

VIRGINIA COMMONWEALTH UNIVERSITY
School of Pharmacy
Department of Pharmacy

PHAR 627 - Principles of Pharmacy Practice Management
Fall Semester - 2004

Lectures - Tues. 11-11:50, Wed. 10 to 10:50, Thurs. 9-9:50, & Fri. 11-11:50 - Room Smith 103
Conference - Tuesdays from 1-3 PM - Room 103

Course Web Page Address: <http://www.blackboard.vcu.edu/>

Look on the course web page for posted grades (Student Tools), old tests (Course Documents), schedules (Course Information), announcements (Announcements), and answers to questions about lectures and tests (Discussion Board under Communication).

If you have questions about course material, please check the discussion forum (Communication - Discussion Board). If your question is not answered there, then post it on the discussion forum. Instructors will check the forum daily and answer new questions. Because students frequently have the same question, posting it on the discussion forum (rather than sending an e-mail or making a telephone call) is more efficient for everyone. When a student has a question answered on the discussion forum, other students have access to the answer. The instructor is also saved the effort of repeatedly answering the same questions.

Course Faculty:

David Holdford, Ph.D. - coordinator
Office - R.B. Smith 344 (828-6103)
E-mail: DAVID.HOLDFORD@VCU.EDU
Best method of contact – e-mail, telephone, or drop by
Office hours by appointment

Norman V. Carroll, Ph.D. co-coordinator
Office - R.B. Smith 436 (828-2587)
E-mail: NVCARROL@VCU.EDU
Best method of contact - e-mail or drop by

FOR QUESTIONS ABOUT COURSE MATERIAL, PLEASE POST A QUESTION ON THE DISCUSSION FORUM AS DISCUSSED UNDER COURSE WEB PAGE.

COURSE DESCRIPTION

Principles of Pharmacy Practice Management is a required course for the Doctor of Pharmacy degree at Virginia Commonwealth University. The goal of the course is to develop the necessary foundation for the management of activities in all pharmacy practice settings. These activities include financial management, supervision, marketing, and pharmacoeconomics. It is **not** the purpose of this course to make students management or economic experts. Expertise comes only with application and experience. Rather, this course is designed to provide students with a fundamental knowledge of concepts and principles. Equipped with this essential information, students will be able to apply management and pharmacoeconomic principles to pharmacy practice related problems in a variety of settings (e.g., ambulatory, hospital, managed care).

RATIONALE

It is the philosophy of this course that the modern, practicing pharmacist must be prepared to meet a multitude of challenges faced on a daily basis. While some challenges will be related to the clinical aspects of patient care and the management of patients with complex and intractable medical conditions, other significant challenges will come about as a result of managing pharmacy practice. Therefore, it is absolutely essential that students develop a meaningful knowledge base that will enable them to effectively and consistently meet the challenges of modern pharmacy practice. Toward this end, the following **competencies** are expected of students following the completion of the course.

COURSE COMPETENCIES

- C An understanding of the practice of management
- C The ability to apply the principles of managerial problem solving to pharmacy practice problems.
- C The ability to adapt and respond to changes in the practice setting and to analyze change as it occurs
- C An understanding of basic **supervision** principles including managing yourself, managing professional relationships, managerial decision making, motivation, leadership, and personnel management.
- C An understanding of **financial management** including interpretation of basic financial statements, measurement and evaluation of performance, basic concepts of capital budgeting, the financial basis of inventory control, and using financial information for pricing and other types of decision making..
- C The ability to develop a plan for **marketing** yourself, an idea, organization, or product.
- C An understanding of **pharmacoeconomics** including the economic approach to the problems of scarcity and choice, basic pharmacoeconomic tools, decision analysis, interpretation and use of pharmacoeconomic analysis, and use of pharmacoeconomics in formulary decision making.

TEXTS AND OTHER RESOURCES

REQUIRED TEXT: Carroll, NV. Financial Management for Pharmacists
Holdford, DA. Marketing for Pharmacists (MFP in Reading Assignments)

REQUIRED READINGS: As shown on course lecture schedule.

COURSE STRUCTURE

The course will consist of four lectures per week. In addition, seven two-hour conferences will be scheduled for selected Tuesday afternoons.

Students will work in groups of 4-6 students each for the conferences. While the format of the conferences will differ from week to week, every attempt will be made to incorporate small group discussions into each conference. The purpose of the conference is to give students the opportunity to practice skills introduced in class and to hear different opinions about important issues introduced in the course.

