

INTRODUCTION

Over the last several years, we've been diligently writing and publishing articles for pharmacies – both independent mom-and-pop pharmacies, as well as institutional outpatient pharmacies. We've written over 200 articles and ebooks on various subjects, ranging from automating your pharmacy, to improving staff efficiency, increasing customer loyalty, and reducing overhead costs. You may ask why we put so much effort into this. The answer is easy – we are passionate about pharmacies and their success. It's no secret pharmacies are becoming more crucial than ever to the healthcare of our society. As healthcare costs increase, and time to see a doctor rises dramatically, taking sometimes possibly weeks to get an appointment, patient access to urgent healthcare often falls on the pharmacy and their services. With this increasing responsibility on pharmacies, we hope to provide solutions that make the lives of the pharmacy owner, management, and staff easier, thus allowing for more time to spend with their patients.

We've cultivated some of our best articles that we've published on our <u>website</u> in 2015 here. My sincere hope is that you gain something from these articles. Maybe an idea or two, to improve your efficiency, customer service, and profits.

Here's to your success and growth in 2016 and beyond!



Mike Gross

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3 THINGS YOU SHOULD DO IN YOUR PHARMACY IN 2015

BY KAREN DECKARD, CUSTOMER SUCCESS MANAGER, RMS



Welcome to 2015. I hope that the holiday season was successful and profitable for your pharmacy. Perhaps the last few days before the New Year gave you a chance to recover from the holiday rush, or maybe cold and flu season has kept the hustle and bustle going.

But either way, the New Year has arrived and it's time to figure out what 2015 will mean for your store. This means doing a little bit of homework. What worked last year? What didn't? When you look at your bottom line from 2014, are you satisfied?

Chances are, there's going to be a little room for improvement when you take an honest look at how things are going. But where do you start? If you're drawing a blank, here are 3 things to put on your to do list for 2013 that can help you boost profits and grow your pharmacy.

- 1) Implement a Customer Loyalty Program. A well-managed <u>Customer Loyalty</u> program is a must have for businesses looking to grow. Today's consumer expects to be recognized and rewarded for their patronage. Customer Loyalty Programs encourage people to shop more often, purchase more when they do shop and continue to shop at your store vs. other pharmacies. Building a Customer Loyalty program that's effective takes commitment. No matter how basic the program, it's not something that can be implemented and forgotten about so make sure you know what kind of program you'd like to put in place, what steps are involved, and what your goals are with the program. As a first step, download this free Customer Loyalty E-book that will take you through the major types of customer loyalty programs, how they work, why they work, and all of the pros and cons.
- 2) Update your technology. It's important that your pharmacy technology suits your needs. While jumping on every new trend that pops up may not be the best answer, you do need to make sure that your systems are modern enough to function efficiently. Effective technology schemes streamline processes, increases accuracy and allows your staff to focus on providing excellent customer service. Your staff will be less frustrated and you'll avoid unnecessary delays for your customers. Check out all in one touch

Effective technology increases accuracy and allows your staff to focus on providing excellent customer service.

<u>screen solutions</u> that save space at your front counter, barcode scanners that will read the 2D barcodes on driver's licenses for efficient tracking of controlled substance purchases, and mobile register options that can solve any number of problems in your pharmacy.

3) Invest in training. Things change rapidly in the pharmacy industry. This means in a relatively short amount of time, you can be out of date, behind the times and as a result, losing money. So take advantage of the partnerships you have built with your service providers and let them help you make improvements in your pharmacy. Whether you are building a Customer Loyalty Program, making an effort to better manage your front end, or completely overhauling your pharmacy technology, an experienced trainer can provide you with insight, inspiration and the know-how to meet your goals.

2014 was a great year for us here at RMS and for a great many RMS customers. But if we've learned one thing from our customers, it's that there is always room for improvement. If you just do one of these three things this year, I am willing to bet that 2015 will be a better year for your pharmacy. What are your goals for 2015? Share it below!



4 WAYS TO MAKE YOUR CUSTOMERS LOVE YOUR PHARMACY

BY KAREN DECKARD, CUSTOMER SUCCESS MANAGER, RMS



Earlier this year, I was planning a weekend getaway with a few friends. We had our destination all picked out and were looking for a place to stay. This is when I heard about Airbnb for the very first time, as I was treated to a passionate discourse on my friend's recent use of the service on a trip to New Orleans. I raised a skeptical eyebrow as she told me about how it worked. Have a place people can stay? Become a host. Need a place to stay? Well there are lots of options to choose from

But she was emphatic. Airbnb was awesome. It was easy to use and cost effective. And apparently her opinion was not an isolated one as Airbnb now has over a million rooms to offer around the world. That's pretty impressive for what is admittedly a slightly odd service that has only been in existence since 2008.

So how exactly did they do it? How did they become so successful in such a relatively short period of time in a market where the competition is comprised of major hotel chains and well established websites?

It's better to have 100 people love you than 1,000 people like you.

