow, better use of staff time, and additional product and service offerings.

"I think it's really hard with tech to pinpoint that I did this with technology, and this is my actual return on investment," he says. "I just look at the overall health of my business. When we took over in 2010, we took over basically a failing business. I know we are in a completely different spot now than we were 10 years ago." ■

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## KEY TAKEAWAYS

- If you are uncertain about types of technology, starting slow and adding more as business increases can be a wise strategy.
- When looking into new technology, learn the true cost of owning, maintenance costs, and what type of manufacturer support is available.
- Talk to colleagues to get unvarnished opinions about technology you are considering. Ask if you can visit and see a demo.
- Technology is not plug and play. Be sure your staff is trained and in sync with any new investments.

*Investment in software has helped Price Pharmacies' adherence program grow steadily and efficiently.*

