

7

important topics
to consider when
selecting pharmacy
software





A complex market

Pharmacy is a competitive and highly regulated industry in which successful businesses must operate both as retailers and healthcare providers. Like many other businesses in the retail sector, pharmacies are under pressure to offer a large range of products and services that deliver on the expectations of customers in the digital age. For pharmacies, though, these goals are made more complex by challenges that are unique to the industry, such as managing complex workflows, safe and effective handling of drugs, and ensuring compliance with various regulations – all while running an efficient, customer-centric business.

Competition is also intensifying as new names enter the market and online sellers of medications proliferate. At the same time, digitally-empowered customers expect a convenient, personalized and rewarding experience that seamlessly connects all the channels and touchpoints they interact with. Building loyalty among those customers has never been more important.

As pharmacies adjust to these trends, many are looking at software modernization as a way to achieve their goals. A recent Software Advice survey of independent pharmacies in the US found that 36 percent have replaced their software systems within the past year, contributing to a total of 59 percent in the past three years.

A growing number of solution providers are targeting the industry, but when it comes to meeting the complex needs of the pharmacy

business, not all software is the same. Identifying the system that can provide the right combination of insight, management tools and operational efficiency to support all aspects of the business, now and in the future, can be a daunting task.

What should pharmacy decision-makers take into consideration when they are selecting the software to support their business?

- 1. Retail and pharmacy management are two sides of the same coin**
- 2. Accurate inventory decreases costs**
- 3. Omni-channel is essential**
- 4. Building loyalty increases revenue**
- 5. Simplified tasks mean faster service**
- 6. Security is central**
- 7. Chain management capabilities**

1 Retail and pharmacy management are two sides of the same coin

Pharmacy profit margins are shrinking: this is due, among other factors, to governments' increased focus on generic medication as a way to lower the costs in healthcare systems. While this is great news for the healthcare budget, it also leaves pharmacies with much narrower margins on the medications they sell. As pharmacies look for other ways to generate revenue, the retail section of the business is becoming increasingly important. To better leverage this opportunity, pharmacies need tools that streamline the dispensing side of the business and optimize retail performance.

As customers increasingly expect a quick, efficient experience whether they're buying cosmetics or having a prescription filled, software that integrates retail and dispensary management is increasingly important. Pharmacies must look for systems that simplify operations, granting speed and efficiency in filling prescriptions and providing customers with the products, information and retail experience they expect.

A unified system that managed both medications and retail products also benefits managers by giving them the full picture of performance in all areas of the business, enabling them to plan and implement new measures to quickly to achieve their business goals. For example, a real-time overview of costs, sales and revenues at every location in the chain enables insights into emerging trends, and fast reactions to issues and opportunities. Complementing this with central management of pricing, offers and campaigns enables rapid rollout of changes across the chain.





2 Accurate inventory decreases costs

Inventory management is central to any organization, and it figures highly in pharmacies' efforts both to reduce costs and increase profits. Pharmacies stock many products that can quickly expire. In the dispensary, keeping too much stock can be extremely costly, as pharmacies may have to dispose of products that have reached their expiry date. On the retail side, stock that doesn't sell can take up valuable shelf space; at the same time, failing to stock the products that are in demand can lead to lost sales. Pharmacies' need for better inventory management capabilities is reflected in survey results, with a quarter of independent pharmacies in the US citing greater inventory accuracy as a top benefit of pharmacy management software.

Pharmacy managers need to know which products are close to their expiry date, which ones are low on stock, where stock can be found and what customers are asking for. A key criterion of software selection should be how the system delivers these capabilities through a real-time view of inventory across the chain, coupled with the ability to generate reports and alerts about issues such as stock that is near its expiry date, based on the criteria and timescales that matter to the business.

3 Omni-channel is essential

Customers are the most valuable asset of any business, and as competition increases pharmacies are under pressure not only to attract customers, but to keep them coming back.

As consumers are used to browsing items, shopping and communicating with retailers whenever they please through various devices, they also demand that businesses adapt to the new, omni-channel world. Each new generation of consumers has higher expectations when it comes to getting more convenient ways to shop and personal engagement through a seamless combination of online, mobile and physical channels. Pharmacies that deliver a truly omni-channel experience are faced with significant opportunities to boost revenue, build customer loyalty and, importantly, harness valuable data that will help to plan future services.

Many pharmacies provide a number of physical and digital touchpoints for customers, but their good intentions are often undermined by the fact that they use different, often badly connected software solutions to manage them. Disconnected, partially integrated systems are one of the biggest factors causing loss of workhours and revenue for retailers. At best, using disparate system leads to lots of time wasted updating information (prices, promotions, inventory) in the physical store, mobile app, website, e-commerce platform and point-of-sale (POS) solutions.



