



PHARMACY GUILD
OF NEW ZEALAND



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Pharmacy Guild of New Zealand

Contact

Extending vaccination services in pharmacy

IN THIS ISSUE:

- 04** The return of pseudoephedrine: ensuring safe use and responsible dispensing
- 08** The power of a customer centric mindset in pharmacy
- 10** Fundamentals of buying business assets versus company shares



University of Auckland Immunisation Advisory Centre Programme Manager Jane Morphet and Registered Pharmacist Sally Schnauer explain changes to the

requirements and process for delivering childhood vaccinations.

In 2023, the Immunisation Taskforce provided recommendations and guidance to Health New Zealand – Te Whatu Ora on improving New Zealand's immunisation coverage. The report highlighted one of the biggest barriers to increasing our childhood vaccination rates is access to vaccination.

Article continued next page



In addressing this, following consultation and stakeholder feedback, Pharmac removed the Xpharm restriction for vaccines on the National Immunisation Schedule (NIS) in recognition of the important role pharmacy have in offering vaccinations. These changes allow approved pharmacies to order and supply funded childhood vaccines.

Easing this restriction expands the pool of vaccinators and creates broader community access for whānau to receive free childhood immunisations. Pharmacist vaccinators are now empowered to advance their skills to become fully authorised vaccinators, enabling them to administer vaccines to infants as young as 6 weeks old.

“Strengthening our utilisation of community pharmacies across the motu creates another option for whānau to get vaccinated in their communities, particularly for those who can’t access or aren’t enrolled with a General Practice. Over time, these changes will also support an increase in the vaccinator workforce, should these skills be needed for future outbreak or pandemic situations,” says Dr Nick Chamberlain, Director National Public Health Service.

Once premises have been approved, contracts are in place and staff are suitably trained, the following additional vaccines can be administered in pharmacy: Rotarix, Infanrix hexa, Prevenar 13, Hiberix, Varivax and Infanrix IPV.

Additionally, for those pharmacist vaccinators who become authorised, the age restrictions on other scheduled vaccines are removed. Note, vaccines and age restrictions are not changing for pharmacist vaccinators.

The process

If a current pharmacist vaccinator wants to expand their scope and become a fully authorised vaccinator (whole-of-life) they need to:

1. Successfully complete IMAC free online Extending Vaccinator Skills (whole-of-life) course: <https://bit.ly/Vaccinator-skills>. This three-hour course revisits information from the foundation course, concentrating specifically on vaccines for tamariki (children) and pēpē (baby) aged 5 and under. The course includes
 - Communication with whānau and how to build a positive vaccine experience.
 - NIS vaccines and catch-up planning.
 - Vaccine administration.
 - Revision of adverse events following immunisation (AEFI), specifically within this age range.
2. Apply for authorisation with conditions. These conditions require the vaccinator to be directly supervised by an experienced authorised vaccinator mentor when administering vaccines in the deltoid or vastus lateralis to those under 5 years. The mentor must have at least six months experience in administering vaccines to infants in the vastus lateralis. This mentor will support the vaccinator to take on this new role, initially by having the vaccinator observe best practice followed by supporting practical skills development and workbook completion.

3. Complete the workbook to provide evidence of required clinical skills such as planning simple catch ups, and selection, preparation and administration of vaccine to pēpē and tamariki. It provides key reminders and space to record details of your local wrap-around services. Workbook completion is a required prior to the clinical assessment.
4. After successfully completing the workbook, a clinical assessment is required (vaccinating one tamaiti (child) under 2 years old into the vastus lateralis). Submit all required documentation to Health New Zealand authorisation portal and await confirmation that all requirements have been met to remove the condition of supervision.

Requirements for providing extended vaccination services

Pharmacies delivering these services must have:

- An ICPSA to offer funded immunisation services.
- Registered to order vaccines on the inventory portal.
- Appropriate facilities, robust cold chain management and suitably qualified staff.

Full details on all these requirements and how to achieve them are in the Planning Guide at bit.ly/Planning-guide.