The answer probably lies in experiences just like mine, where a friend, acquaintance, or business associate was so over the moon with their Airbnb experience that they shared that experience over and over with anyone who would listen. A quote from Airbnb's Engineering Manager, Jason Bosinoff, probably sums this up best, "It's better

to have 100 people love you than 1,000 people like you". This is a powerful statement and if you truly subscribe to this as a core belief of your business, I think you might see some growth of your own. But how? How do you go from like to love in independent pharmacy? Here are 4 ways to turn a happy customer into a raving fan:

1) **Empower your employees** - You are not the only one responsible for your customers' satisfaction. Every pharmacy employee should feel accountable for every customers' experience because they all contribute to it in one way or another. Whether it's stocking shelves, assisting behind the pharmacy counter, making deliveries or running the <u>cash register</u>, if everyone doesn't do their part the customer experience will suffer. Empowering your employees to make decisions and take action as needed will have a powerful impact not only on how effectively they serve your customers, but how

passionate they are about their jobs. They have to feel like they can make a difference before they'll take the step from good service to great service to above and beyond.

- 2) **Be indispensable** Pharmacy today is about more than filling prescriptions. Creating a relationship with customers and being a part of their healthcare team is a great way to make sure that your customers will be telling everyone why their pharmacy is the best. After all, they just won't get that kind of service at the chain drug stores.
- 3) **Be unique** We often refer to the competition as "big box stores". We say that for a reason. As an independent, it's to your benefit to think outside of the box. Both in the products you carry, like soaps and candles from a local artisan, and in the services you provide. Think <u>curbside pickup</u> and the ability to checkout customers anywhere in your store.
- 4) **Reward your customers** One <u>article</u> sites a successful rewards based referral program as being a part of Airbnb's success. While it's harder to measure whether customer referrals are converting to new customers at a brick and mortar retail business, you can entice customers with a <u>customer loyalty program</u>. Create reward levels to recognize your most frequent shoppers.

It's a great feeling to have customers that truly love to return time and time again to your store. And those same customers can also help your business grow in leaps and bounds.



WHAT CAN YOU LEARN FROM INDEPENDENT PHARMACIES IN NORTH DAKOTA?

BY KAREN DECKARD, CUSTOMER SUCCESS MANAGER, RMS



Most independent pharmacies do business in a community where they face competition from at least one chain pharmacy or box store. Of course there are exceptions to this. Some towns are small enough and isolated enough that the local independent pharmacy is the go to business in town for prescriptions, OTC's, beauty supplies and more. You name it, they've probably got it in one form or another. Or, you could just be in North Dakota, where a law dating back to 1963 that prohibits chain stores from owning pharmacies, as they must be

owned by a pharmacist.

To me, an entire state that banned chain pharmacies sounded too good to be true. I didn't even know that such a place existed until North Dakota made the <u>news</u> when voters decided against a measure that would have repealed the decidedly pro-independent law. That's right, the entire state voted that a licensed pharmacist must own the pharmacy rather than a chain from another state. All I can say is, way to go North Dakota!

While I'm ecstatic that North Dakota pharmacies will continue to operate without the threat of competition from Wal-Mart and other big box stores constantly looming, most pharmacies will never know what that's like. I am also skeptical as to whether other states would make the same choice if faced with the same vote as North Dakota. What do North Dakota residents know that the rest of the country doesn't seem to understand? What do those pharmacies have that others might not?

Perhaps the rest of us will never quite know, but independents battling big chain pharmacies can learn from the same arguments that defeated the Wal-Mart led campaign to allow chain owned pharmacies to operate in North Dakota.

First, the opposition to independent ownership claimed that lower prices would result from allowing box stores to operate pharmacies in the state. This is a common misconception that often causes consumers to shy away from shopping local. Independent business owners know that bigger doesn't necessarily mean better and it certainly doesn't mean cheaper. But it's up to you to make sure that your customers know this.

Promote your private label OTC's which generally offer a significant price break over name brand.

Advertise the insurance companies that you can work with. Insurance co-pays will be the same no regardless of which pharmacy a customer chooses so just make sure that customers know you can support their needs.

to make some changes.

Know where your pricing strengths and weaknesses are.

Know where your pricing strengths and weaknesses are. Pull a report from your <u>pharmacy point-of-sale</u> system on both your best and worst sellers. Price check against your competition and look for areas where you might need

Second, the pro-chain store camp argued that opening chain pharmacies would improve access. But this simply isn't the case. In any market, the addition of a chain store can only hurt independent businesses, which in the long run means fewer choices for consumers. In independent businesses, every customer counts, and once again, it's up to you to make sure that your customers understand just how important their patronage is.

Remind your customers that you are a local community business and that money spent in your store stays local. Most independent pharmacies do something to support their community. Whether it's donating to charities, giving back to the local high school, sponsoring a youth softball team, or hosting a food drive, don't be afraid to brag a little bit about the good you do for your community.

There's no better way to show your customers how important they are to you than by having a <u>Customer Loyalty Program</u>. I say this often and I really can't say it enough. Your customers expect to be rewarded for their patronage and it really will help grow your business. So what's holding you back?

Your independent pharmacy is part of what keeps your community unique and independent in its own right. And while going up against a large chain can sometimes seem like an ant trying to push around a rhinoceros, it is possible to succeed and thrive as an independent pharmacy even in the face of fierce competition.



