

HEALTH, BEAUTY & WELLNESS:

OPPORTUNITIES TO ENHANCE INDEPENDENT PHARMACY SERVICES



Dear Reader:

The U.S. healthcare supply chain is one of the most sophisticated in the world, providing a strong system for cost-effective and efficient delivery of medicines and over-the-counter products. Manufacturers, distributors and pharmacies together work daily to continuously enhance this system and help ensure that consumers have access to innovative new healthcare products. Operating at the center of this system, HDMA's distributor members deliver more than 13 million prescription medicines and healthcare products to nearly 144,000 pharmacy settings each day.

However, challenges and changes ahead will test the industry, as pharmacies face new competitive pressures and reimbursement challenges. With eroding revenues behind the pharmacy counter, manufacturers and distributors have an opportunity to work with their customers to create new business opportunities in the front of the store with health, beauty and wellness (HBW) products.

This paper presents recommendations for healthcare supply chain partners to work together to ultimately help independent pharmacies identify new ways to effectively introduce, market and leverage HBW products. In following these initial recommendations, it is hoped that supply chain partners will come together to further refine business strategies, provide additional sales and marketing support options and identify best practices that can help increase sales of HBW products.

This research, conducted by Hamacher Resource Group on behalf of HDMA and the HDMA HBW Committee, identifies actions manufacturers and distributors can take to enhance business operations and improve profitability through innovative front-of-store sales and marketing efforts. In helping pharmacy partners with the front-of-store opportunity, manufacturers, distributors and pharmacies all benefit as category performance improves and new business opportunities emerge.

I encourage you to incorporate the findings of this research in current and emerging business plans, and to continue to work with supply chain partners to further leverage the HBW market opportunity.

Sincerely,



Perry Fri
HDMA Senior Vice President of Industry Relations



HEALTH, BEAUTY & WELLNESS:

OPPORTUNITIES TO ENHANCE INDEPENDENT PHARMACY SERVICES

Developed by

Hamacher Resource Group and the
HDMA Health, Beauty and Wellness Committee

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ISBN: 0-9802095-3-6

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Additional acknowledgment goes to the following companies who supported the Center for Healthcare Supply Chain Research's Special Project Fund:

Adams Respiratory Therapeutics, Inc.

AmerisourceBergen Drug Company

Cardinal Health, Inc.

Centocor Ortho-Biotech Services, LLC

Del Pharmaceuticals, Inc.

H. D. Smith/ Walnut Foundation

Johnson & Johnson Sales & Logistics Company

Ortho-McNeil Janssen Pharmaceutical Services

Novartis Consumer Health, Inc.

Wyeth Pharmaceuticals

At a time when prescription medicine reimbursements are dramatically squeezed under both Medicare Part D and the new Medicaid Average Manufacturer Price (AMP) calculation, independent pharmacies may choose to re-evaluate revenue streams in search of sustainable, new market opportunities. A key potential growth area can be found within health, beauty and wellness (HBW) products, typically found at the front of the pharmacy store.

As retail channel dynamics evolve, manufacturers and distributors are in a position to have a positive downstream impact on front-of-store sales in independent pharmacy. In order to increase HBW product sales, this research shows that pharmacy layouts may need to be reconfigured, and that trading partners should be supportive of this effort with additional sales and marketing resources. This paper seeks to identify the unique business needs of the independent pharmacies, and recommend strategies manufacturers and distributors can use to help independent pharmacies take advantage of current and emerging HBW opportunities.

After recognizing industry trends and the declining sales of HBW products specifically in the independent pharmacy channel, the Healthcare Distribution Management Association (HDMA) asked leading healthcare distributors and manufacturers for insights into sales and distribution of HBW products

This study presents the results from primary and secondary research of the day-to-day operations of both distributors and manufacturers in the HBW marketplace. The key insights include perceptions, activities and expressed needs of HBW manufacturers and distributors, particularly as they work to further enhance services and support for the pharmacy customer and, ultimately, the consumer.

These findings represent the capstone of research led by HDMA, and the Health, Beauty and Wellness Committee (formerly the HBC Advisory Committee).