Newborn services – supporting engagement

The first encounter with a doctor or practice nurse for pēpē might occur during immunisation appointments. This means, if six-week vaccinations are administered at a pharmacy, it's vital to verify they also have access to newborn services. Confirm enrolment with a primary care provider and completion of medical checks for māmā and pēpē with a GP, and interaction with Tamariki Ora or Plunket. Promote and support access if necessary.

Enabling greater vaccine access and options is a high priority for Health New Zealand – Te Whatu Ora and is particularly valuable in communities with significant pressures on primary care capacity.

Primary and community care providers need to work collaboratively to boost immunisation coverage to prevent outbreaks of vaccine-preventable disease, which can cause the greatest harm to infants. Conversations to provide information should be easy to understand, culturally respectful and enable informed decision-making.

Training

For all education and training related information contact the Immunisation Advisory Centre (IMAC):

- Email imaceducation@auckland.ac.nz
- Call 0800 882 873
- To get in touch with local coordinators and regional advisors go to bit.ly/IMAC-support.

GUILD HQ

CE Column



Guild Chief Executive, Andrew Gaudin, reflects on his recent attendance at the inaugural Valuing Life, New Zealand Medicines Access Summit.

The Summit was co-hosted by Patient Voice Aotearoa and Medicines New Zealand in Parliament at the end of April and was well attended by a diverse mix of patient advocates, specialist doctors, health technology economists, government officials and industry representatives.

Hon David Seymour opened the summit and discussed his very welcome pre-Budget 2024 announcement of a \$1.774 billion investment over the next four years for Pharmac's combined pharmaceutical budget (CPB).

This is material relative to Pharmac's existing CPB budget in 2023/24 of close to \$1.5 billion. The reality is however, this only enables continuity of supply of the existing range of publicly funded medicines, together with a modest investment in new medicines.

This is due to a significant funding reduction that was budgeted for Pharmac's ongoing funding post 30 June 2024. The new government was faced with a challenge: either restrict access and delist medicines or invest significantly more to cover the previous budgeted funding reduction to maintain medicines access.

The key theme of the day was the recognition of the pressing issue that New Zealand continues to lag behind other comparable countries when publicly funding modern medicines. Between 2012 and 2021, New Zealand has publicly funded 7% of the 460 new medicines launched in the OECD, compared to an OECD average of 29%, with the United Kingdom funding 48% and Australia funding 24% of new medicines.

A range of workshops were held to consider how to address this challenge. These included workshops on enhancing health technology assessments, building a fit for purpose medicines strategy for New Zealand (I was pleased to participate as a panellist on this), better stakeholder engagement in decision-making processes, and health innovation optimisation in New Zealand.

We look forward to further supporting an expanding and optimal use of modern medicines, as an integral part of our health system, for the wider societal and economic benefits they can deliver for all New Zealanders.

GUILD HQ

Latest advocacy and member resources

Legal case update: Guild to apply to be an intervener in the Appeal

The Guild Board has discussed the next steps in the ongoing litigation between ICPG, Ministry of Health, Health New Zealand and Countdown.

Since the High Court Judge's decision in June 2023 that ruled licences granted by the Ministry of Health to a company operating Countdown Pharmacies were invalid and unlawful, Countdown have appealed the Judge's decision around "effective control". The Court of Appeal case is scheduled for September 2024.

The Board obtained advice from our legal adviser, Simpson Grierson. As a result, the Board has decided the Guild will apply to be an intervener in the Appeal to ensure members' interests around "effective control" are before the Court and again seek the best possible outcomes for members and the sector.

Guild April advocacy update webinar

Thank you to those members who attended our first bi-monthly webinar. These webinars are an opportunity for us to update members on key advocacy priorities, allow members to ask questions, and cover sector and practice changes and updates.

At the April webinar we covered our key 2024 advocacy priorities, meeting with the Minister of Health, NAAR 2024, legal case next steps, workforce survey, system redesign workgroups, and childhood immunisations. A copy of the presentation is available on our website.