4 SIMPLE TIME SAVING TRICKS FOR YOUR PHARMACY

BY JAZMINE CABO, SALES ASSISTANT, RMS



My days never feel like I have enough time in them, between work and my daughter's 6pm soccer practice, we barely make it home in time for dinner. Do you have enough time in your day? Do you have enough time to sit down with your family, read something besides email, to exercise and stay fit, to be involved with your community, to enjoy all your passions? Like everyone else, you have exactly 10,080 minutes per week or 18 summers with your children before they are grown up and off to college. The way you use those minutes, hours, days, and summers determine whether or not you really have the time to do the things you really want to do. Here are 4 time saving tricks that I have found useful.

- 1) Maximize your commute times Many commuters spend a huge chunk of the day getting to and from work. Instead of sacrificing more of your personal time for your career, consider using your daily commute as an opportunity to fit more time into your day by reading or maybe listening to a pod cast. When the weather permits, I like to squeeze some exercise into my commute by riding my bike to work. This not only helps give me a boost of pre-work energy but this low impact activity can also help to lower your blood pressure and cholesterol levels.
- 2) Make a smaller but prioritized to do list Did you know, there have been several studies proving that multitasking is impossible? Your brain can only focus on one thing at a time. When I am feeling a bit overwhelmed by tasks or deadlines that need to be met, I make a small prioritized list. The last thing you want is to create a list that is too large for you to get done in a day, or even a week. This helps me focus and stay on top of the most important tasks that
- accomplished and proud of your work.3) Schedule your communication If you are faced with never-ending meetings or numerous interruptions, you can easily

need to be completed. By the end of the day you want to feel

- be busy all day without making any progress. That is why it is imperative to know how to schedule your time appropriately. Setting specific hours during your day to check email and/or answer calls not only helps to keep you on track, it also prevents any disturbances.
- 4) Take advantage of technology There are constantly new technologies popping up all the time that can help you filter and process information. Whether it would be to download a cool app reminding you of your tasks throughout the day or utilizing innovative technology in your pharmacy to make you and your staff more efficient, technology can make your life easier. For example, in our world, having a <u>robust pharmacy pointof-sale solution</u> helps you minimize errors because your system will be able to accurately ring up prescriptions and speed up the checkout process. This leads to happy employees and <u>happier customers</u>. Another capability that POS brings is the ability to run reports on cash, employee, and customer activity. This gives you the ability to

This leads to happy employees and happier customers.

analyze what is working and maybe more importantly, what needs to be improved, which allows for better customer service, and a more profitable pharmacy.

It's astonishing how often we find ourselves wishing for just a few more hours or minutes to get the last details completed. Remember, it is impossible to get everything done at once. You can maximize your efficiency and get more done by taking the initiative and driving new habits into your day. Always focus on your ability to save time, and continually look for ways to cut down or eliminate major time wasters from your life at work or at home. At the end of the day, go home with a smile on your face knowing you had a very productive day!



HOW TO HIRE STAFF THAT WILL HELP YOUR PHARMACY SUCCEED

BY KAREN DECKARD, CUSTOMER SUCCESS MANAGER, RMS



Summer is coming. For most people this means putting away the sweaters, opening the sunroof on the way to work and firing up the grill for the first time in months. But for retail pharmacies, summer can mean something very different.

College age employees may be heading home for the summer months, leaving a gap in staffing. Or even better, pharmacies located in tourism heavy areas are about to get busier. Either way, summer may mean that it's time to hire some additional staff. But how do you go about choosing

the right people to work in your pharmacy? What qualities offer the best fit for a position where employees need to offer great customer service while being successful salespeople?

For answers, we can turn to a <u>recent study from Steve W. Martin</u> on a few of the qualities that the best salespeople share, and then take a closer look at how to best leverage those qualities for success in your pharmacy.

Yes, your pharmacy staff are salespeople. Let's get this out of the way to start with. Being a salesperson can sometimes come with some negative connotations. People automatically think used car salesman or pushy door to door salespeople peddling cosmetics or lawn maintenance. But it doesn't have to be that way, and the bottom line is that your pharmacy staff is responsible for making sales, and if you want more sales (and profits!), you have to stop thinking of the person that runs the front cash register as a clerk and start thinking of them as a salesperson.

Verbal Acuity. Basically, your staff should be able to communicate on the same level that your customers are comfortable with. (According to the <u>study</u>, most successful sales reps communicate between the 11th and 13thgrade levels.) In a specialized industry such as pharmacy, utilizing language that customers will understand is important. Employees should be comfortable explaining products in a way that lets customers know they are well educated on the subject at hand without oversimplifying or making things overly complicated. The customer needs to feel comfortable with your employee's level of knowledge but should never feel as if they are being talked down to. Train your employees so that they are knowledgeable about your products. When hiring, look for people that can easily adapt to working with different personality types.

