

# PHARMACY MANAGEMENT

# MANAGEMENT

- Whether or not they have formal authority, most pharmacists are managers. Some pharmacists manage people, some of them manage processes, and some manage entire organizations.
- It is imperative for pharmacists to understand fundamental management principles.

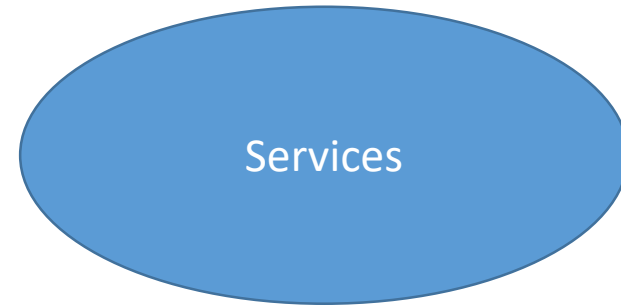
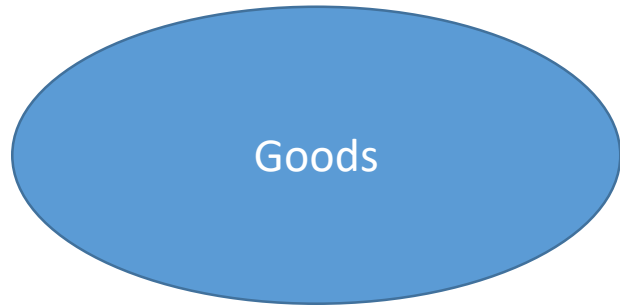
# organization

It is an economic, technical and social unit operating in order to producing and / or marketing economic goods and services by bringing together the factors of production.

What are these factors of production?

- Labor (manpower),
- Capital (money, machinery, equipment) and,
- Natural resources (soil, mine, forest).

# What do organizations produce?



When producing goods and services, they can use labor and capital on the natural sources. For example, in a drug company, the employee uses the machines and devices on various active substances to produce aspirine.

# What do organizations produce?

## What is the meaning of goods and services?

They are the tools that fulfill the function of directly or indirectly meeting the needs of unlimited human beings and are usually exchanged with money or other goods and services.

For example; medicines are goods that manufacturers produce and pharmacy services are the services that community pharmacies produce.

# Pharmacy organizations

- It is an economic, **technical and social unit** operating in order to producing and / or marketing the pharmaceuticals in economic sense by bringing together the production factors related to pharmacy.
- Drug companies can use labor (pharmacists, chemists) and capital (devices, machines etc.) in order to produce a drug.
- Community pharmacies can use labor (pharmacists, pharmacy technicians) and capitals (computer, money, technical support) to provide pharmacy services.

# What are the aims of pharmacy organizations?

## 1. General Aims

- a) To make a profit in the long term
- b) To fulfill the social responsibility function by serving the society
- c) To maintain and grow

## 2. Special Aims

- a) To provide better quality goods and services to customers and consumers
- b) To give good wages to employees and to improve working conditions
- c) To educate employees and to provide opportunities for self-improvement and advancement in the profession
- d) To provide permanent employment opportunities to its employees

# BUSINESS ENVIRONMENT

- **Micro environment**

- The customers
- The employees of the organization
- The owners and the partners of the organization

- **Macro environment**

- The suppliers
- The competitors
- Financial resources
- Other institutions (professional bodies, private and public institutions)
- The society
- The government



# MANAGEMENT ESSENTIALS FOR PHARMACISTS

Henri Fayol was defined management roles in 1916 as:

1. Planning
2. Organizing
3. Leading
4. Coordinating activities
5. Controlling performance

# PLANING

The determination of a course of action in order to achieve a goal by deciding what to do, how, when, with whom, and by whom.

## The Stages of Planning

1. To determine the goals of the organization.
2. To determine the conditions to achieve the goals.
3. To determine the options of actions.
4. To decide the optimum action.

# A plan should:

- Be flexible
- Be economic
- Reduce uncertainties in the future
- Provide coordination
- Determine the standards in controlling
- Be prepared in short-term, mid-term, and long-term.

# Organizing

To select an employee to the predetermined jobs and positions and to establish the working/interpersonal working patterns.

## The Stages of Organizing

1. The Works/tasks to be done is determined.
2. The most qualified people are assigned to their duties/positions according to their qualifications.
3. The authorities and responsibilities required by tasks are determined.
4. The communication path is determined.
5. To determine who is working, how he/she is working, where, and when to work.

# There are some important concepts in organizing

**AUTHORIZATION:** The right to do anything. The administrator has the right to order and to demand the execution of the orders. Authority obtains its original source from the force.

**POWER:** The ability to do anything. A person's power must not exceed his/her authority.

**IMPACT:** The ability to direct others.

**RESPONSIBILITY:** Responsibility is an obligation to perform the delegated task. Responsibility must be shared by all members of the organization.

**ACCOUNTING:** A sense of being answerable for the final consequences. When a person is accountable for something, he is supposed to explain the outcomes of his actions, decisions, and omissions.

**MANAGER'S CONTROL AREA:** The number of subordinates that an administrator can manage effectively.

# leading

- The manager is there to inspire the staff, to secure their commitment to the organisation and to the job.

# coordinating

One department's activities, or job, must fit or harmonize with those of other departments. The activities in all departments must be directed towards the overall organizational goals. As a result, the manager of a department must be in constant touch with other managers to secure this co-ordination.

Managers must supervise subordinates in their daily work, and inspire them to achieve company goals. Likewise it is the responsibility of managers to communicate company goals and policies to subordinates. The commanding of subordinates should always be consistent with company policies, and every manager should treat subordinates in line with the standards of the company.

# controlling

There must be a system of control, a system to discover what is happening (or has happened) so that it can be compared with what should have happened according to plans.



# The sTAGES of controlling

1. Setting the standards.
2. Determining/Presenting the actual situation.
3. Comparison of the actual situation with standards.
4. Identifying the causes of deviations.
5. Taking precautions.

Finding the difference between expected standards and actual standards >>  
CONTROLLING

- In a well-managed organization, large or small, the activities derive from a plan, which may be simple or complex. The structure is an appropriate one, the staff are committed to the plan, and what is done in one part of the organisation harmonises with what is done elsewhere. The actual outcomes are measured and compared with the plan; the manager takes the appropriate action, and the cycle continues or a fresh cycle begins.