Future webinars will be held on 25 June, 20 August, 22 October, and 10 December.

Community pharmacy workforce survey

To help the Health New Zealand Workforce Team accurately reflect the workforce pressures community pharmacy is experiencing and ensure these are acknowledged alongside others in the health sector, we asked pharmacies to share information on current staff vacancies.

The survey collected data on the number of staff your pharmacy employs and the number of vacancies you have, as well as how long it is taking you to recruit, and if you/your team are feeling burnt out or are considering exiting the sector.

Anonymised survey data will be shared with Health New Zealand so it can be included in the updated 2024 Health Workforce Plan.

The return of pseudoephedrine: ensuring safe use and responsible dispensing

The reinstatement of pseudoephedrine to pharmacy shelves presents challenges and opportunities for pharmacists. **University of Otago Senior Lecturer in Pharmacy Practice Dr Mudassir Anwar** advises how to successfully navigate the changes.



The return of pseudoephedrine to New Zealand community pharmacies as a pharmacist-only medicine marks a significant shift in medicine accessibility and management. Pseudoephedrine, a

popular decongestant, was previously available over the counter until 2011, when it was restricted to prescription-only status due to concerns about its potential misuse in the illicit production of methamphetamine. Now, its return to pharmacy shelves under the pharmacist-only classification raises opportunities and challenges for community pharmacists.

One of the most notable impacts of this change is the increased responsibility placed on community pharmacists to ensure the safe and appropriate use of pseudoephedrine. As gatekeepers of this medicine, pharmacists are tasked with assessing patients' suitability for treatment, providing counselling on proper usage, and verifying compliance with legal requirements, including age restrictions and quantity limits. Pharmacists must also remain vigilant for signs of suspicious activity or attempts to obtain pseudoephedrine for illicit purposes, reporting any concerns to regulatory authorities.

Moreover, the return of pseudoephedrine necessitates a heightened focus on patient education and counselling. Pharmacists play a crucial role in informing patients about the risks and benefits of pseudoephedrine use, potential side effects, and proper dosing instructions. They must also emphasise the importance of adherence to recommended guidelines and precautions to minimise the risk of adverse reactions or interactions with other medicines. By providing clear and comprehensive information, pharmacists empower patients to make informed decisions about their health and medicine management.

Additionally, the reclassification of pseudoephedrine to pharmacist-only status underscores the importance of pharmacist role as medicine experts within the healthcare system. Pharmacists possess the knowledge and expertise to assess patients' medical history, identify potential drug interactions or contraindications and recommend appropriate treatment options.



By leveraging their clinical skills and expertise, pharmacists can ensure that pseudoephedrine is used safely and effectively to manage nasal congestion and associated symptoms.

However, this recent change also presents logistical challenges for pharmacists. With increased demand for pseudoephedrine products, pharmacists may face additional workload pressures and resource constraints. This includes the need for adequate staffing levels to handle patient inquiries, dispense medicine and monitor compliance with legal requirements. Pharmacists must also implement robust inventory management systems to prevent stock shortages and ensure the availability of pseudoephedrine products for patients who need them.

Furthermore, the reclassification of pseudoephedrine highlights the importance of ongoing training and professional development for community pharmacists. Pharmacists must stay informed about changes in legislation, regulations, and best practices related to pseudoephedrine dispensing and management. Continuous education and training programmes ensure pharmacists are equipped with the knowledge and skills needed to fulfil their expanded responsibilities effectively.

The return of pseudoephedrine to New Zealand community pharmacies as a pharmacist-only medicine has far-reaching implications for both pharmacists and patients. While it presents new challenges in terms of increased responsibility and workload, it also underscores the critical role of pharmacists in ensuring the safe and effective use of medicine. By leveraging their expertise, pharmacists can navigate these changes successfully and continue to serve as trusted healthcare providers within their communities.