Achievement Oriented Personality. This is no surprise. Successful salespeople are goal oriented and competitive. Look for motivated team members that will strive to outperform expectations (both yours and their own personal expectations). Once you've found this motivated employee, you need to provide them with tools that will help them to succeed and benchmarks to measure their success. In a traditional sales setting, the study cites that high performers made good use of their CRM software. In retail pharmacy, this is replaced with a robust POS system that will not only allow them to make effective use of their time, but will also track the

sales that each employee is making. It's up to you to help your employees set challenging but achievable goals and then recognize that hard work.

Situational Dominance. In retail pharmacy, situational dominance comes back to your employee's knowledge and it means that your customers will accept your employee's expertise. This is especially important in healthcare as customers should always feel that your pharmacy staff are a resource and a vital part of their healthcare team. Staff should be pro-active in every interaction rather than simply reacting to the situation. During the interview and hiring process, look for people that are confident without being condescending.

The bottom line is that your pharmacy staff is responsible for making sales.

Inward Pessimism. Most salespeople will describe themselves as optimists. Again, no surprise there. What I did find surprising was that a good portion of salespeople have some pessimistic qualities. In a business to business sales settings this has different connotations, but in retail pharmacy sales, I think this leads to a more thoughtful employee who will give each interaction the attention it deserves to help guarantee a loyal customer, rather than just assuming customers will continue to shop after a single positive experience. It may be hard to peg down internal pessimism during the hiring process but you should be able to see it in how they handle customer interactions.

Remember that your employees are the face of your pharmacy business. Hiring an employee that's a good fit is important if you want your business to thrive. Once you've found that wonderful new hire, make sure you keep them by giving them the tools and technology that will help them to shine.



4 WAYS TO EDUCATE YOUR CUSTOMERS TO IMPROVE PHARMACY SALES

BY KAREN DECKARD, CUSTOMER SUCCESS MANAGER, RMS



Today's consumer is complicated. They expect more than ever before, and that's not going to change anytime soon. And to succeed, I think it probably goes without saying that you have to please an ever more demanding customer base. But how do you do that? It's not just about good customer service, or convenience or competitive pricing anymore. Certainly, all 3 are factors in how appealing shopping at your pharmacy is to today's ultraselective consumer, but there's more you can do to set you pharmacy apart and ensure long term success.

Successful pharmacies move past a basic transactional relationship with their customers.

They offer their customer base more. From disease state management, counseling and classes to promote healthy living, to retail strategies like product placement, loyalty programs and customer-centric promotions.

Part of a successful pharmacy's strategy should be educating its customers. This is something that's beneficial for them and for you. It works on a number of levels. Offering education can drive sales on specific products without your customer ever experiencing a sales pitch. It gives your customers a reason to interact outside of regular purchases, and it's something that large chain stores don't generally offer. Here are a few ways to get started.

Educate at the register. This may be the most natural way to begin to not only educate your customers, but encourage shopping behavior that's beneficial to you. It starts with a simple, "Did you find everything you need?" which allows customers the opportunity to ask about items they didn't find. Your staff can then show them where to find what they need or talk about alternatives if you don't carry what the customer is looking for. But it doesn't end there. "Did you know that there is a private label product that's the exact same medication as this brand name, but that costs you less?" Teaching customers about private label products will be an ongoing project for you and your staff, but the benefits are too great to ignore. Not only can your customer feel good about shopping at a store that will actively try to save them money, but you will generally make a higher margin on those private label products.

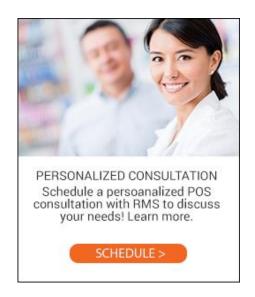
Tip of the day. There are countless ways in which you can provide education to your customers that they can then access at their leisure. Try putting together a tip of the day (or even of the week or month if every day is too much). Offer a simple health related tip via any number of methods. You can put a display by the register, in the window, or on a reader board outside if you have one. Post on Facebook or Twitter, or print a monthly newsletter or even start a blog like this one. Again, this is great for your customers and lets them know that you care about your health, but it can also drive sales if you offer tips like using supplements to strengthen your immune system, or the best OTC medications for the common cold.

"Classes add another layer to your pharmacy and provide more incentives for customers to visit and shop."

Seminars and classes. Offering classes after hours, or in the evening hours when your pharmacy business is slower is a great way to bring in new customers and to offer more to your already loyal customers. Offer education on different supplement options, bring in experts to host smoking cessation classes or CPR training. If there are different facets to your business like a crafting section or a wine department, you can host events centered around those as well. Classes add another layer to your pharmacy and provide more incentives for customers to visit and shop.

Staff Recommendations. Your expertise is invaluable and when you advise, customers will listen. Check out this <u>previous blog post</u> on easy ways to make staff recommendations work for you.

Remember, information is more readily available to your consumers today than ever before. With smart phones in everyone's pocket, today's customer is used to having answers at their fingertips. But this drive to obtain information can be to your benefit if you are readily doling out education to your customers. They'll feel more confident about shopping at your pharmacy which can only be good for your pharmacy's bottom line.



