

To swallow camels -
or to be swallowed.....?



As human beings we are all parts
of the history of humanity.

As pharmacy beings we are all
parts of the history of pharmacy.



March 1st, 2001, Norway got new legislation concerning ownership of pharmacies.

In a very short time this led to greater changes than had ever been seen before during Norway's 400 years of pharmacy.

I want to reveal to you
some examples
of my experience
with the metamorphosis
from being an independent
pharmacy owner
to become the daily leader of a
chain pharmacy.

Norwegian pharmacies up to 2001 were owned and run by university educated pharmacists.

- All pharmacies, except hospital pharmacies, were small, private enterprises.
- Shareholding was not allowed.
- The owner was personally responsible for the economy of the pharmacy.
- When lists of the best tax payers were revealed in the newspapers, the pharmacy owners usually were among the top ten.
- What seemed to be the owner's private income was, of course, the total income of the pharmacy.

The wish of the Norwegian politicians:

- Lower OTC-prices.
- Longer opening hours.
- More pharmacies.
- To prevent the "stinking rich" pharmacy owners from being even more "stinking rich".

How could this be obtained?

By three main methods:

1. Competition.
2. More competition.
3. Even more competition.

Competition was believed to solve every problem!

The new legislation of 2001:

- Opened for "anybody" except medicine producers or prescribers to own and run a pharmacy if sufficient pharmaceutical expertise was provided.
- Opened for companies to own pharmacies.
- Opened for shareholding.
- Decided no regulation by the authorities concerning number of or where to situate new pharmacies.
- Opened for generic substitution of medicine.

The old Norwegian pharmacy symbol, used by all pharmacies.



Some new symbols in Norway from 2001:



...and even more symbols:



Askøy apotek, the look of the opening-year 1977.



The interior after the extension of 1994.



I was very proud of my pharmacy
and gladly gave interviews.



Askøy apotek was my baby....

- Christmas card from one of our first years.
- On the photo: 8 persons.
We started with 4.
- After 20 years we reached the number of 20 persons.



Soon after the passing of the new law, three main pharmacy chains of mixed international ownership dominated in our country.

Each of them owning or being closely connected to one of three wholesalers of medicine.

Why I decided to sell, even if I did not want to sell:

- All my colleagues seemed to be selling their pharmacies without any second thoughts.
- Numerous phone calls and visits from the newly established chains flattered me.
- Better and better offers and overbidding.
- A certain anxiety among my staff:
Think if we are "left alone" in the end?

My choice: the chain that seemed most easy "to swallow".

- None of my staff would be fired.
- It was not considered necessary that every pharmacy in the chain had to look the same.
- There was a heavy load of pharmacists in the administration of the chain. I knew some of them!
- It seemed to agree upon all the ethic rules of a pharmacist.
- It would practice "good old pharmacy", not only sales promoting.
- It offered me a very good price.
- I was asked to continue as the daily leader.

The authorities' way of kicking our legs soon after I had sold:

- "Bestsellers" of the OTC-medicine was allowed to be sold in grocer shops and petrol stations.

Result: Decrease of 15-20% in our OTC-sales.

- Direct sale from medical wholesalers to nursing homes and similar institutions was allowed.

Result: reduced sales of 2 mill. NOK per year.

- BE CREATIVE ! they said.
- FIND NEW AND PAYING ARTICLE GROUPS!

Before long our pharmacy was changed, to make space for:

- A massive multitude of (not too serious) herb products.
- New cosmetics for all purposes (paint)!
- Sunglasses and ordinary spectacles.
- Health and sport stockings and shoes.
- Health and sport underwear.
- Sport and exercising gear like jumping-ropes, balls, manuals etc. etc.

I was ashamed of "my" pharmacy

- The beautiful public area became a total chaos.
- The customers had to zigzag and walk sideways among the many shock-sellers and new shelves.
- No space for wheel-chairs or motor-chairs.
- No space for baby-prams.
- Only the lucky ones could find what they were really looking for, but they found anything else.
- Lots of opportunities for persons who did not want to pay for their goods, with very little chance of being caught.

Longer and longer opening hours
with the same staff number.

RESULTING IN:

- Problems with continuing our very useful weekly morning meetings and info spread.
- Problems with receiving representatives from medicine producers.
- Problems with having meals together.
- Problems with the inner, social life of the pharmacy.

The chain also created new paperwork for me:

- There were numerous new reports to fill in, reports I would never have imagined would be of any interest, but being no expert.....
- The first day of each month all numbers from last month had to be ready at 15.30 and sent by fax or mail to the chain.

If not, I was told that I was a plug in the system.

The international stockholders wanted and needed those numbers.

Nothing could be more important!

International shareholders
constantly buying and selling
means:

that very few persons
at a given moment
really know
who are the owners of the chain.

Budget work.

- In the autumn I as the leader got the pre-fabricated budget for the following year.
- An over optimistic budget that could only be changed to an even more optimistic one.
- Once I had signed, it was "mine", and I was responsible, a "budget hostage".
- To obtain the desirable results I had to be creative, perhaps fire someone, or?

More mouths to be fed by the pharmacy.