The need for improved communication between distributors and manufacturers is chief among the conclusions reached in this study. Increased communications between distributors and manufacturers on sales data, specific marketing goals and marketing support for existing products and services would help improve efficiencies and service offerings to pharmacy customers, thus enhancing profitability.

Additional action items for manufacturers and distributors include collaborative stock keeping unit (SKU) rationalization (the decision process surrounding the sizes, scents, flavors or other formats of a product to stock) and streamlined processes for new item launches and associated support. Although capitalizing on these areas of opportunity potentially benefits any retail customer, the independent pharmacy channel represents the bulk of the HBW business supported by distributors, and therefore stands to benefit the most from service enhancements.

STUDY OVERVIEW

In 2005, HDMA formed the HBW Committee, a team of leading industry executives from distributor and manufacturer member companies. Hamacher Resource Group, a business intelligence and category management firm serving the retail healthcare industry, was retained to conduct an analysis that would evaluate the following three assumptions about the current HBW supply chain.

1. Consumers' purchases of HBW products have been declining in the independent retail setting.
2. Distributors must carry HBW products despite their increasing complexity and declining profitability.
3. Manufacturers have varying intentions of continuing to use the current model for their HBW products.

For purposes of this research, HBW is defined to include the over-the-counter (OTC) medicine categories of digestive health, cold and allergy, pain relief, vitamins and dietary supplements, diabetes care, first aid and eye and ear care. It also includes incontinence, toiletries and personal care products. Cosmetics, fragrances and general merchandise (GM) were excluded.

STUDY METHODOLOGY

In addition to testing these previous assumptions, the HBW Committee, with assistance from the Center for Healthcare Supply Chain Research (formerly the HDMA Research & Education Foundation), pursued the following objectives:

- To identify best practices and measures of success from data analysis and interviews among manufacturers and distributors as they relate to HBW products in independent pharmacy;
- To make recommendations for enhancing profitability through the distribution model (i.e., identify the most effective distribution models for distributing HBW products);

- To identify what a distributor can do to help pharmacies meet consumer needs, improve planograms, enhance new product introductions or promotions; and
- To identify ways manufacturers and distributors can partner to improve front-of-store sales.

To meet these objectives, Hamacher Resource Group conducted quantitative and qualitative research with mid-sized and large HBW manufacturers representing a broad cross-section of categories, as well as national and regional distributors. Secondary sources also were consulted to augment the primary data. Details and analysis follow in Part 2 of this report.

Health, beauty and wellness products can be found at virtually all retail settings, including traditional pharmacy and food stores, and convenience stores. The total number of HBW products on the market today continues to grow as consumers pay more attention to their health, hygiene, appearance and well-being.

The Consumer Healthcare Products Association (CHPA) estimates more than 100,000 OTC products currently are on the market¹, which represents only a subset of the overall HBW marketplace. Hamacher Resource Group's proprietary data file of HBW and related pharmacy products includes more than 250,000 SKUs. While some of the items in this data file represent different sizes of the same products, it can be safely assumed that thousands of HBW products are crowding retail store shelves today— or are available for order from the distributor.

Distribution share of HBW products across drug, food and mass outlets (e.g., Wal-Mart, Target, Kmart and ShopKo) varies by category, but traditional pharmacies often are leaders within the HBW—and especially OTC—categories, sometimes exceeding 15 sales percentage points.² Consumers' preference for pharmacies to meet their OTC needs is clear, and inevitably leads to add-on and impulse buys of personal care products from within pharmacies' HBW offerings.

According to research conducted by *DrugStore Management*, pharmacy front-of-store sales, including HBW products, are strongest in the following large chains (ranked by dollar sales):

Figure 1. Top Five Chain Pharmacies in Front-of-Store Sales

| Chain | Front-of-Store Sales | Front-of-Store Sales as % of Total |
|-----------------------|----------------------|------------------------------------|
| 1. Walgreens | \$16,935,000 | 35.7% |
| 2. CVS | \$13,140,000 | 30.0% |
| 3. Rite Aid | \$6,250,000 | 36.3% |
| 4. Long's Drug Stores | \$2,367,847 | 49.6% |
| 5. Duane Reade | \$845,000 | 53.5% |

(All dollar figures in thousands.)
Source: *DrugStore Management 2007-2008*, p. 42.