Type 1 diabetes and coeliac disease

Coeliac disease is more common in people with type 1 diabetes. **Coeliac New Zealand Dietary Education Manager (New Zealand Registered Dietitian), Suzanne Aitken**, explains the link between these diseases, as well as symptoms, diagnosis, and treatment for those affected.



For patients with type 1 diabetes there is an increased risk of developing other autoimmune diseases, including coeliac disease – with the latest data showing there is around a 10% increase in risk.

Coeliac disease affects the lining on the small bowel, which becomes inflamed and damaged due to dietary gluten. The consequence of this results in flattened villi and malabsorption of nutrients, leading to possible nutrient deficiencies with long term consequences if left untreated.

The only medical pathway for treatment of coeliac disease is a strict lifelong gluten-free diet. This includes ensuring patients don't take any medicines and supplements that contain or may have traces of gluten.

Symptoms of coeliac disease can be wide and varied, but many patients experience diarrhoea, frequent urination, constipation, thirst, weight loss, nausea, flatulence, abdominal pain or discomfort, mood disorders and depression, mouth ulcers, joint pain, and fatigue. Some people are asymptomatic and may be susceptible to damage of the gut without being diagnosed or following a gluten-free diet.

For those living with type 1 diabetes, symptoms of coeliac disease can often be confused for symptoms of their diabetes. For this reason, screening for coeliac disease is recommended after a diagnosis of type 1. Further, if your patient has a family history of coeliac disease or suspects they may have an issue with consuming gluten, then it is also advisable for them to seek medical advice for a diagnosis.

The diagnosis pathway for coeliac disease includes a coeliac serology, followed up by a biopsy. The pathway may differ for a child depending on the lab protocol and specialist recommendation in the area. During the diagnosis process, it is important to reinforce that the patient needs to be consuming a gluten-containing diet as directed by their medical professional to ensure an accurate diagnosis.



For patients with type 1 diabetes, blood sugar levels can change during the initial stages of transitioning onto a gluten-free diet due to the healing of the gut and greater absorption of nutrients. This transition period is often difficult for patients, having to eliminate gluten from their diet, remove the risk of cross contamination with gluten in the kitchen, monitor blood glucose and maintain an appropriate insulin regime.

As a trusted health professional in the community, the pharmacist is an important advocate and source of information for patients. Educating patients around their medicine and any supplements to ensure they maintain their gluten-free diet is an important aspect for people with coeliac disease.

For those living with type 1 diabetes, symptoms of coeliac disease can often be confused for symptoms of their diabetes.

Unlike with type 1 diabetes, there is no established link between type 2 diabetes and coeliac disease. Type 2 diabetes occurs when the body either does not produce enough insulin, or the cells in the body do not recognise the insulin.

If your patient has been diagnosed with coeliac disease, our medical advisory panel recommends they become a member of Coeliac New Zealand – the national organisation that supports people living with the condition. Coeliac New Zealand provides important information, support tools and resources to its members to support them on their journey and help patients live better lives.

For more information visit www.coeliac.org.nz.

Inflammaging

Pharmacist Tracey Sullivan discusses the impact of chronic inflammation on ageing.



Longevity and ageing were never things I thought about a lot until I reached a certain birthday milestone. With an 8-year-old daughter to raise, healthy ageing is very important to me. The more

I read, one term in particular keeps cropping up in longevity research because of its influence on healthy ageing, and that is inflammaging.

What is inflammaging and how is it related to ageing?

Inflammaging does not yet have a clinically defined or universally accepted diagnostic criteria, however the concept recognises low-grade chronic inflammation present in the ageing population. Inflammaging appears to be a risk factor for cardiovascular disease, chronic kidney disease, cancer, diabetes, depression, dementia and sarcopenia. Current research indicates chronic inflammation is not necessarily a 'normal' part of ageing.

Inflammation is one of the body's most important and potent physiological systems. It has a fundamental role as a defence mechanism in response to infection or injury and ultimately results in repair of damaged or infected cells. While short-term inflammation is a good thing, inflammation that is sustained or prolonged has detrimental effects on the human body. As health professionals, pharmacists are only too familiar with inflammation of the cardiovascular system – with diseases such as atherosclerosis becoming more prevalent in the older population.