COURSE MECHANICS AND GENERAL INFORMATION

Assignments and Class Preparation

Students are expected to complete all reading assignments in advance of class meetings. In many instances the contents of lectures will coincide with that of the assigned readings. Students should be aware, however, that there may be instances where the lecture material will not come from the assigned readings. Examinations will reflect the equal importance of lecture notes and assigned readings.

Students should work practice problems at the end of the chapters and on old tests for quantitative topics (primarily the financial management and pharmacoeconomic modules). This material cannot be learned by simply hearing lectures and

reading over notes; to learn it, students must actually work the problems.

Conference assignments will be discussed in the conference. For most conferences, no preliminary or preparatory work will be required, apart from familiarity with the lecture material. However, some conferences may require pre-class preparation, and students will be expected to complete all preparatory assignments.

The course will include one graded marketing assignment. A description of the assignment is included later in this syllabus. Dr. Holdford will explain the assignment in greater detail later in the semester.

Attendance

Students are expected to attend all class meetings and conferences. Each student is personally responsible for the materials presented during these times. Attendance makes up a portion of the class participation grade.

Expectations

Active involvement in class discussions is expected. Students are expected to come to class prepared, with assignments completed, and ready to learn. Students will be treated as professionals, so a high level of maturity and professionalism on the part of all students is expected.

Professionalism

Students are expected to conduct themselves professionally in all matters related to this class. This means students should act professionally in class and prepare all assignments in a professional manner. Inappropriate verbal comments directed toward others in class and/or inappropriate written comments in assignments will not be tolerated. Cell phones and pagers should be turned off during class. If possible, in an emergency situation, please let me know before class that your phone or pager may go off. Unless otherwise noted, written assignments should be typed or word processed and be free of spelling and grammatical errors.

Course Coordinator's Office Hours

The Course Coordinator will set specific office hours for students. Students may call the Coordinator during normal business hours to ask a question or set up an appointment. Students are also encouraged to call or stop by whenever they have a question, problem, or just to chat. In addition, students should feel free to communicate with the Coordinator via E-mail.

Evaluation and Assignment of Course Grade

The evaluation of student performance in this course will be based on the scores achieved on four examinations, a marketing project, and class participation. Examinations will be given at the end of each course module (e.g., Financial Management, Managing Pharmaceutical Services, Pharmacoeconomics, and Marketing). The first three exams will be held during the normal class period. The fourth will be given during the final exam time. Class participation grades will be determined through quizzes, conference exercises, and homework assignments.

Grading Distribution

Class Participation	12%
Exam I - Financial Management	22%
Exam II - Managing Pharmacy Services	22%
Exam III - Pharmacoeconomics	22%
Exam IV - Marketing	17%
Marketing Assignment	5%

Class Participation Grade

The class participation grade will come from:

- Making positive contributions to discussions in class and conference
- Attendance
- In-class assignments
- Conference assignments
- Assigned homework
- Quick quizzes (approximately one per week).

Final Course Grade

GRADE	PERCENT
A	90 - 100
B	80 - 89.9
C	70 - 79.9
D	65 - 69.9
F	0 - 64.9

Special Needs of Disabled Students

Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 require Virginia Commonwealth University to provide an *academic adjustment* and/or a *reasonable accommodation* to any individual who advises us of a physical or mental disability. If you have a physical or mental limitation that requires an accommodation or an academic adjustment, please arrange a meeting with Dr. Holdford at your earliest convenience. Additionally, if your course work requires you to work in a lab environment, you should advise the instructor or department chairperson of any concerns you may have regarding safety issues related to your limitation(s).