INSIGHT

The impact of the Medicare Modernization Act on prescription profitability has inspired some community pharmacies to focus on front-of-store sales opportunities. Education and increased awareness-building to demonstrate the value of non-prescription sales may be required to convince pharmacies that the front-of-store holds much potential.

It must be noted that national sales data often exclude most independent retailers, creating a data void. It is known that independent pharmacies depend on prescription medicine sales for 92% of their annual business³, leaving a mere 8% for HBW and general merchandise sales combined. There is strong evidence that the prescription counter—not the aisles of health and beauty products—is most often the primary destination for shoppers in independent and small chain pharmacies.

Given the increasing consumer focus on wellness and self-care, as well as pharmacy concerns over shrinking prescription medicine reimbursements, independent pharmacies could take greater advantage of HBW opportunities to enhance overall store sales performance. Already, community pharmacies are starting to focus more attention on front-of-store sales as a potential revenue enhancer—an important shift in focus to total healthcare management.⁴

Distributors, as a valued trading partner of community pharmacies, are in a favorable position to offer additional front-of-store services and assistance to these customers. According to a survey conducted by the National Community Pharmacists Association (NCPA) in March 2006, 93% of independent pharmacy owners said that their cash flow is worse than before the launch of Medicare Part D. As a result, 28% of independent community pharmacies have sought help from their distributor, and an equal percentage have had to secure a line of credit to pay for medication inventory and payroll while waiting for the drug plans to issue reimbursement checks.⁵ Since independent pharmacies are already relying on distributors for prescription medicine support and services, distributors are in a natural position to provide tools and services that can potentially lift sales and compensate for reduced reimbursements under the Medicare program.

1. <http://www.chpa-info.org/ChpaPortal/PressRoom/Statistics/OTCFactsandFigures.htm>
2. Analysis of the traditional seven OTC categories' sales in pharmacy, food and mass outlets (excluding Wal-Mart) according to Information Resources, Inc. (IRI) for the 52 weeks ending 4/22/2007.
3. NCPA-Pfizer Digest 2006 <http://www.ncpanet.org/aboutncpa/ipt.php>
4. NCPA-Pfizer Digest-In-Brief 2006
5. "A Vision for Healthcare," Pat Kelly, Pfizer Inc., NCPA-Pfizer Digest-In-Brief 2006

PART 2: SURVEY HIGHLIGHTS & RESULTS – PROFILES OF DISTRIBUTORS & MANUFACTURERS

Distributors

The profile from the distributor survey (Figure 2) show fewer active HBW manufacturers, a higher inventory reduction rate of HBW SKUs than of all SKUs in inventory and a 3% reduction in distribution center space designated for HBW—despite only a 1% reduction in HBW dollar sales. These findings appear to indicate that the productivity of the HBW SKUs maintained in a distributor’s warehouse has improved. Respondents indicated a continuing effort to “rationalize” (e.g., optimize) inventories and improve overall distribution center productivity. This data also may correlate either to industry consolidation in the manufacturer community or a larger number of manufacturers trading directly with retail partners.

With the high volume of products and retail outlets serviced, there is a strong need for efficiencies across the supply chain, from manufacturer to final retail destination.

Although HBW and general merchandise products represent approximately 5% of distributor sales, 57% of all SKUs and 30% of unit volume moved per day in distribution centers are HBW or general merchandise.⁶ This data appears to indicate greater importance of HBW and general merchandise SKUs than can be inferred from

the 5% sales number alone. As noted, more than 60% of distributors’ HBW product distribution is directed toward independent and chain pharmacies (Figure 3).

Sales Interactions and New Item Decisions

When asked about the new item purchase triggers, distributors ranked “retail demand” and “estimated sales potential” as the most vital factors in the decision to stock and carry new items. “Category performance” and “manufacturer reputation” also ranked within the top three decision criteria (Figure 4).

INSIGHT

Distributors continue to carry HBW products, despite their limited revenue potential. Enhancing HBW performance in the retail setting is a vital component to improving success. Resources and tools are essential to effectively move the HBW inventory from the distribution center to the retailer.