- The head administration of the chain seemed to be constantly growing.
- We could hardly absorb all new names presented to us in the internal newspaper of the chain.
- We started asking how many persons extra each pharmacy would have to feed.

Nobody within the chain wanted to give us any answer, but we could clearly see what was happening:

Persons within the pharmacies
would have to be fired to feed
their administrators!

Some camel to swallow!

Lots of new persons deciding - responsibility seemed pulverised.

- Some persons obviously used their new impressive titles in the pharmacy chain as a jumping point to other, more lucrative jobs. They left long before their new revolutionary ideas of effectiveness, customer psychology and sales could be commented upon and evaluated.
- And where did all the pharmacists go? Anyway they were totally outnumbered and run over by specialists of economy, sales, marketing, rationalisation, computing etc. etc.

Lack of educated personnel.

- Opening of many new chain pharmacies caused lack of skilled persons.
- Norway had to import more and more personnel from the other Nordic countries, but also from Poland and the Baltic.
- In spite of intense language education, there were examples of severe problems in communicating with Norwegians customers

”Mystery-shoppers.”

- Secret customers visited the pharmacies every second month to test our skills on different, but typical pharmacy subjects: allergy, cold and influenza, pain problems, pregnancy trouble, acid balance, just name it! They also rated surroundings, if clean and tidy, politeness, room for discession, how painful and awkward questions were handled etc. etc.
- The evaluation came some weeks later. We could see the results of all pharmacies in the chain on a ranking list. WE WERE AMONG THE BEST !!!

And not just once - everytime we
were among the top five!

I was so proud of my staff.
This did something to our
self-esteem.

We celebrated with the most
sinfull cakes.

But the chain did not want us to
be that good on
information and service!

”Better to find a place in the
middle and stay there!”

Believe my frustration!

I swallowed and swallowed.

A wish occurred in my mind of
flying away
from ”the whole dirt”!

The chain meeting, or the "Oscar evening".

- Once a year, in June, all employees of the whole chain were invited to a weekend at the largest, most expensive hotel in Oslo.
- We were "wined and dined", entertained by celebrities, and awards were distributed to the best selling pharmacies of several categories:
sales per employee, sales per customer, sale of generics etc.
in other words: sales, sales, sales!

In spite of all the fine food,
I had a bad taste in my mouth.

Did we have to fire employees to
pay for this splendid party?

My frustration was complete
- and growing year by year!

So what happened,
was I swallowed.....?



I chose the not too brave way out
of it,

I quit!

After six years as a "budget
hostage" I left persons I had
worked with for thirty years.



I knew that I would miss
very much
my loyal staff
and many of my customers,
but not
the chain-system and it's
oversized administration!

Today there are 646 pharmacies in Norway.

- 591 are connected to chains
- 32 are hospital pharmacies
- 23 are totally independent.

About 15 stubborn and self confident owners never sold their pharmacies to chains.

The other independent pharmacies are established after the new law of 2001.

Personally I was glad to have the
opportunity to leave
the chain business,
like so many of my very skilled,
but also very frustrated colleagues.

A loss for pharmacy, maybe?
For sure, a small contribution to
the history of pharmacy.

And what about "my" pharmacy?

- At the time I sold, we were 18 persons involved.
- At the time I left, a year ago, we were 16 persons.
- The staff is by august 2009 downsized to 12.
2 quit soon after I left, they at once got other jobs.
1 was replaced within the chain and 1 was fired
(after 8 years of work), but immediately got a
new job in another pharmacy chain.
They all got my very best references.
That was the least I could do!

The "good old days" of
Norwegian pharmacy will never
come back.

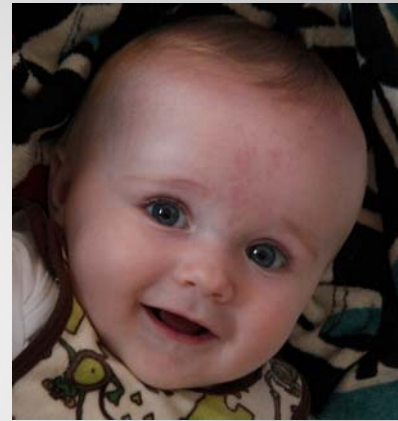
The public may have gained from
the new law.

The pharmacies, however, as
small, well-functioning,
independent units
have suffered a great loss.

So what has the new law meant to the public?

- More pharmacies, more than 60% (397 to 646).
- Longer opening hours, usually 9-9 (21), if situated in shopping centers. (Most are).
- More sites where to buy OTC-products, but
- No lower OTC-prices!
- Cheaper prescribed medicine, if you are willing to use generics! Original products more expensive (decided by the authorities).
- Risk of meeting persons with no sufficient knowledge of Norwegian in pharmacies.

A year after I left, how do I survive?



- I spend most possible time with my lovely grand-children.
- I have re-discovered house, garden and Norwegian nature.
- I am asked to give lectures on medicine use, medicine plants, the meaning of latin names, famous gardens etc.
- I go travelling with my wife. I have also re-discovered her!

So, goodbye to chain pharmacy -
and thank you for your patience!