At worst, it means that information, products, offers and customer interactions on one channel are not available on another – and as a typical shopping journey can include online research, visits to physical and virtual stores and interaction through a mobile loyalty app, this can literally stop the customer in their tracks. The disconnect between channels can also cause bigger, more serious problems. In an industry where the sale of counterfeit pharmaceuticals online represents a significant challenge, inconsistency between the information present in different channels can also erode customers' trust in the brand. Successful integration of physical and digital channels is therefore of paramount importance. By delivering a consistent omni-channel experience, pharmacies have a substantial opportunity to build a relationship of trust with consumers.

As pharmacies modernize to meet the needs of today's – and tomorrow's – consumers, engaging with customers in the way they want, when they want is vital to success. The ability to fully integrate all the channels that consumers want to use and to push consistent information to multiple touchpoints is therefore a key criterion in software selection. With the tools in place to deliver a faster, more convenient and seamless shopping experience across all touchpoints, the pharmacy also positions itself to build loyalty, increase service efficiency and grow sales.



4 Building loyalty increases revenue

An omni-channel experience that doesn't incorporate a loyalty program is a wasted opportunity. With increasing choice in where and how they shop, many customers will simply go elsewhere if they aren't offered incentives to stay. On the other hand, not any loyalty program will do: customers will only hang around if the loyalty program fits in with the seamless experience they expect and gives them enough incentives to keep doing business with the brand.

But for businesses that get it right, an effective loyalty program can pay dividends. According to Accenture's Loyalty and Rewards Research Study, members of customer loyalty programs generate 12-18% more revenue than non-members. That suggests significant potential for pharmacies that can seamlessly integrate online and mobile loyalty apps within their omni-channel experience to grow retail revenue. Loyalty apps also enable pharmacies to personalize the experience by consistently interacting with customers and rewarding their interactions online, in-store or on their mobile with tailored information and offers that strengthen the value of the brand.

5 Simplified tasks mean faster service

The ability to perform routine tasks efficiently and precisely is the backbone of a successful retail business. This is especially true in a pharmacy, where attention to detail is essential to make sure customers receive the right dosage instructions, advice and warnings with their medications. But for pharmacies working with outdated systems, daily tasks like these can be complex, repetitive and time-consuming. Staff members are required to perform multiple logins into separate systems and check information many times. This not only impacts pharmacy staff, who could use that time for more profitable tasks; it also impacts the customer, who expects a much faster and more efficient service than was acceptable a few years ago.

As pharmacies look to renew their software, the ability to simplify and speed up service is a key concern. For example, some 30 percent of pharmacies in the US said faster prescription processing was the top benefit associated with pharmacy management software.

Pharmacies need systems that streamline daily routine. This is done in different ways, for example by presenting each staff member only with the tasks he or she needs to take care of. Role-based pharmacy systems effectively speed up daily tasks by providing staff members with clear, essential information and prompts. For example, employees working at the register will be able to see at a glance in their role center which orders are open and which are ready to pick up.

When choosing software to support future success, it should be a key priority to ensure that it provides staff with all the information they need, as well as with clear and simple processes, in a single location. These features can effectively empower pharmacy staff to deliver the fast, efficient service that customers expect.





6 Security is central

Security is critical to pharmacies, as they handle large volumes of personal – and often sensitive – information about their customers. Omni-channel engagement, coupled with consumers' expectations of personalized interaction based on their transaction history, means that the volume of data pharmacies manage is only going to increase. So it's important that the software that is chosen to enable that level of interaction must also help to make sure personal information stays private.

As well as providing a secure environment to protect information from external threats, the software should also enable role management to safeguard information within the business. Being able to define the roles of each staff member, which type of information they can access and what tasks they can perform is an important part of that. To maximize security, management should be able to set permissions for individual users or groups of users, and to set up additional logins or request an electronic signature to carry out specific operations or to sell certain drugs.

This kind of setup is an important feature to ensure your, and your customers', peace of mind.

7 Chain management capabilities

Whether the business has a couple of locations or has grown into an extensive chain, real-time insights and centralized management tools are at the heart of efficient operation. Many pharmacy businesses develop into chains, which enables them to benefit from the economies of scale that a larger organization can bring. But failing to ensure a consistent experience across dispensary and retail operations at every outlet – physical or digital – can introduce a weak link that hinders the whole business and undermines the brand.