4 WAYS TO MOTIVATE CUSTOMERS TO SPEND MONEY IN YOUR PHARMACY

BY KAREN DECKARD, CUSTOMER SUCCESS MANAGER, RMS



We've all heard the expression "use it or lose it" in many different contexts. Believe it or not, it's a very powerful marketing technique. This is because loss is a much more powerful motivator than gain. For example, the satisfaction we get from finding a \$50 bill is much less impactful than the negative emotions we'd feel if \$50 fell out of our wallets.

This tendency of ours is called loss aversion, and taking advantage of it can actually play an important role in the success of your independent pharmacy. Here are 4 ways that you can use loss aversion for better results in your pharmacy.

Coupon and sale expirations – If our natural tendency is to avoid loss, setting expiration dates for coupons, sales and deals just makes sense. Failing to use that coupon for \$5.00 off is actually a loss for all intents and purposes. Especially at an independent pharmacy where many items purchased are necessities, you'll drive customers to avoid the loss of that opportunity by imposing time restrictions.

Special product offers – Seasonal products are a great way to take advantage of loss aversion. Think about the hype that always comes with Starbucks' Eggnog Latte's and Cranberry Bliss Bars every holiday season. Because certain items are only available for a limited time, their innate scarcity means that customers will be more likely to purchase to avoid losing out on the opportunity. Try to promote any seasonal items and highlight limited stock. Keep this in mind for any events or classes you might hold as well by noting limited space available.

Take advantage of FSA funds – Funds on certain kinds of health benefit cards expire with each new benefit cycle. Unused funds are simply lost. Remind your customers that you carry items that can be purchased using an FSA card. This can be especially important around June and December or January when it's common for many

Keep your focus on what things your pharmacy customers might miss out on.

companies to run their benefits renewal. Use your <u>Pharmacy POS system</u> to note FSA eligible products on the shelf label and put up signage that may help confused customers identify potential products they might purchase. Check out <u>this page</u> for some great information of FSA eligibility.

Marketing awareness – Always keep loss aversion in mind when creating advertisements and marketing in your pharmacy. Keep your focus on what things your pharmacy customers might miss out on if they don't take advantage of a specific sale or special offer.

I hope this helps you to understand loss aversion more fully and provides you with some ideas that will hopefully provide you with more success in your pharmacy. Don't lose profits every day by not keeping loss aversion in mind in your marketing strategies. Use it or lose it! (See what I did there?)



4 EASY STEPS TO CREATE A GREAT NEW PHARMACY PROMOTION

BY KAREN DECKARD, CUSTOMER SUCCESS MANAGER, RMS



When I first started at RMS, I'll admit I didn't really have a clear picture of just how great of a company I'd landed at and how rewarding it would be to work with independent pharmacies. I also didn't know just how integral a role a pharmacist can play when it comes to managing our health and well-being. And then I got a cold. It was extremely busy at RMS because the FSA demand was in full swing so I took whatever cold medicine I had lying around the house and trudged into the office. I wasn't feeling so bad, but I was congested and sounded pretty awful. And then something pretty great happened. I was chatting with one

of our customers, and he called me out on sounding like I'd seen better days. I laughed as best I could and told him I sounded worse than I felt and that I just couldn't get rid of my congestion. He simply said "You need a good pharmacist". He proceeded to give me a good recommendation to help me feel better.

Recently, I was reminded again just how important pharmacists are when my 1 year old broke out in hives over dinner. I had already rushed him to urgent care and they'd told me to grab some Benadryl on my way home. But when I stopped at the grocery store (because it was 9pm and my usual pharmacy was closed) there was no liquid Benadryl on the shelf. Panicked that I'd have to extend my sons misery while I hunted down a store that had what we needed, I realized that their pharmacy was still open. Luckily for me, this store is a family owned, relatively small chain with great staff. The pharmacist listened to what I needed and quickly produced a comparable product, and for a lot less money.

So are you noticing a trend for me yet? While these experiences are part of what makes a loyal customer, it also occurred to me that I encountered these issues because I was uneducated about basics I should have around the house, and my medicine cabinet was not at all well stocked. I was too busy to think about it and no one had ever pointed out to me just how many necessities I was missing. And I'm sure I'm not the only one in this situation. As a pharmacist, you can help your patients to avoid this pitfall, all while gaining some sales and creating some very grateful and loyal customers. The best part is that all it takes is a little brainstorming, some staff education, some promotional settings in your POS system and a little bit of marketing with an eye catching display. Here's some inspiration to get you started:

1) **Brainstorm**: Come up with some different lists of must have items for the well-stocked medicine cabinet. You can start with the basic list of necessities. Band-Aids, anti-bacterial cream, an anti-inflammatory, antacids, multi-vitamins and whatever else you can think of. Use your private label products for higher margins and better prices for your customers. Then think on some creative add-ons. For example, customers with little ones at home should think about adding some Benadryl and a children's pain reliever and fever reducer. In the fall and winter months add cold medication, in spring think about allergy medications and eye drops and in the summer months add in sunscreen and some aloe.

Educate: Talk to your staff about these items. Make sure that they understand why you chose these particular products and that they are comfortable sharing this information with your customers. Have them think about instances where they've helped a panicked customer who urgently needed something that they really should have had on hand so they can share that instance with other customers. Train your staff to ask probing questions like, "Do you have a well-stocked first aid kit?" or "Do you have everything at home that you need to keep your family healthy?"

