

Did You Know...

80% of sinks found in a pharmacy have dirty coffee cups resting in them 20% of the time?



That's not true, I made it up. I have no clue how many coffee cups sit in a pharmacy sink. But for some reason, using the old "80/20 rule" makes things seem believable. I'm sure that 20 percent of the time this rule may make sense. Nearly every economist has preached this 80/20 philosophy at least once in his or her career.

The 80%/20% theory is something somebody came up with back in 1906. Maybe back in 1906 it was true that 20 percent of the products in a store were responsible for 80 percent of the sales. I'm not so sure it's true now since marketing, manufacturing, merchandising and private label have advanced in the last 108 years. The proliferation of line extensions has most definitely skewed sales data.

The one thing I am sure of is this: the items found in a 4-foot pain relief planogram will all be found in an 8-foot planogram 100 percent of the time. The product selection in the 8-foot pain relief planogram only differs by offering more line extensions of the items found in a 4-foot section plus a few more not-so-popular but most likely needed items.

Continuing on, the items found in an 8-foot pain relief planogram will all be found in a 12-foot planogram. The 12-foot plan will offer more line extensions and more of the not-so-popular selling items.

This 4- to 8- to 12-foot theory can be applied to every department, not just pain relief. **Your job is to decide how large of a department is needed to serve your customers' needs.** Ask yourself: who chose the size of your departments? In 80 percent of stores, 100 percent of the departments were chosen not to fit the customers' needs but instead to fit the needs of the length of the fixtures.

For example, a 20-foot long fixture typically displays a 12-foot cough & cold section and an 8-foot pain relief section. A 24-foot fixture in the same store setting would hold 16 feet of cough & cold and 8 feet of pain relief, or it may be split down the middle (12 feet of cough & cold and 12 feet of pain relief). Which one is right?

Review your categories departments today. Whose needs are you meeting? Be prepared as some departments may need to be increased and a few may need to be adjusted down. **Eighty percent** of them may have to be relocated to a different section of the fixtures. It is a lot of work, but you should only have to do it once every few years. Today would be a good day to do it.

-- Gabe Trahan, NCPA Senior Director of Store Operations and Marketing