Ageing itself is characterised by increased levels of inflammatory markers in the blood, and people with these increased markers become more susceptible to disability, frailty, chronic morbidity and premature death.

Why understanding inflammaging could produce new therapies

Many mechanisms have been proposed for inflammaging – genetics, central obesity, increased gut permeability, dysfunctional mitochondria, chronic infections, dysregulation of the immune system, and cellular senescence. Senescent cells are no longer able to divide despite optimal growth conditions. They don't die but start to secrete inflammatory factors and influence neighbouring cells to do the same. The senescent cells accumulate and lead to immune function changes.



Some of the key areas researchers are looking at are whether inflammaging is a biomarker for the rate of biological ageing or if it directly causes disease. Understanding the mechanisms of inflammaging could reveal new therapeutic targets and options for our ageing population – a group that is growing worldwide. Potential therapeutic interventions to counteract inflammaging that are emerging from research are drugs such as pharmacological chaperones, senolytics, and anti-cytokines as well as pre- and probiotics, dietary interventions and supplementations.

Research into the drivers of chronic inflammation could lead to longer, healthier lives, decreased health burden, and the possible prevention of cardiovascular disease and brain disorders.

Can I slow inflammaging down?

Paying attention to diet, physical activity and weight control can benefit the immune system, metabolism and limit inflammation.

- Eat a healthy, wholefood diet suited to your body type. Studies show the Mediterranean diet is linked to lower levels of inflammation.
- Nourish your gut biome – the gut bacteria of younger people may have more anti-inflammatory properties. There is evidence to show the relationship between diet and inflammation, and good nutrition can influence a healthy biome.
- Sleep well – poor sleep is associated with higher levels of inflammatory markers.
- Manage stress – stressed bodies produce more inflammatory messengers such as pro-inflammatory cytokines.
- Maintain a healthy weight and decrease visceral fat – mid-section fat contains inflammatory markers.
- Exercise consistently and include strength training to maintain muscle. Resistance training is associated with a decreased risk of low-grade inflammation-related diseases.

Sharing (the workforce) is caring

Preserving the pharmacy workforce by fostering better working relationships with general practice improves outcomes for staff and patients, says **Guild Senior Advisory Pharmacist Martin Lowis**.



Pharmacists proudly play a pivotal role in patient care. Nurturing strong relationships with fellow pharmacists, prescribers and other healthcare professionals is paramount for

optimal patient outcomes and fostering a collaborative environment centred on patient wellbeing.

Traditionally, pharmacists have had a wide range of experiences with other healthcare professionals and institutions. Some pharmacists count local prescribers and fellow pharmacists among their best friends or at least give them a friendly wave on the golf course or during the school run. For others, the relationships can be stormier, especially if direct competition comes into the picture.

In recent years however, a distinct disconnect has emerged in the healthcare sector, further eroded by the lack of the need for personal interaction. Prescriptions are being sent electronically and workforce issues leave both GPs and pharmacists with no spare time to speak on the phone.

Now more than ever, reestablishing close ties with prescribers will not only improve communication and facilitate the exchange of information for the benefit of patients, but is crucial to ensure the sustainability and retention of the pharmacy workforce.

When Budget 2022 was announced, setting aside \$102 million over four years for comprehensive primary care teams, it provided funding for general practices to employ pharmacists as part of those teams. In addition to this, the ever-evolving healthcare landscape has transcended the role of pharmacists beyond the traditional boundaries of medicine dispensing and information dissemination, introducing service provision opportunities, such as extended vaccination services and point-of-care testing.

A recent survey recognised the advantages of pharmacists working in general practice, noticing the gains are not simply cumulative – a pharmacist can add value working one or two days a week in general practice. However, higher level improvements can be made if pharmacists function at a systemic level, rather than just at the individual patient level.