Train your staff to ask probing questions.

- Utilize your POS system: Set up bundles and promotions that incentivize customers to stock up on your recommended items. You can give extra incentives to members of your loyalty programs and create a bundled price for all of the items together. Make it crazy easy for your customers to purchase these products and for your pharmacy staff to sell them. Create your own first-aid kit, or infant care package.
- Market & Display: Pull your recommended products into one central spot in a high traffic area of your store. End caps and free standing displays are a good starting point. Make it colorful and eye-catching and put up some signage to promote any deals you are offering. Be sure to highlight the cost of all of the items sold separately vs. their cost as a package deal. If you are using private label products, point out the savings when compared to the name brand version of the product. Finally, be sure that you leave the regular spaces for these products well stocked so that customers looking for something specific can easily find what they need. You can put a signs up next to these products to point them towards your new display. Try something like "More medicine cabinet essentials located at the front of the store", or "Check out our medicine cabinet essentials display for a great deal on this item".

I hope you'll take the idea of staff recommendations to the next level and give this a try. Remind your customer why it's so important to have a good pharmacist on their healthcare team. Let me know what kinds of items you bundle and how it works for you!



4 WAYS TO MAKE YOUR PHARMACY SMARTER

BY KAREN DECKARD, CUSTOMER SUCCESS MANAGER, RMS



I remember when "clap on, clap off" for your lights was really cool. Or when my grandparents bought a light that dimmed and brightened based on a touch. Today, if I chose to, I could control lights, thermostat, monitor a smoke detector and even control the locks on my front door from my smart phone. I could buy a slow cooker that I could monitor and control remotely or get a smart egg carton that will tell my phone how many eggs I have left in my fridge. I can talk to my Xbox One and control my TV without ever touching a remote and the Amazon Echo is probably as close to a personal assistant as I'll ever be able to get. The point is, that almost every aspect of my home

will soon be able to be automated. A smart house is no longer something reserved for the extremely wealthy or even the extremely tech savvy. This technology is easily accessible and increasingly affordable.

I'm not sure that this kind of automation in my home would actually save time. Mostly, it's a convenience. But automating and streamlining processes in your pharmacy can have a far reaching positive impact on your profitability, because when it comes to business, time really is money. Here's how you can use your pharmacy point-of-sale system to increase efficiency and make your business smarter.

Price Updates: This doesn't just mean updating files within your system. Price updates should be a store wide workflow, from your wholesaler, to your POS system, to the shelf. Within the RMS system, customers utilizing Star~Plus can receive an automated price update from their wholesaler. The system then creates a label queue for all items that your pharmacy carries that have been subject to a price change. Simply print the new labels and put the new stickers out on the shelves. This process is easier than stickering items individually as you only have to replace one label instead of restickering every item that is on the shelf or in back stock. Because the POS system should know what items you carry, you don't have to sort through a 500 item file to update the 200 items that you actually carry. This process also makes your checkout process even easier because the price on the shelf will match the price in the POS system. Pharmacy's that have smaller front ends may not find this process as helpful, as like any process, it takes time to set up and learn, but for those independent pharmacies with a heavy focus in retail, this will just make life easier.

Purchasing: For pharmacies with a larger front end, streamlining and automating ordering processes is a huge time saver. There are two main ordering methods that most pharmacies use. The first is replenishment ordering. Replenishment ordering is set to order based on the items you sell each day. Basically, every time you sell an item, a replacement for that item will be ordered. The other purchasing option is min/max ordering. This means you have a minimum in stock amount set for each item. When you reach that minimum amount, an order to replenish your stock to the maximum amount is placed. Either of these options can be a great fit for managing ordering in your pharmacy. You can also use a combination of min/max and replenishment ordering based on the best fit for specific departments and item categories.

Accounts Receivable: The number of independent pharmacies that still offer some sort of charge account is surprisingly large. But if the A/R billing process is time consuming or mismanaged you're losing money in more ways than one. With <u>A/R integrated into your POS system</u>, it's simple to charge to the account, accept payments on the account and even set limits on specific accounts as needed. When it comes to billing, POS streamlines the process even further with options to email statements or integrate with companies that will print, stuff and mail your statements for you. Easy processes to identify past due accounts and add dunning messages will help to limit your outstanding billing amounts. Smarter A/R tools and processes mean fewer dollars outstanding and better cash flow in your pharmacy.

Start thinking about where you could benefit from more automation in your pharmacy.

Customer Loyalty: At first glance, having a smarter loyalty program doesn't seem like it would save much time. But if you're running an even moderately utilized <u>customer loyalty program</u>, manual processes will eat a lot of time. Especially if that program takes the format of a non POS integrated punch card type system. Instead, you can use a POS based loyalty program that will allow you to set up a points earned per dollar spent and reward the customer automatically at the register when they accrue a certain amount of points. Of course this is just the tip of the iceberg and there is so much more to a successful customer loyalty program than purchase and reward, but if you're using a manual program now, this is a major step up and a huge time saver. Check out our <u>E</u>-book for more tips and ideas on building different kinds of loyalty programs.

