

## Building pharmaceutical excellence

Innovation and sustainability in South Africa's pharmacy sector go hand in hand with meeting the challenges facing the healthcare profession.



David Kneale, CEO of the Clicks Group.

This was the message from Mike Harvey, Clicks managing director, at the opening of the Clicks Pharmacy Conference, currently on at the CTICC in Cape Town.

"Before innovation, there must be value," he said. "We are finding out what our customers want through continual market research and attracting more people through our promotional programme."

The conference is the largest annual event of its kind on the African continent and is attended by over 400 delegates, including Clicks pharmacists, their assistants and nursing practitioners and dignitaries from the Department of Health, SA Pharmacy Council and the SA Pharmaceutical Students Federation.

With the theme 'Pharmaceutical Care Excellence: Let's just do it!', the conference had a strong focus on the role of the pharmacist and nursing practitioner as leaders and change agents in the retail pharmacy sector.

In his address, David Kneale, CEO of the Clicks Group, called for more liberal rules on the advertising and promotion of schedule 1 and 2 medicines and for some medicines to be down scheduled to international benchmarks.

### **A shortage of pharmacists**

In terms of sustainability, "No-one has been more active in campaigning for the profession to be recognised as a key component and resource in primary healthcare," Kneale pointed out.

South Africa currently has less than half of the pharmacists needed, but Clicks is actively engaging with universities to increase training capacity at the universities that offer pharmacy and to attract those students to Clicks by offering more attractive bursary packages. Clicks' Healthcare Academy is playing a vital role in addressing the shortage of pharmacy assistants.

Kneale welcomed the Pharmacy Council's proposals to create an additional qualification of Authorised Pharmacist Prescribers who can prescribe from the essential drug list.

"With respect," he said, "we'd just like the Council to get on with it faster."

Kneale welcomed regulatory changes that had occurred in the past year, including the setting of the maximum dispensing fee.

"We will continue to price aggressively, well below the maximum level set," he said.

He also welcomed the government's intent with regards to the proposal to cap the maximum logistic fees that can be earned, but said that more work needed to be done in terms of actual fee levels.

## **Constructively engaged**

"We are already constructively engaging with the Department of Health and we're confident a fair solution will be reached," he said. "Whatever the outcome though, the capping of fees will accelerate the consolidation of the pharmaceutical wholesalers."

Kneale went on to demonstrate that in a time of uncertainty in the market, Clicks is continuing to grow. The company saw 8.9% turnover growth in the year ending February 2011, and only 2.1% inflation, figures which translate into real volume growth. Return on equity for shareholders improved from 46.2% to 55.8%.

The figures were music to the ears of the Clicks staff who were in the audience, many of whom are now shareholders in the company under the newly-launched Employee Share Ownership Scheme.

Almost 8000 employees are participating, including around 400 pharmacists and 75 nurses.

"This is the 5th Pharmacy Conference but it is also the first Pharmacy Shareholders Conference," Kneale pointed out.

## **Clicks' strategic goals in the spotlight**

"It remains our intent to expand the Clicks network to 500 stores in South Africa, and for all of them to have pharmacy and clinic in time. We're now up to 400 stores and over 280 pharmacies," said Harvey.

"We opened 32 dispensaries in the past 11 months and by July 2011, we had established 104 clinics," he said. Close to 30 new stores are planned for 2012.

The company plans to double its present share of the retail pharmacy market to 30% and to increase Clubcard membership from 3.4 million to 5 million.

In closing, Harvey encouraged delegates to "take responsibility for the company you own... just do it, and then just do it again!"