Figure 2. Distributor Survey – HBW Overall

| | 2003 | 2005 |
|--|-------------|-------------|
| Total number of active HBW manufacturers to your company | 663 | 615 |
| Percent of HBW to total annual sales | 4.1% | 3.8% |
| Annual dollar sales of HBW products | \$2,925,600 | \$2,894,700 |
| Average number of total SKUs in inventory | 39,213 | 35,344 |
| Average number of HBW SKUs in inventory | 24,866 | 20,279 |
| Percentage of warehouse space devoted to HBW products | 51.9% | 48.8% |

6. 2005-2006 HDMA Factbook and HDMA HBW 2006 Survey Findings

PART 2: SURVEY HIGHLIGHTS & RESULTS – PROFILES OF DISTRIBUTORS & MANUFACTURERS

Figure 3. Distributor HBW Business by Trade Channel

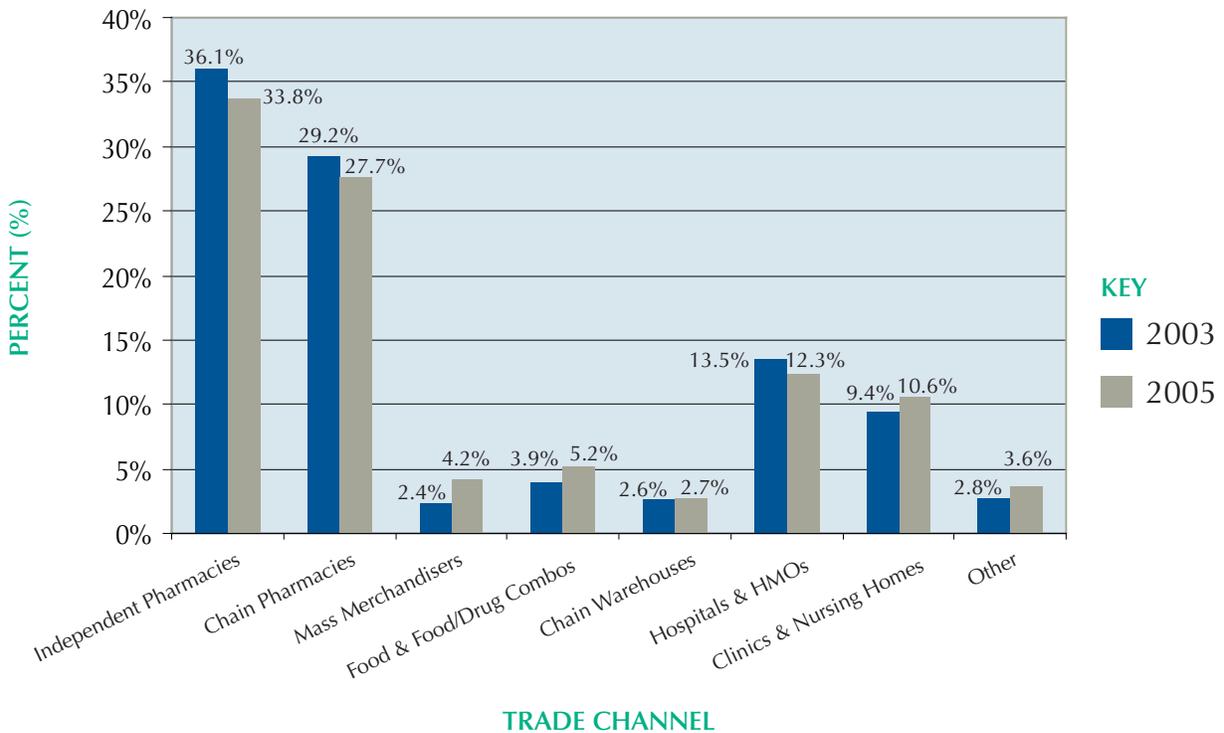
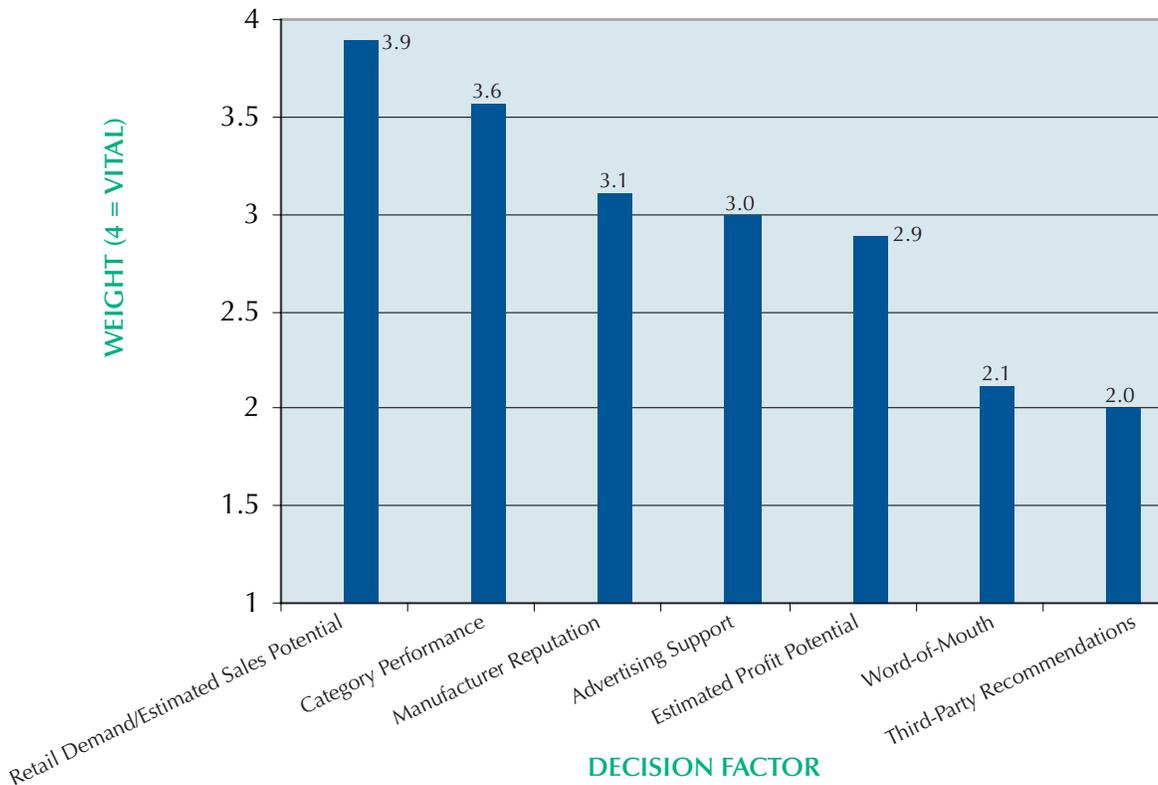


