

A GUIDE TO

Change Management



THIS IS THE THIRD IN A SERIES OF ARTICLES about why and how independent pharmacists can adapt to the rapidly changing landscape around them, to ensure that we have a sustainable professional sector and viable businesses in the future. Deborah Evans and Michael Holden from Pharmacy Complete provide the context, a vision for change and a process to get there.

Module objectives:

As a result of reading this you will have a better understanding of:

- Where to focus your activity for growth
- The importance of having a plan
- Critical success factors.

Preparing for action

The key to growing your business is understanding the opportunities in your community (what is needed and what will be paid for) and the strengths you have. You will have identified these by undertaking the SWOT analysis covered in article 2.

Once you understand the opportunities for growth, it is important to prioritise and plan where to focus your resources – in other words, which activities will be more likely to be successful, sustainable and provide a return.

One way of doing this is to use an Ansoff Matrix (www.ansoffmatrix.com) to analyse the growth opportunities. The matrix allows you to understand where you can grow by examining your current and potential product or service offerings against your current customer base or new markets.

1. Market penetration

Start by mapping all the products and services you currently offer into the top left quadrant and ask yourself some questions:

- Which products and services make my pharmacy more appealing to its customers?
- Am I maximising my current services to my existing customers?
- Which of these are most profitable to the business?
- Which have the potential to grow?
- Do I deliver all the contracted services I can?
- Do my team down-sell or up-sell to our customers?
- Does my merchandising and category management reflect the market profile?
- Does my healthcare area and consultation room reflect a health and wellbeing ethos?
- Does my team ensure that every person receives a great experience?



Achieving growth in this quadrant is least risky – we understand our current customers and the products and services we offer. Optimising market penetration or achieving more value from existing customers is the most straightforward of all growth strategies. Frequently this is about promoting more effectively and making the most from current opportunities.

2. Market development

Next, look at how you could develop your current services in new markets, in other words, with new customer groups:

- Of all the products my pharmacy offers, which would appeal to new customers?
- Am I offering NHS services that have a private market potential, eg, flu vaccination for occupational health schemes or health checks for the insurance sector?
- Can I broaden the reach of my NHS services, eg, flu vaccination to carers, critical NHS employees or care homes?
- Can I extend the reach for services such as smoking cessation, blood pressure or diabetes testing?

Market development is a good strategy for growth where you have seen significant success with a specific product or service and can use this expertise confidently with new customer groups. This strategy is frequently used where a company has market leadership.

3. Service development

Another opportunity for growth is to introduce new products or services to existing customers, but this strategy should only be used when you are confident that your customers have the need and will respond to the new product/service introduction. Consider:

- What new services or product ranges could you offer and how would customers respond?
- What are the competition doing or not doing?
- What are other pharmacies offering?
- Are there other contracted services that you are not delivering?
- What are the local health needs and opportunity for wellbeing services?

4. Market diversification

The highest risk strategy for growth is where you introduce new products and/or services which appeal to a completely new customer or market group. This could involve taking the services or products identified under service development and, instead of delivering to your existing market, you offer to new markets through outreach or the internet – for example, introducing an online doctor service to a new market using a new promotional method. This strategy for growth is the most exciting but will be the least understood; consider the potential of collaborating with other pharmacies and other providers to reduce your exposure.



REFLECTIVE EXERCISE:
**Complete an Ansoff Matrix
for your pharmacy.**

REMEMBER to use this article as part
of your CPD and record at
www.independentpharmacist.co.uk

A good plan

**Vision without action is merely a dream.
Action without vision just passes the time.
Vision with action can change the world.**

Joel Barker

Having ideas to grow your business is a great start, but without a good plan that is well implemented, nothing will happen. A good plan is a route map to your destination, your end-goal. It may have to change as you go on your journey, just like a satnav adjusts your trip based on congestion and dead ends, but you must always keep your end in mind.

A good plan doesn't have to be perfect – 80 per cent is a good start, then refine as you go – but it should have some key elements:

- Why is it important to have the goal?
- What do you want to achieve?
- How will you achieve your goals – make specific and communicate to all?
- Who will make this happen in your team?
- When will this happen with milestones and timelines?
- Evaluate progress with metrics.

When working on your goals and plans there will be some imperatives; these we refer to as critical success factors (CSFs). These start with 'we must ...', create focus and help you prioritise and invest. So consider your purpose and your goals and write down and commit to between three and five CSFs for your business to be successful.

An example of a CSF might be: "We must increase our OTC business and service revenue to reduce our reliance on NHS funding." This can then be broken down into objectives and actions.

Once you have defined the critical steps to moving your business forward, you can put in place milestones and smaller steps. Remember, what gets measured, gets done, so make them as specific as possible and measurable in both outcomes and timelines.

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pharmacists who love pharmacy!**

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