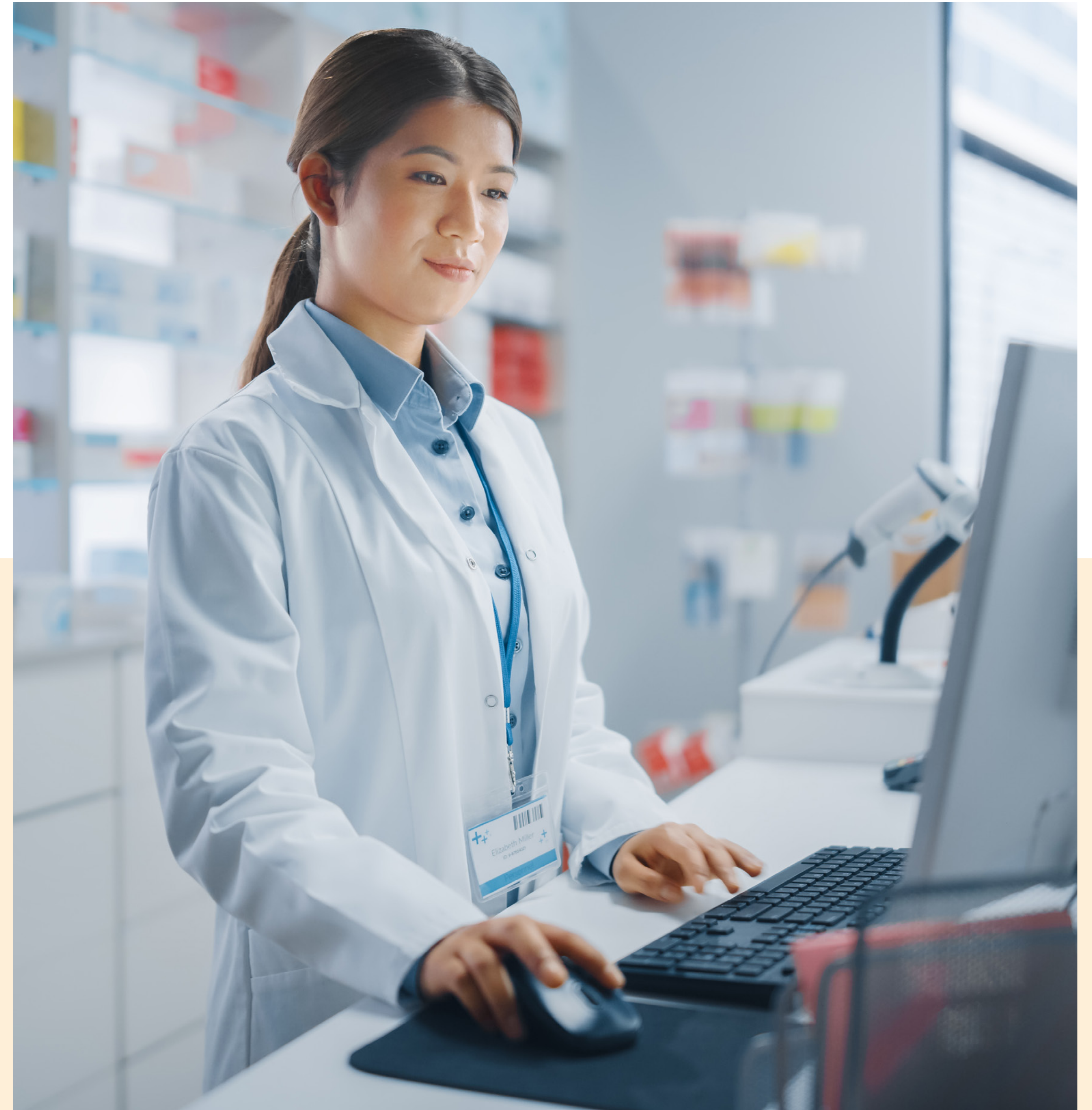
It is therefore essential to make sure the software chosen to support the business can support consistent management of the entire chain, however large it grows. Consider its capabilities to provide real-time information, generate reports and analyses, and enable the efficient planning and execution of actions across the chain. Make sure that the system can provide visibility into the inventory across locations, so that an out-of-stock item requested by a customer in one branch can be quickly located and delivered from another. Whatever insights, tools and processes are needed to ensure efficient operation and a consistent customer experience, a key priority for any pharmacy should be to ensure that the software they choose to support the business today will also enable it to achieve its goals in the future.




A solution that supports your business, today and tomorrow

Pharmacy management software has come a long way from the disparate systems that have been used to support the different processes in the past. By using a single end-to-end system to integrate dispensary and retail operations and deliver an omni-channel customer experience, pharmacies can enable themselves to operate faster and more efficiently while delivering the convenience, efficiency and consistency that today's customers expect.

However, as organizations seek to modernize their software, the range of solutions on offer can make choosing the right one a difficult task. The first step in the modernization process is to develop a vision of how the business will look at the end of the journey, before looking at how the solutions on offer can help to achieve that vision. The points identified in this paper provide some key trends and issues to consider during that process. Discussing these matters with solution providers will help to identify the software that can support business success today and in the future.





Are you ready to bring your business to the next level?

Selecting the right software for your pharmacy can be a daunting task. If you make the wrong choice your business may lose time, money and customers.

Make sure you are on the right track: get expert advice from LS Retail software specialists

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