Figure 4. Distributor New Item Purchase Triggers



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The survey also asked which methods are used by distributors for purchases of new items from small manufacturers, as compared to large manufacturers (Figure 5). With large manufacturers, distributors were most likely (33.9% of the time) to purchase new items through direct sales. With small manufacturers, distributors most often purchased items through sales agents (33.3%), followed by direct sales (25.6%).

Overall, distributors participating in the survey said they preferred to be notified of new item introductions six weeks in advance. Distributors also stated that they receive six-week notification only 38% of the time from small manufacturers, versus 88% of the time from large manufacturers (Figure 6).

Figure 5. Distributor New Item Purchase Methods

Percentage of not-previously stocked purchases made as a result of each of the following:

| | From Small Manufacturers | From Large Manufacturers |
|----------------|--------------------------|--------------------------|
| Direct sales | 25.6% | 33.9% |
| Sales agent | 33.3% | 7.2% |
| E-mail | 11.7% | 15.6% |
| Internet based | 3.3% | 4.4% |
| Telemarketing | 8.3% | 19.4% |
| Fax | 3.3% | 3.3% |
| Other | 13.3% | 15.0% |

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Figure 6. Distributor Survey Regarding Notification of New Item Introduction From Manufacturers

When SMALL HBW manufacturers launch a new item, please indicate the timing.

| | Six Weeks Prior | Four Weeks Prior | Two Weeks Prior | Concurrent | Two Weeks Post | Adequate = Yes |
|---|-----------------|------------------|-----------------|------------|----------------|----------------|
| Notification of new item | 37.5% | 37.5% | 12.5% | 0.0% | 12.5% | 45% |
| Presentation of new item | 25.0% | 25.0% | 25.0% | 25.0% | 0.0% | 45% |
| Availability for purchase into warehouse | 12.5% | 12.5% | 25.0% | 37.5% | 12.5% | 55% |
| Availability for shipment to retail clients | 12.5% | 0.0% | 12.5% | 50.0% | 12.5% | 55% |

When LARGE HBW manufacturers launch a new item, please indicate the timing.

| | Six Weeks Prior | Four Weeks Prior | Two Weeks Prior | Concurrent | Two Weeks Post | Adequate = Yes |
|---|-----------------|------------------|-----------------|------------|----------------|----------------|
| Notification of new item | 88.0% | 0.0% | 0.0% | 0.0% | 12.0% | 78% |
| Presentation of new item | 56.0% | 12.0% | 24.0% | 0.0% | 12.0% | 67% |
| Availability for purchase into warehouse | 24.0% | 12.0% | 24.0% | 24.0% | 12.0% | 56% |
| Availability for shipment to retail clients | 12.0% | 12.0% | 12.0% | 48.0% | 12.0% | 56% |

Manufacturers indicated that they give more lead time for new item notifications to larger distributors (six-week notification at 83%) than to regional distributors (six-week notification at 67%) (Figure 7).

Manufacturers also indicated that the timing of new item notifications varies across trade channels. The value/convenience segment (which includes dollar stores and convenience stores) is by far the best informed, receiving

notification six weeks prior to item release 100% of the time. Direct-to-retail customers receive new item information six weeks prior to release 91.7% of the time. Regional and national distributors receive six-week notification less often than these channels, but still a majority (from 66.6% to 83.3%) of the time. In most cases, the new item is available for order from the distribution center prior to its release, with some exceptions (noted in Figure 7).

PART 2: SURVEY HIGHLIGHTS & RESULTS – PROFILES OF DISTRIBUTORS & MANUFACTURERS

Figure 7. Manufacturer Timing of New Item Notification Across Trade Channels

Please indicate timing of your new item introduction process for each of the following categories for:

REGIONAL HEALTHCARE DISTRIBUTORS

| | Six Weeks Prior | Four Weeks Prior | Two Weeks Prior | Concurrent | Two Weeks Post |
|--|-----------------|------------------|-----------------|------------|----------------|
| Notification of new item | 66.6% | 25.0% | 8.3% | 0.0% | 0.0% |
| Presentation of new item | 75.0% | 16.6% | 8.3% | 0.0% | 0.0% |
| Availability for purchase into warehouse | 25.0% | 16.6% | 50.0% | 0.0% | 8.3% |

NATIONAL HEALTHCARE DISTRIBUTORS

| | Six Weeks Prior | Four Weeks Prior | Two Weeks Prior | Concurrent | Two Weeks Post |
|--|-----------------|------------------|-----------------|------------|----------------|
| Notification of new item | 83.3% | 16.6% | 0.0% | 0.0% | 0.0% |
| Presentation of new item | 91.7% | 8.3% | 0.0% | 0.0% | 0.0% |
| Availability for purchase into warehouse | 25.0% | 16.6% | 0.0% | 50.0% | 8.3% |

VALUE/CONVENIENCE SEGMENT

| | Six Weeks Prior | Four Weeks Prior | Two Weeks Prior | Concurrent | Two Weeks Post |
|--|-----------------|------------------|-----------------|------------|----------------|
| Notification of new item | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Presentation of new item | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Availability for purchase into warehouse | 27.3% | 27.3% | 0.0% | 54.5% | 0.0% |