POLICIES

VCU School of Pharmacy Student Conduct in the Classroom

VCU Rules and Procedures (www.students.vcu.edu/rg/policies/rg7rp.html) state that students are entitled to receive instruction free from interference. Therefore, in classrooms, laboratories, and other learning areas, students are expected to conduct themselves in an orderly, cooperative and respectful manner. To enhance an optimal learning environment in the School of Pharmacy, professional degree seeking students are expected to:

- Understand the VCU Honor System especially concerning cheating, lying, plagiarism and stealing. Student violations for these infractions will be referred to the VCU Honor System for adjudication.
- Use professional language at all times, especially avoiding offensive and profane terms.
- Adhere to the School's dress code.
- Adhere to the School's attendance policy.
- Prepare in advance for all assignments.
- Be responsible for personal conduct while in the classroom that avoids disruptions such as:
 - Arriving late for class
 - Socializing, laughing, instant messaging, note passing, or reading e-mail
 - Studying for exams
 - Reading newspapers/magazines
 - Use of cell phones and pagers while attending class
 - Use of laptop computer for non class-related activities
 - Submit constructive comments on course and instructor evaluations avoiding unprofessional comments
- Understand that professors' lecture outlines, slide presentations, audio/video media and examinations are protected as copyrighted materials and require permission for duplication.

If a faculty member believes that a student's behavior is disrupting the class and interfering with instruction, the faculty member can direct the student to leave the class for the remainder of the class period. Continued disruptive behavior on the part of the student may result in the filing of formal charges under the University's Rules and Procedures document.

Copyright Statement

All the lectures, handouts, exams, assignments, and any other materials presented in this course are protected by federal copyright law; the copyrights are owned by the respective faculty lecturers and others. These materials are for your personal use and you may not copy, transmit, profit by, or make any other use of these materials except as spelled out in this section or by express written authorization of the faculty member in question. You have permission to record these lectures (via audio tape) for your own personal use; you do not have permission to record these lectures and resell the tapes to your classmates or any other party or broadcast any materials (e.g., world wide web) without the express written permission of the faculty member in question. You do not have permission to copy your notes and sell them to your classmates or any other party for a profit. Please see the course coordinator if there are any questions about this course policy.

PHAR 628 - Marketing Assignment Dr. Holdford

Learning Objective: Develop a Marketing Plan (3-4 pages long) for a pharmaceutical product or service.

Assignment: You are to select a product or service and develop a marketing plan for it. You can choose:

- Yourself as a product with potential employers (i.e., after graduation from pharmacy school) as your customers.
- A school program or association in which you are involved (e.g., Phi Lambda Sigma, VASP).
- A new service in which you have some interest (e.g., a new disease management program, a specialty compounding service for children or veterinarians, internet pharmacy site). You will need to describe a practice setting for this service.
- Any other thing relating to the profession of pharmacy in which you might be interested.

A template of questions has been provided to prompt you to think through the process. The goal is to think through some of the questions you may have when marketing something and to gain confidence with the marketing process. You will be required to hand in a plan written on a word processor to me by (to be announced). The project will total 5 percent of your overall class grade. You will lose 1 percent for every day that it is late.

MARKETING PLAN TEMPLATE

Guidelines for the Plan

This template is a guideline to assist you in conducting a thorough analysis of your marketing problem. Some elements of the plan may not be appropriate for your program or service. In such situations, say so and explain why.

I am looking for a thoughtful analysis in your marketing plan. I want sufficient detail to assess your understanding of and ability to apply the concepts learned in this course. This plan is the culmination of concepts learned to this date. You may borrow liberally from your class assignments and discussions to complete this plan. Just make certain that everything flows and makes sense. Try to support your actions and strategies with thoughtful explanations or references to lectures and readings. This will help me understand your reasoning and enhance the credibility of your plan.

At the same time, make your points concise and do not ramble. Check spelling, punctuation, and the clarity of your points. Please have someone read it over and make editorial comments before handing it in. *The paper should be approximately 4 pages in length.*

You must organize your paper with the following headings— your product, market analysis (with subheadings of customers, market, competitors), SWOT analysis (with the subheadings strengths and weaknesses and opportunities and threats), promotional plan (with the subheadings objective and communications mix). The reason is that it will help give structure to your papers and help me grade them. **Failure to organize the paper in this manner will result in ½ % being deducted from your grade.**

Your Product (½ % of your grade)

The Product -- What do you wish to market?

Reason for selecting this product -- Why did you choose this product? Why does it need to be marketed?

Product description – Provide a clear description of your product. Remember, you will not be able to successfully promote your product if you cannot describe its features and the core benefit it provides to your customers. What are its advantages and disadvantages? What problem is it designed to solve for customers? How does it differ from what is currently available? Further details will be provided in the product design section of this plan.

Market Analysis (1½ % of your grade)

In the market analysis of your plan, provide information about your customers, target market, and competitive environment. You'll describe the competitive environment and key issues you face in this section.

Customers.