These are just a few ways where pharmacy technology and defined processes can make your pharmacy run more efficiently. This week, I encourage you to start thinking about where you could benefit from more automation in your pharmacy. Focus on one area to start and work towards making your independent pharmacy just a little smarter.



5 WAYS TO IMPRESS YOUR PHARMACY CUSTOMERS

BY KAREN DECKARD, CUSTOMER SUCCESS MANAGER, RMS



have to impress - your customers.

Last week, one of my co-workers shared this article, <u>How to Blow Your Boss's Mind</u>. It offers sound and reasonable advice on ways to set yourself apart at work. It's good advice for anyone to take to heart. As I read the article, I thought it would be great for pharmacy owners and managers to pass on to their staff. But then I started wondering, what can the pharmacy owners themselves take from this advice. While some of you may not have a boss per-say, there is a group of people that you

Let's take a look at how a few of the items in this great article can be adapted from blowing your bosses mind, to blowing your customers' minds.

Beyond developing the skills you need for your job, learn about your company's industry, competitors, latest developments, and challenges. - From an employee perspective, it's important to know about the industry in which we work. As an independent pharmacist, you're probably already an expert. But taking the time to understand your competition will help you stay ahead of the curve. It's important not only to look at their technology and product offerings, but their overall mission and service practices as well. You can take things a step further and take the time to really understand the health concerns that your customer base faces today. A little empathy goes a long way.

Instead of always having the answer, pre-empt the question — If you can meet all of your customers' needs before they may even know they have them, your pharmacy will become indispensable to your customers. I've seen this put another way, from author Daniel Pink in the book "To Sell is Human." He phrased it as "solve a problem they didn't know they had". For independent pharmacies as well as institutional pharmacies, I think this really comes down to working one on one with your patients to offer counseling, disease state management and much needed advice. This is a gap that many people don't even know exists in their health care regimen, but once they understand the value of a dedicated pharmacist, you can bet they'll keep coming back for more.

Instead of owning up to mistakes once they're discovered, bring them to light yourself – The original article says it best here. "Accountability is a lost art." And today's consumer really isn't use to retail businesses taking responsibility for problems. So if you notice that a customer didn't get correct change, was charged too much for an item, or one of their prescriptions got missed in will-call, take the time to reach out and fix the problem before it really becomes one. Once a mistake is made, there's no going back, but how you handle it makes all the difference. (As a side note, using a pharmacy point-of-sale system can greatly reduce the chance of human error. Interfaces will tell you that additional prescriptions are available for pickup and the system can help employee's ringing up sales by calculating accurate change and manage accurate pricing.)

Build relationships – In the article, the author advises to build relationships with other departments. Instead of departments, insert customers. If you work with RMS, you may often hear us refer to our customer base as "the

RMS family". We love getting to know our customers. In your pharmacy, if you can create a personal relationship with your customers, they are likely to reciprocate and are much more likely to keep coming back.

There is a group of people that you have to impress - your customers.

Be the calm one in a crisis – Some of us may be a little tightly wound, or a little excitable. You may experience situations where both customers and employees become a little stressed. But the person in charge really sets the tone if a problem has to be escalated. Emotion does have a place in many business situations (for example being passionate about what you do and truly caring about your customers), but when tensions are already high, if you can maintain composure, it's much more likely that the customer will end up feeling positive about the situation. Your employees are also likely to follow your lead if they see that it's a little more difficult to ruffle your feathers.

I highly recommend reading the original article as I found it very insightful. I think everyone, no matter their position in the hierarchy, can use this advice to improve their own personal performance and impress your pharmacy customers.



6 PRINCIPLES FOR INCREASING SALES IN YOUR PHARMACY

BY KAREN DECKARD, CUSTOMER SUCCESS MANAGER, RMS



Have you ever been in a Nordstrom store when they are having a sale? It's always packed. Trying on a pair of shoes is like waiting in line for tickets to a sold out concert and there's a hint of frenzy in the air that leads me to believe one might need self-defense training to assure successful purchase of a coveted item.

The question is why are these sales so popular? The discounts aren't particularly earth-shattering. You can get many of the same items online and other retailers that have sales all the time never seem quite as busy. The

answer lies in the psychology behind the sale. You see, Nordstrom only has something like 5 sales a year, so it's a big deal when they start marking things down.

People are built to respond to this kind of tactic, as well as several others. We have some psychological ticks that savvy retailers use. In the book "Influence", author Robert Caialdini provides us with 6 principles that we can use to get people to say yes. If you aren't familiar with these principles, it's time to get to know them. And if you've heard about them before, it's definitely time to think about how to leverage these principles to boost sales in your pharmacy.

Scarcity is one of the tactics that Nordstrom uses by having only a handful of sales every year. It's the equivalent of forbidden fruit. We want what we can't have, and we can't help it. So the normally apathetic consumer is pushed into action by the thought that they might miss out on a special deal. When you have sales in your pharmacy you can take advantage of this instinct in a couple of ways. First, don't make sales the norm in your pharmacy. Even if you run regular specials, make sure that there are certain departments that rarely go on sale. You can also limit the quantity of an item that a customer is allowed to purchase at the sale price to help create a sense of urgency. If you carry seasonal product make sure to post signage that the products are only in store for a limited time.