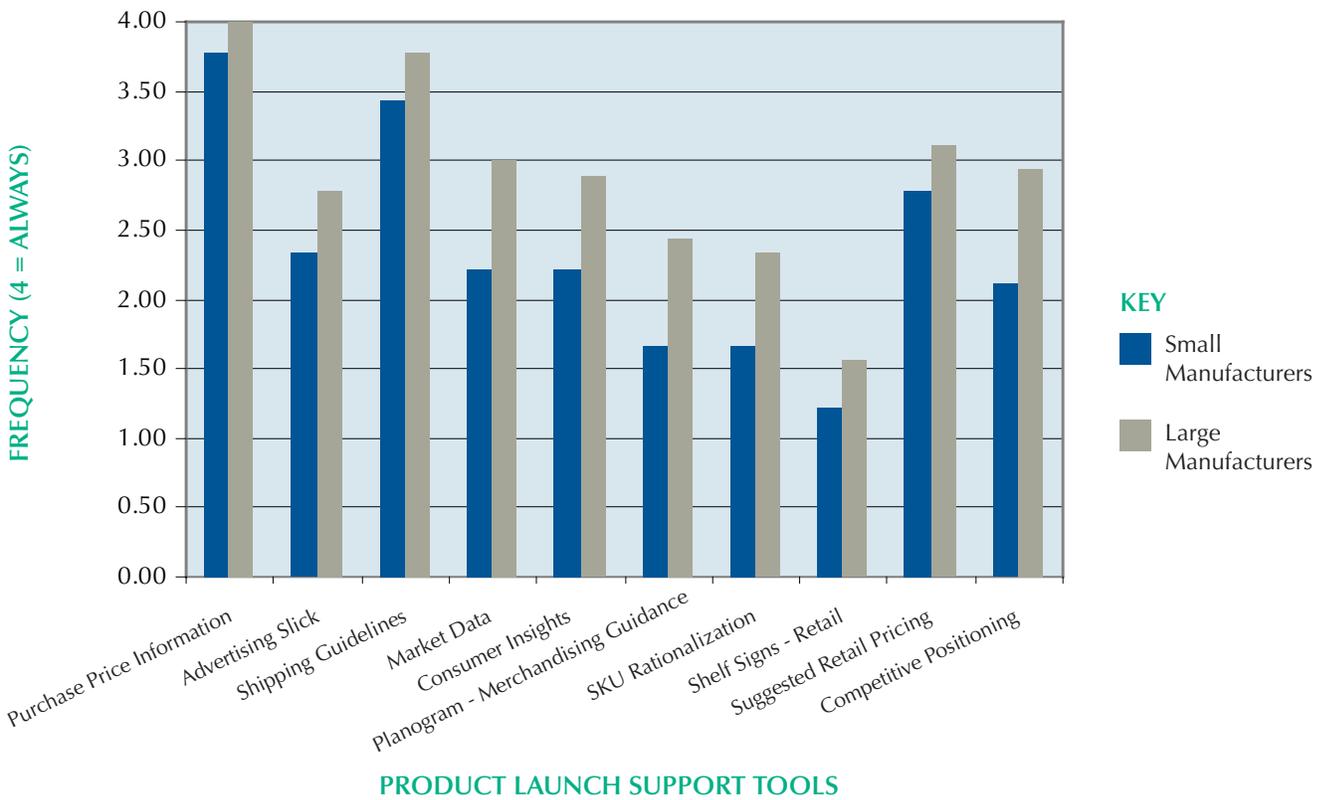
DIRECT-TO-RETAIL SEGMENT

| | Six Weeks Prior | Four Weeks Prior | Two Weeks Prior | Concurrent | Two Weeks Post |
|--|-----------------|------------------|-----------------|------------|----------------|
| Notification of new item | 91.7% | 8.3% | 0.0% | 0.0% | 0.0% |
| Presentation of new item | 91.7% | 8.3% | 0.0% | 0.0% | 0.0% |
| Availability for purchase into warehouse | 33.3% | 8.3% | 0.0% | 50.0% | 8.3% |

Retail Support Tools

Large HBW manufacturers provide decision-making and retail support tools to distributors more often than smaller manufacturers (Figure 8). This was especially evident in the areas of SKU rationalization, planogram support, consumer insights and market intelligence.

Figure 8. