

Training - You get what you Pay for !

Investment Guru, Warren Buffet at his company's recent AGM was asked by a teacher for advice on what he should be teaching his class, apart from financial independence and freedom. Buffet responded, "Just imagine that you are 16 and you are going to be given the car of your choice. The only catch is; it is the only car you will ever get for the rest of your life. How would you treat it?" Buffet replied "I bet you would keep it garaged and change the oil frequently, because you know it has to last a lifetime."

"You only get one body and one mind so you had better treat them the same way. It is too hard to change your habits at 50 or 60, so start early. Your best asset is your own self, because you can become the person you want to be (Sunday Mail July 13, 2008)."

This message is relevant for both pharmacy owners and employees alike. In a work setting the emphasis is even greater as the stakes (read customers) are so much higher. Without a sense of shared responsibility a culture of continued improvement can never be attained. Moreover, in a retail environment a lack of commitment to ongoing training and development will result in dissatisfied or indifferent customers and therefore lost sales and market share.

Our JR Pharmacy averages measure the financial performance of Australian pharmacies. The average for staff training as a percentage of sales is less than 0.1% (ie less than \$3.6k p.a. for a \$3.6m average turnover pharmacy) . The JR average number of full time equivalent employees is 11.3, which means on average the most being spent on employee training each year is \$320 although this will be inflated as Staff training costs often includes conference expenses for owners .

Contrast the training spend with our 2007 average for marketing/advertising spend (including brand fees) to Sales which is 1.15% (approximately \$35K p.a. for a \$3m turnover pharmacy) or almost 12 times greater than the spend on staff training. Given the majority of owners would rate their staff as their greatest asset the training spend tends to indicate owners view training as a cost rather than an investment. The end result is that much marketing goes to waste as the customer experience does not match the marketing - a classic case of getting the cart before the horse.

But not all the blame should be laid at the owner's feet. Equally, many staff shun staff training when it is on their time rather than their employers, incorrectly believing that the suggested training is more in their employers interest than their own. Employees (Pharmacists and Pharmacy assistants alike) should understand that improving their skills sets (whatever they may be) improves their value to customers and employers both current and future. This increased value will ultimately convert to increased salary.

Pharmacy owner's regularly rely on suppliers and manufactures to conduct staff training and often mistakenly consider this to be sufficient time investment to develop their people. Suppliers and manufacturers however do not provide anything for free. The relationship building and training that occurs at this level is ultimately built

around developing brand loyalty from the pharmacy and its customers. Increasing shelf space and staff familiarity with those products is their goal. As such this can conflict with what is in the best interests of the customer and the pharmacy so it needs to be balanced with broader training built on the pharmacy's and individual needs.

Understanding your value as it stands today and where you want to be in five years time will help to identify what additional skills you need to add value to either your business or your employer. Areas of development that value add to a business are diverse and include Human Resources, Business Management, Marketing, Retail, Category Management and Financial Management.

As an industry, Pharmacy provides fantastic support in a variety of areas (technical, retail, soft skills and management). Broad reading which includes understanding the social, economic and retail drivers that affect Pharmacy in both the short and long term should also compliment any professional's ongoing development.

A quick search of the web highlights the breadth of courses currently on offer to Pharmacies and their employees The below matrix details some of these.

	Website Address			
FMRC	http://www.fmrbusdev.com.au/index.pl?sitemenu=4			
Pharmacy Guild	http://beta.guild.org.au/training/			
Australian Centre for Retail Studies	http://www.buseco.monash.edu.au/centres/acrs/prospectus/index.html			
ACCPM	http://www.acp.edu.au/site.php?id=36			
PSA	http://www.psa.org.au/site.php?id=1422			

How often are you changing your oil ? Changing the way you view training and development may just change the car you drive in the future. And if you don't know the story of Warren Buffet then buy one of the many book about him - it may turn out to be the best investment you ever made.