Commitment & Consistency simply means that people are more likely to be consistent in their habits and actions if they have some skin in the game. We don't generally want to announce something publicly and then go back on our word. So to take advantage of this you have to entice your customers to commit to you. Get them to like you on Facebook, follow you on Twitter, leave a positive comment on Yelp, sign up for your newsletter or subscribe to your blog. Your customers won't be likely to shop at another retailer after they've announced how great your pharmacy is to their circle of friends, family and co-workers.

Reciprocity states that when we receive something, we feel obliged to return the gesture. Buy one get one free promotions (set these up in your POS system for an easy checkout process) are great for taking advantage of this. Also, providing a free sample of something is a wonderful way to encourage people to buy that product. Also, implementing a <u>customer loyalty program</u> where purchases are tracked through your <u>pharmacy POS system</u> and customers are rewarded for money spent is a great way to keep the cycle going. You can also

do something as simple and cost effective as providing a newsletter or health guide that you create with a qualifying purchase.

People also respond well to **Authority**. It's why drug companies utilize "doctor" testimonials in their advertisements and lotions have labels like "dermatologist recommended". This is where your professional expertise comes into play. Check out this article on leveraging staff recommendations in your independent pharmacy. You can tie your recommendations in with promotions. Take advantage of the concept of scarcity by making sales on your recommended items rare events.

When we receive something, we feel obliged to return the gesture.

Social proof means that we like what other people like. For this reason it's even more important to encourage your customers to share their good experiences. Be involved on social media platforms and share customer feedback on your website. If you check out our website you'll find an entire page dedicated to <u>testimonials from customers using RMS'</u> pharmacy POS system. These testimonials reflect how our solutions are helping some of the best pharmacy retailers in the country become even more successful.

Last but not least, we come to **Liking**. This is exactly what it sounds like. We are more likely to make purchases, or say yes instead of no, if we like the person or company we are interacting with. Check out these <u>4 ways to make customers love your pharmacy</u>.

If you can learn, love, and live these principles, you'll be well on your way to running a more successful independent pharmacy.



3 WAYS TO BEAT YOUR PHARMACY COMPETITION USING POINT-OF-SALE

BY KAREN DECKARD, CUSTOMER SUCCESS MANAGER, RMS



Every week when I sit down to write this blog, I think about how independent pharmacies can win out against some pretty fierce competition. All the big box store pharmacies, grocery store pharmacies, and of course, the big bad wolf known as Wal-Mart. It's a daunting task to say the least. So I can't help but smile a little when I read articles <u>like this one</u>, about how Wal-Mart and other large corporations are struggling to find success in the pharmacy portions of their business.

Of course, independent pharmacies face the exact same obstacles that have given Wal-Mart and Target a run for their money. Their pain points may be the exact same as yours. Shrinking margins, less cash flow, and of course, more competition, aren't minor irritations that will soon disappear. More likely they are hurdles you'll have to continue to work through and overcome as your pharmacy grows.

Let's take a closer look at these three major trouble spots and how independent pharmacy can find more success than the corporations using <u>pharmacy point-of-sale</u>.

- 1) Shrinking Margins In some areas of your pharmacy, you may not be able to control the margin on products. And to an extent, local competition will dictate the pricing even on OTC products. But there are products where your margins will generally be higher. Private label OTC products are always a good pick. You can advertise the lower cost of private label products using compare and save and shelf-labels-printed-from-your-pharmacy-POS system, use the power of staff-recommendations when customers need guidance, or promote them through your customer-loyalty-program by offering incentives for private label product purchase. You can also use these same strategies anywhere else in your pharmacy where margins are higher.
- 2) Cash Flow For many independents, cash flow can be a concern at times. There are a few common trouble areas where you may be able to make things a little easier. If you offer house charge accounts, make sure you manage this through your pharmacy POS system. Timely handling of overdue balances, automated statement printing or emailing of statements, and other integrated features will help you collect funds owed faster and with less time spent.

The unique nature of every independent pharmacy provides an edge that the box stores just don't have.

You can also use your POS system to track product sales. If a particular item isn't selling, you're losing potential sales. Check out this <u>article on inventory holding costs</u> for some tips on identifying poorly selling products and what to do when you find them. Some other great features for independent pharmacies include cash

management and integrations with check verification services along with built in tracking for known bad check writers.

3) **Competition** – While you may get pretty adept at managing your margins and eventually be able to leverage pharmacy technology to leave any cash flow worries far behind, ongoing and increasing competition is probably a given. Offering services that your competitors can't or won't will always be the key to keeping your existing customers happy. <u>Curbside delivery</u> is a growing trend for independent pharmacy and a great way to stand out. One on one patient counseling using <u>less traditional POS models</u> is also gaining momentum.

While sometimes the odds against independents may seem insurmountable, the unique nature of every independent pharmacy provides an edge that the box stores just don't have. If you can learn to utilize pharmacy POS and other technology as tools in your pharmacy business, you may find some of these common troubles to be not quite so troubling anymore.



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