

## **Management of Community Pharmacy**

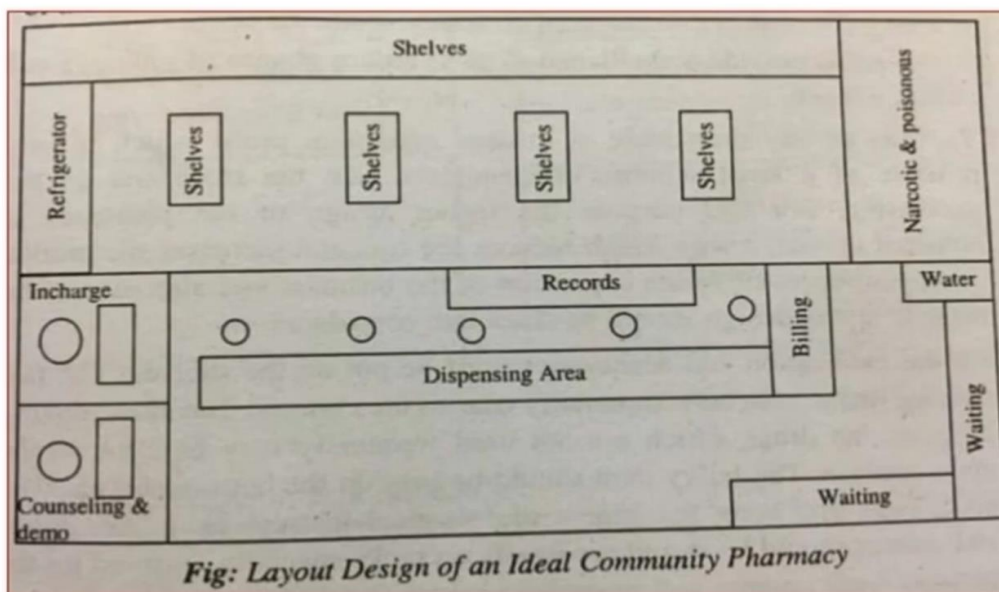
**Community Pharmacy** is the place where most pharmacists practice the profession of pharmacy.

It consists of a retail store front with a dispensary where medicines are stored and dispensed.

### **Functions of Community Pharmacy:**

- Providing health information to patient and public
- Prescription handling
- Patient counselling
- Patient medication record
- Pharmacy administration
- Compounding

## Layout Design of an Ideal Community Pharmacy



## **LOCATION ANALYSIS FOR A COMMUNITY PHARMACY**

- Location analysis is the selection of an appropriate site for the establishment of a community pharmacy. It is an important step in the establishment of a community pharmacy.
- Good Location determines the access to the public and success rate of the pharmacy whereas a poor location may cause failure of the pharmacy.

For location analysis before establishing a community pharmacy following points should be considered:

- Population of the community
- Income distribution among the population
- Type of pharmacy
- Competition
- Flow of traffic
- Special service and customer type
- Business locality

**The major factors responsible for location analysis:**

1. Transport facility for raw materials, labour and products
2. Larger labour supply
3. Electricity and safe drinking water facility
4. Banking and Financial Institution
5. Availability of sources of raw materials
6. Larger market
7. Recreation facility
8. University, Colleges, School, Hospital & Research Centres
9. Co-operative & helpful community
10. Good industrial Laboratories

## **Establishing and Financing a Community Pharmacy**

Financing is required to set up a new community pharmacy in order to maintain the medicines stock and cover the expenses.



### **Purpose of Finance:**

- To purchase land, building, machinery and equipment.
- To purchase raw materials and other materials.
- To pay salaries, wages and incidental charges.
- To maintain stock and supply products.

### **Types of finance:**

- 1. Equity Finance/capital:** Fixed/Tangible assets that are free from financial obligation or debts.
- 2. Burrowed Finance/capital:** Assets that are taken as loan from banks or other sources.



### **Sources of Finance:**

- **Owned finance**

The capital is generated by owner, partner or shareholders. As long as business run it remains and surplus is returned to the shareholders.

- **Loan (Burrowed) Finance**

The capital is generated from bank or other financial institutions. Interest is paid periodically at a fixed rate and then payment of loan capital. Loan can be obtained against mortgage or pledge of the property.

**Capital** is the wealth or asset used in a business enterprise to produce income. Different types of capital are cash, bank deposit, property, etc.



**Types of capital:**

1. **Working capital:** It includes cash on hand, inventories, marketable securities, etc.
2. **Fixed capital:** It includes properties like land, building, plant, machinery, etc.

## Purchasing and Inventory Control

**Purchasing** is the process of buying the right quality, quantity of drug at right time and at right price. Good purchasing is very essential to make the community pharmacy a success.

The principle of purchasing states that: “You buy yourself poor and sell yourself rich”





## Purchasing Procedure

- **Purchase Requisition:** The list of products to be purchased is made based on the product flow and patient request.
- **Selection of the Supplier:** The right source is selected based on the quality and economic values.
- **Placing Order:** After requisition slip and supplier selection, the order is placed in the desired date and time.
- **Receiving and Checking Materials:** The products received should be properly checked and verified for the condition and quantity of the products received.
- **Checking of Invoice and Bills:** The invoice and bills of the products received should be checked and verified for quantity and billing amounts.
- **Recording of Bills:** Proper record keeping of all the bills should be done for future use and audit purpose.
- **Releasing the payment to the supplier**

## **Methods of Purchasing Pharmaceutical products**

- **Purchasing by requirement:** Products are purchased when necessary and in exact quantities required.
- **Purchasing for specified future period:** Products are purchased for a limited time in contract basis.
- **Purchasing from favourable market:** Products are purchased when market is favourable or when products are available at low price.
- **Speculative purchasing:** Products are purchased when price of the product goes down and sold when price rises. Surplus (additional) quantity is purchased to get more profit.
- **Contract purchasing:** Products are purchased by direct contact and ensures continuous supply of the products. Contract purchase has a fixed delivery date and price.
- **Purchasing small items in groups:** Products are purchased in small quantities when required. It saves larger expenses.
- **Scheduled purchasing:** Products are purchased in a predetermined schedule or date. In this method suppliers keep the stock ready required by the buyers for a future date.