Who are potential customers of your product? If possible, categorize them in terms of whether they are internal or external customers. Describe your customer's needs. How might you segment your customers? Is more than one person involved in making the decision in buying your product? If so, describe each person's role.

Market.

Describe your market (actual and potential). Try to define the level of interest for your product and the ability and willingness of customers to pay for it. How competitive is your market? High, Medium, or Low?

Identify at least 2 key market segments within your practice. Describe a typical person in each of the two market segments. Try to characterize how this person typifies the segment and what makes him or her different from other segments. This description is important in developing targeting strategies. What are the needs, benefits, and wants

desired by each segment.

Determine the desirability of each segment. The definition of desirability is up to you.

Select one as your primary target market.

Competitors.

Who will be your potential competitors? List and describe both intra type and inter type competitors. Identification of your competitors requires that you have a clear definition of your market. If you do not think you have any competitors, consider what would happen if your product were not available. In this case, your competitor may be do-it-yourself. For example, one source of competition for car wash services is owners who wash the car themselves.

Write a short commentary on your competition in the market.

SWOT Analysis (1% of your grade)

The purpose of the SWOT analysis is to identify the viability of a product in the market and potential barriers and openings for its success. It helps clarify the marketing problem at hand.

Strengths and Weaknesses. What strengths and weaknesses do you have available compared to your competitors?

Opportunities and Threats. Describe the opportunities available for your product. What needs are not being met in the current marketplace? How can you meet these needs better than competitors? Is the environment changing to your advantage or disadvantage? Describe potential threats to the success of your product. What potential new competitors may arise? What changes may be occurring in the environment to make your product obsolete? How might governmental policies, changing customer demographics, or a recession affect your product? Might customers' tastes change regarding your product? What other factors affect your market? Describe at least two major trends that will significantly affect your product and describe why (e.g., effect of managed care).

Promotional Plan (1% of your grade)

Objective. What is the objective of your promotional communications? What positioning strategy will you use to convey a distinct, desired image to your customers about your product? What image do you want to create in the minds of your target customers (e.g., cheap but good, of the highest quality and worth it, fast but friendly)? What is the unique selling proposition that you will use to provide a memorable message. Develop short descriptive text that clearly identifies your product and its most notable features.

Communication mix. How will you communicate your message? Consider developing an elevator speech for your message.

My Overall Evaluation of Your Project (1%)

The final portion of your grade will consist of my overall evaluation of your project. I will be asking the following questions about your work. Is your plan thoughtful and clear? Is it concise and neat? Have you demonstrated to me that you have thoroughly mastered the marketing process and that you have thoughtfully applied that process to a marketing problem?

Fall 2004		COURSE OUTLINE FOR PHAR 627 & SUMMARY OF LECTURES	READING ASSIGNMENTS			
DATE	DAY	TOPIC	READING	LECTURER	CON FERE NCES	
Aug. 26	R	Course Overview	None	Holdford		
		Financial Management Module				
Aug. 27	F	Introduction to Financial Management	Carroll , Ch. 1.	Carroll		
Aug. 31 10-11am	T	Financial Statements Note New Time	Carroll, Ch. 2, p. 5-14	Carroll		
Sept. 1	W	Financial Statement Analysis	Carroll, Ch. 5	Carroll		
Sept. 2	R	Financial Statement Analysis	Carroll, Ch. 5	Carroll		
Sept. 3	F	Financial Statement Analysis	Carroll, Ch. 5	Carroll		
Sept. 7	T	Break-Even Analysis	Carroll, Ch. 8	Carroll	Conf	Financial Statement Analysis
Sept. 8	W	Budgeting	Carroll, Ch. 6	Carroll		
Sept. 9 9-10am	R	Cash Budgeting Note New Time	Carroll, Ch. 7	Carroll		
Sept. 10	F	Break-even Analysis	Carroll, Ch. 8	Carroll		
Sept. 14 10-11am	T	Depreciation and Capital Investment Decisions Note New Time	Carroll, Ch. 11 and Ch. 1 p. 14-18	Carroll		
Sept. 15	W	Capital Investment Decisions	Carroll, Ch. 11	Carroll		
Sept. 16	R	Improving Cash Flow	Carroll, Ch. 13	Carroll		
Sept. 17	F	Inventory Control	Carroll, Ch. 14	Carroll		
Sept. 21 10-11am	T	Inventory Control Note New Time	Carroll, Ch. 14	Carroll	Conf	Capital Investment Decisions
		Management and Marketing				
Sept. 22	W	Managing Yourself	Handout	Holdford		
Sept. 23	R	Decision Making and Problem Solving	Handout	Holdford		

