

Building business management skills provides additional opportunities for professional growth



By David Medvedeff, PharmD, MBA

Each current practitioner and student pharmacist has his or her own reasons for deciding to go into the pharmacy profession. The desire to positively affect the lives of patients is a common one. It is interesting, though, that so few pursue this wonderful profession for the business and management challenges it presents. As you begin a lifelong career in pharmacy, consider that the delivery system in which you will practice is called the health care “industry.” As in any industry, consideration of the fiscal bottom line plays a major role in how decisions are made.

There is no doubt that you can have a tremendously positive effect on the lives of your patients without having the slightest interest in business development. By being well grounded in both disciplines, however, you can experience greater satisfaction in the work you do and realize additional opportunities for professional growth.

Developing your business skills starts with understanding the need to do so, determining what skills are ideal for your setting, and identifying the tools available to help you learn. You will need some level of business acumen and personnel management skills to succeed in just about any pharmacy practice setting. There is no effective way to separate the disciplines of pharmacy and business, but by approaching your professional positions with an understanding of the necessary tools, your likelihood of doing a good job and feeling fulfilled increases dramatically.

Employers will often invest in continuing education for employees needing specific skills. A general concept critical to all aspects of professional growth is business etiquette. Business should begin and end with a mutual respect for all parties involved. Whether you are managing a dispensing team, running a hospital pharmacy, or negotiating contracts, having and showing respect for those around you will take you far in your career. I describe showing respect as taking the high road.

Having a reputation as someone with good business etiquette will inevitably put you in leadership positions that will require you to use additional business skills. The other skills that are commonly needed across the industry and which you should consider developing early in your career are budgeting, inventory management, and human resource management.

Pharmacists who understand how to develop an accurate budget and how to consider all revenue opportunities and their respective expenses will play key roles in organizations looking to expand professional services. Projecting revenues from services requires estimating daily patient encounters, encounter complexities, and contracted billing rates. Profitability projections will need to take into account the costs of nonbillable workflow, ancillary support,

and patient management resources.

In no way is this a complete listing of all of the elements necessary to generate a clinical services budget, but it demonstrates the need for clinicians to be involved in the financial planning aspects of pharmacy practice. It also serves as evidence that the traditional concepts of budgeting for community pharmacy do not apply in today’s patient care centers.

Notwithstanding the professional evolution occurring in our profession, the reality is that most pharmacy settings are still highly dependent on dispensing. Where there is dispensing there is product. And where there is product, there is a need to closely manage inventory, for both economic and regulatory reasons. Inventory management on its surface, is about being highly organized and diligently documenting inputs and outputs. From the business perspective, however, inventory management is much more sophisticated.

Community, hospital, and long-term care pharmacies invest a great deal of money in ensuring their sites have the right amount of product at the right time. Too much stock, and money is lost while products sit on the shelf. Too little stock, and money is lost due to the inability to fill prescriptions. As with the budget discussion, this is not an all-encompassing example of inventory management. It simply highlights the need to understand industry concepts and identify areas in which you can begin to hone your business skills.

On-the-job training is in your future

Looking across all industries and professions, there are very few that absolutely require human resource management skills at an entry-level position. Pharmacy, for the most part, is an exception. As a just-out-of-school community or hospital pharmacist, you will be placed in a position of authority and made responsible for coordinating the efforts of the dispensing team, which includes clerks, technicians, and in hospitals, nurses. Knowing how to motivate and effectively manage those around you is extremely valuable in the pharmacy profession. What is interesting, then, is that pharmacists receive very little formal training in how to optimize all of the resources available to them. Much of what you will learn about managing people will come from on-the-job training.

There are opportunities available to further develop management skills and harness the power of the people working for you, and I would highly recommend taking advantage of those opportunities.

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