Recognising this shift, a proactive stance to preserve the sustainability of community pharmacies needs to be initiated. While the government's commitment to funding pharmacists in general practices underscores the importance of incorporating pharmacy services within primary care, it is crucial to prevent a mass migration of pharmacists from community pharmacies, potentially leaving a void exploitable by large retail chains. It also presents an opportunity to counteract the detrimental effects of the funding environment, which drives volume, not value.

By fostering partnerships between pharmacies and co-located or nearby medical centres, pharmacists can create synergies that benefit all parties involved, by evolving with changes in healthcare delivery dynamics.

This allows community pharmacies to offer services within the medical centre while receiving government funding for pharmacists' salaries. This approach ensures pharmacists benefit from job variation by being rostered between the dispensary and the medical centre if they choose to do so. This retention of skilled pharmacists within community pharmacies, while integrating them into the broader healthcare ecosystem, could be pivotal to the future of pharmacy.

By taking a proactive approach to healthcare delivery dynamics and fostering partnerships, community pharmacy owners and managers can ensure pharmacies remain vital contributors to integrated healthcare teams, while preserving their key workforce.

The Guild has developed resources to help facilitate discussions with prescribers, available on our website under business tools.

The power of a customer centric mindset in pharmacy

When customers feel like more than a just a number, they keep coming back. Building strong customer relationships is the driving force behind sales, says **Toni Glass, consultant and Elevate Pharmacy trainer.**



When customers step into their neighbourhood pharmacy, they should feel more than just a transaction — they should experience genuine care and support. From the warm greetings

to personalised recommendations, local pharmacies that prioritise customer service and combine it with a sales culture create an unparalleled experience for their customers.

By adopting a customer-centric mindset, pharmacies transform from mere dispensaries to trusted advisors in their communities. When pharmacists and their teams take the time to listen, offer tailored solutions, and genuinely engage with customers, it fosters a sense of trust and loyalty that extends beyond the counter. Customers feel valued, understood, and more inclined to return, knowing they'll receive personalised care that goes beyond mere transactions.

But perhaps the most important thing a customer-centric mindset brings to the table is trust. When customers know a pharmacy has their best interests at heart, they're more likely to trust their recommendations and rely on them for their healthcare needs. And in an industry where trust is everything, that's a huge competitive advantage.

More than ever local pharmacies need to differentiate themselves and offering a truly customer centric experience is key. A customer-centric mindset is like the secret sauce that fuels a sales culture and takes customer service to the next level.

This mindset isn't just about making sales, it's about building relationships. When pharmacies take the time to listen to their customers, offer personalised recommendations, and go the extra mile to make them feel valued. And when customers feel like they're more than just a number, they're more likely to keep coming back.

And that's where the magic happens. By putting customers first, pharmacies can drive sales in a way that feels natural and genuine. Instead of trying to push products on people, they're offering solutions to real problems that customers are facing. Whether it's helping someone find the right medicine for their condition or suggesting a new product that could improve their quality of life, every sale is driven by a desire to help — not just make a dollar.



In our Elevate Customer Service training we link great customer service with a simple sales process and train each step:



And you know what? It's not just about making a sale, it's about making sure you give the best care possible. When the team at a pharmacy take time to talk to customers about their health concerns and suggest things that could help, it shows that they care about more than just selling stuff — they care about their customers.

A customer-centric mindset is the driving force behind a sales culture and the key to growing customer service. By putting customers first, pharmacies can build relationships, drive sales, and foster trust — all while improving the service they provide. It's a win-win-win situation that benefits everyone.

Visit www.elevateyourpharmacy.nz for details on training courses for your team.

Looking after employee wellbeing during winter

Guild HR Advisor, Dan McCullough gives some advice for keeping you and your staff healthy during the colder months.



As winter rolls around, the weather gets colder, the days get shorter and all types of colds and sneezes make the rounds, which can often take a toll on employee wellbeing. For pharmacy owners, creating

an environment that supports your team during these high-risk months is beneficial to employees' health and wellbeing, but also for maintaining productivity and team morale.