Sept. 24	F	Exam 1 - Financial Management		Carroll			
Sept. 28 10-11am	T	Managing Professional Relationships Note New Time	Handout	Holdford	Conf	Problem Solving	
Sept. 29	W	Managing Professional Relationships		Holdford			
Sept. 30	R	Motivating People	Handout	Holdford			
Oct. 1	F	Motivating People		Holdford			
Oct. 5	T	Human Resources Management	Handout	Holdford			
Oct. 6	W	Leadership	Handout	Holdford			
Oct. 7	R	Leadership		Holdford			
Oct. 8	F	Introduction to Marketing	Chapter 1 MFP	Holdford			
Oct. 12	T	Important Marketing Concepts	Chapter 2 MFP	Holdford	Conf	Leadership	
Oct. 13	W	Important Marketing Concepts		Holdford			
Oct. 14	R	Characteristics of Services	Chapter 3 MFP	Holdford			
Oct. 15	F	Exam 2 - Personnel Management		Holdford			
Oct. 19	T	Managing the Service Performance	Chapter 4 MFP	Holdford			
Oct. 20	W	Designing Pharmacy Services	Chapter 5 MFP	Holdford			
Oct. 21	R	Consumer Behavior	Chapter 6 MFP	Holdford			
Oct. 22	F	Consumer Evaluation of Services	Chapter 7 MFP	Holdford			
Oct. 26	T	Strategic Marketing Planning	Chapter 8 MFP	Holdford			
Oct. 27	W	Strategic Marketing Planning		Holdford			
Oct. 28	R	Marketing Strategies		Holdford			
Oct. 29	F	Marketing Segmentation	Chapter 9 MFP	Holdford			
Nov. 2	T	Marketing Segmentation	Chapter 10 MFP	Holdford	Conf	Marketing Pharmacist Services	
Nov. 3	W	Marketing Promotion	Chapter 11 MFP	Holdford			
Nov. 4	R	Marketing Promotion		Holdford			
Nov. 5	F	Pricing: calculating service costs	Carroll, Ch. 9, p. 141-149	Carroll			
Nov. 9	T	Differential analysis for reimbursement & new product decisions	Carroll, Ch. 10	Carroll	Conf	Price Discrimination in Pharmacy	

Nov. 10	W	Pricing strategies	Carroll, Ch. 9 140-1, 149-162.	Carroll			
Nov. 11	R	Price discrimination		Carroll			
Nov. 12	F	Channels of Distribution for Pharmaceuticals	Chapter 13 MFP	Carroll			
Nov. 16	T	Channels of Distribution for Pharmaceuticals		Carroll			
		Pharmacoeconomics					
Nov. 17	W	Intro. to Pharmacoeconomics	Carroll, Ch. 15	Carroll			
Nov. 18	R	Cost and cost minimization analysis	Carroll, Ch. 15	Carroll			
Nov. 19	F	Exam 3 - Marketing		Holdford			
Nov. 23	T	Decision Analysis	Handout	Carroll			
Nov. 24	W	Cost-effectiveness analysis	Carroll, Ch. 15	Carroll			
Nov. 25	R	THANKSGIVING HOLIDAY					
Nov. 26	F	THANKSGIVING HOLIDAY					
Nov. 30	T	Cost-effectiveness, cont.	TBA	Carroll			
Dec. 1	W	Cost-utility analysis	TBA	Carroll			
Dec. 2	R	Interpreting CE & CU ratios	Carroll, Ch.15, p. 258-60	Carroll			
Dec. 3	F	Pharmacoeconomics: bridging theory and practice	TBA	Carroll			
Dec. 7	T	Pharmacoeconomics & formulary decision making	TBA	Carroll	Conf	Decision Analysis	
Dec. 8	W	Pharmacoeconomics & formulary decision making, cont.	TBA	Carroll			
Dec. 9	R	Quality of Life	Handout : Overview of HRQOL measures. AJHP, 1992; 49:2236-45.	Holdford			
Dec. 10	F	Quality of Life		Holdford			
TBA		Exam IV -- At Time of Scheduled Final Exam					