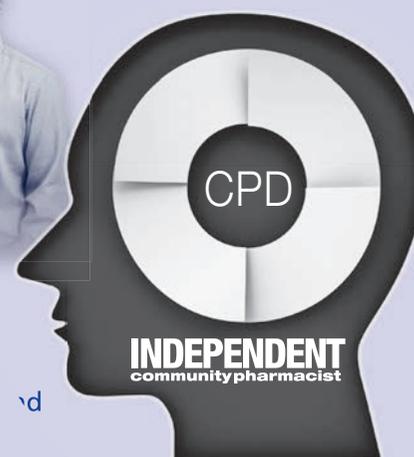


A GUIDE TO Change Management



THIS IS THE FIFTH 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:

- The measures of success
- The importance of quick wins
- The importance of monitoring and review.

Delivery and review

In the previous articles we shared a number of tools, hints and tips, so it is worthwhile reviewing the journey we have come on and what the big questions are now:

- What is your purpose – why do you do what you do?
- What are your options for a sustainable business, and what is your Plan B destination?
- Are your team motivated by your vision and engaged in your purpose and destination?
- Have you got the right people with the right skills doing the right things to achieve success?

If all of this is going well, you now need to have the correct measures (or metrics) to establish what success looks like and to monitor your progress against your goals. Metrics can also be used to demonstrate quick wins to show that your plan is working and worth the effort required to change.

Measures of success

What gets measured gets done! The question is, what should you measure and why?

Your measures should always reflect your goals. You will have come across SMART objectives and this is where they come into their own. Ensuring your measures are Specific, Measureable, Achievable, Relevant and Time-bound means that you can break down your goals into smaller milestones.

For example, you may have a goal to increase your service revenue compared to NHS prescription revenue. This is not yet SMART, so you could further define this goal as: 'Increase service revenue so that it becomes 20 per cent of total revenue by the end of 2017/18'.

This larger goal can then be further broken down into a series of smaller objectives concerning individual services, eg, delivering 400 high-quality MURs per year or establishing two new commissioned services by 2017/18. Care should be given to think about any inter-dependent metrics or measures which might drive the wrong behaviours; you may also want to look at quality of outcomes, profitability and patient experience feedback as part of your suite of metrics to ensure delivery is not just about the numbers.

Measures are there to drive the right behaviours from all involved, monitor progress against your goals, and support change. Your business metrics must be aligned to your plan and critical success factors (see article three, ICP July). Before getting started on your future measures, it can be helpful to consider what you currently collect data on and what you use as measures for your business.

Pharmacies frequently measure volume of prescriptions and gross OTC turnover, but may not look at trends or benchmark against the market or the needs of your community or commissioners. Metrics for private and commissioned services, where measured at all, are often based on activity or gross revenue, but not on profitability or their contribution to the business. The Pareto principle often applies, with 80 per cent of profit coming from 20 per cent of activity or products.



Growth opportunities

Many independent contractors tell us that they collect data and information from FP34s but do little with it; and this isn't telling them the full story. A year-on-year prescription growth of 4 per cent, for example, might feel good but is only just keeping up with the market growth. So in this case, market growth data is needed, as well as investigating where the growth is coming from.

Spending time capturing data but not using that information to make business decisions, or collecting information which is not helpful to your goals, means you could be wasting your time. Equally, if you only measure a business metric occasionally, you may miss the opportunity to respond quickly and make a decision whether to stop (fail fast) or continue with whatever you are doing (eg, a service or stocking a product). In many cases, business performance is only truly known when the year-end accounts are filed. But by then it is far too late to act!

Consider measures and trends over time to get a sense of travelling towards your goal. Let's take an example where you have set a goal of achieving 50 per cent growth in your OTC business over two years.

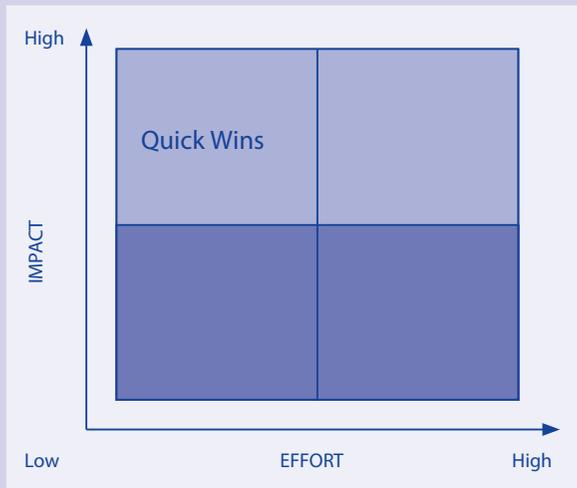
This needs to be firstly defined as a cash value to be meaningful, eg, monthly sales of £15,000 by September 2018. You won't achieve that £15,000 straight away, so break the growth down into realistic chunks – you may even want to go down to daily sales to account for seasonal changes, based on historical performance.

If you are looking for a steady growth strategy, you may set a linear growth measure, with target sales of £12,500 by this time next year. Or you may wish to have a more intensive period of activity initially to see a faster uplift in growth, setting a more ambitious growth target in the first year and then consolidating that in year two. To complete the picture, what do you need to do to achieve that growth and what investment is required? You may wish to monitor the return on this investment.

What gets written down is much more likely to be achieved, so write down your goals and make them visible to all. Make your metrics part of individuals' objectives, depending on their role, and ensure your team are fully involved in setting them – objectives that they own will be much more likely to succeed.

Quick wins

In any change programme it is important to have some quick wins to demonstrate that you are on the right track, to maintain momentum and team engagement. The latter is particularly important and requires those quick wins to be both visible and measurable. When deciding what your quick wins should be, consider the following matrix and look for wins which have the highest positive impact on your people and your business for the least effort. Then celebrate!



The short-term impact should demonstrate itself in improved team behaviours and productivity, quality of services and customer experience. In the medium and long term, this should result in improved profitable revenue and therefore business sustainability.

Having started the planned journey towards your goal, it is important to review progress against your critical success factors and metrics at key milestones. This might be quite frequent in the beginning to ensure that the right outcomes are being achieved; this allows you to adjust the plan and, if necessary, fail fast on some decisions and try alternatives, but without losing sight of your end goal.

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