Encourage healthy habits

We know the importance of healthy habits during months when sickness is more common, and the impact this can have on wellbeing and business if these are not maintained.

As an employer, what are your responsibilities for encouraging wellbeing and what are the benefits? While you may not always have the resources to go above and beyond to support employee wellbeing, having options available, and an environment where employees are comfortable and supported is a great long-term investment. By supporting those who need it, in return you'll get the best out of them.

So, what are some things you can do?

- Encourage employees to stay hydrated.
- Encourage a healthy diet. Perhaps you could provide fruit or healthy snacks in the breakroom.
- Encourage and remind employees about the benefits of regular exercise.
- Provide an environment or resources that support mental wellbeing during these months is crucial.

Stay informed and flexible

Keeping an eye on employee wellbeing is important all year round to ensure their experience is positive, you're getting the best out of your people, your customers receive excellent service, and the business is performing well overall.



During the winter months, the need for wellbeing check-ins is often more critical. Regularly checking in with your employees to gauge how they're coping during the winter season can help you understand where any opportunities are, continue open communication with your team members and provide support where needed. In these conversations, remain empathetic and flexible where possible in accommodating their needs, whether it's work hours, workloads or any other additional support they need.

Remember to stay informed about the latest health guidelines, such as publications provided by the Ministry of Health around mental and physical wellbeing, or www.business.govt.nz around looking after your employees. It could be as simple as implementing measures to promote good hygiene and reduce the spread of illness in the workspace, particularly for employees who are regularly facing unwell customers.

This could be as simple as:

- Offering benefits such as flu jabs
- Reminders to wash hands
- Replenish hand sanitisers
- Wearing masks in situations where/if they feel comfortable doing so
- Encouraging sick leave if employees are feeling unwell

By prioritising and supporting the wellbeing of your employees this season, you're more likely to ensure your business thrives, even in challenging situations. Your people will have the benefit of a caring and compassionate environment, the right habits and resources to drive their wellbeing and perform at their best, ultimately enhancing your pharmacy's performance.

Fundamentals of buying business assets versus company shares

If you're interested in buying a pharmacy, it's important to understand what you are paying for. **Anson Lam, Associate at Moore Markhams** explains the difference between buying business assets and existing company shares.



Buying business assets

Under this approach, you are basically starting fresh. On the day of settlement, you pay the agreed amount to purchase the business assets of an existing

pharmacy business. The value is normally allocated to stock on hand, fixed assets and goodwill. Purchasing the business assets should provide the stock on shelves and fixed assets required for you to start trading from day one.

Subject to the terms in the sale and purchase agreement, you have the ability to choose the staff you wish to keep in the business. These staff are considered new employees of the new entity. The vendor is usually responsible for all staff annual leave and holiday pay to date of settlement as they end their employment contract with the vendor. Sometimes however, leave balances are transferred to the purchaser and the relevant settlement adjustments are accounted for.

Starting fresh also means there is other administrative work involved, which includes:

- Application for a new IRD number (if applicable) and registering for GST.
- Preparation of new employment contracts for each employee.
- Opening a new business bank account and business credit card.
- Insurance policies for the business. It's important to assess what policies are required. Typically, when a sizeable loan is drawn relating to the purchase of the business, the bank requires specific policies be in place.
- Register or change over the Eftpos terminal. It is important that you have this setup to ensure customers can shop with ease from day one.

For a smooth transition, consider employing the previous owner to work at the pharmacy with you in the first couple of weeks following settlement to introduce you to the customers.



Buying company shares

An alternative approach when buying a business is to acquire the shares in an existing company that owns the pharmacy business. This is viewed as a simpler way to transfer ownership while trading continues as normal. On settlement the shares are transferred, and the updated shareholding details are registered on the Companies Office website.

As the business continues trading, the existing contractual relationships remain the same (including customers, suppliers and staff).

When looking at buying a business, discuss the options with your advisor before deciding on the best structure for you.

The most important thing to note when buying shares in an existing company is you inherit all assets and all liabilities of the company, including any contingent liabilities that may arise. For example, if the company has additional tax payments to pay either because it was previously undisclosed to the purchaser or if it pops up from an audit/review by Inland Revenue after the sale of the company shares, the new owners will be responsible for all liabilities.

An appropriate warranty clause should be included in the sale and purchase agreement and thorough due diligence should be completed prior to buying shares. This will make sure the full picture of the financial position is understood and recorded on the company's balance sheet and gives you the best chance to avoid any hidden surprises.

When looking at buying a business, discuss the options with your advisor before deciding on the best structure for you.

Simplifying retail pharmacy

A robust strategy for dealing with the burden of staff shortages is no longer just a nice-to-have, it's necessary for retail survival. **Retail consultant and pharmacist, John Saywell** elaborates.



Staff shortages are here to stay, and the last four years have seen a significant loss of expertise and experience on the shop floor, not just in the dispensary. Doing more with less has now become the norm.

Range rationalisation is a strategy which can improve financial performance, streamline the way you manage pharmacy operations and enhance the customer experience. Let's delve into how range rationalisation benefits pharmacies and customers.

Understanding consumer behavior

Pharmacy owners are acutely aware households have limited spending power and shoppers have less time and attention when they are instore. With consumers demanding more value for their money and enjoying a plethora of shopping options, pharmacies must rethink their product selection strategies.

A significant portion – roughly 80% – of pharmacy sales stem from a few best-selling products which make up the top 20% of the product range. This revelation underscores the need for pharmacies to focus on their highest-performing items to maximise profitability.

Trimming the fat: selecting a core range

With many pharmacies stocking more than 5,000 products, the abundance of choices can overwhelm customers. To combat decision paralysis and promote ease of shopping, a curated core range approach is recommended.

The core range consists of the best-selling products in each category, typically limited to three or fewer brands. This simplifies decision-making for both customers and staff, employing a good-better-best ranking system.

The benefits of range rationalisation

1. **Simpler management:** By focusing on a core range of products, pharmacies can streamline inventory management processes. With fewer products to track and replenish, staff can devote more time to providing quality service to customers.
2. **Easier shopping experience:** A curated selection of products makes it easier for customers to navigate the shelves and find what they need quickly and efficiently.



3. **Improved service levels:** Clearer recommendations based on a core product range enable staff to provide more informed assistance to customers. This results in improved service levels and a higher level of customer satisfaction.
4. **Enhanced profitability:** By concentrating on top-selling products, pharmacies can get economies of scale through larger orders of fewer stock-keeping units (SKUs), bolstering profitability.

Implementing a core range strategy

Successful implementation of a core range strategy involves focusing on approximately 1,000 over the counter (OTC) products. Larger pharmacies can supplement this core range with discretionary categories such as beauty, gifts, and fashion products.

When selecting core products, pharmacies should consider factors such as product efficacy, popularity, profitability, supplier relationships, and marketing support. RPM Retail has developed a free core range decisions flowchart and a pharmacy category tree, available at www.theipg.co.nz/resources/ to help you make informed choices.

By aligning product selection with nationwide sales rankings and product effectiveness, pharmacies demonstrate their commitment to being customer focused. Learning to decline unnecessary products and ranges reinforces the pharmacy's reputation as a trusted destination for superior solutions and expert advice.

Moving forward

Range rationalisation represents a transformative strategy for retail pharmacies, offering a simpler, more customer-centric approach. By embracing this methodology, community pharmacies can unlock new levels of efficiency, profitability, and customer satisfaction in an increasingly competitive market landscape.

MEMBER GET MEMBER

Refer a friend

Do you wish all pharmacy owners were funding the work that the Guild does on behalf of the sector?

Well, so do we, so we are asking members to help us increase our membership by speaking to their non-member friends and colleagues. Tell them why you belong to the Guild, and about the benefits and support you receive from us.

To find out more contact Niki on:
04 802 8213 or membership@pgnz.org.nz



Get your friend to join the Guild before **30 August 2024** and you will both get a \$300 account credit!



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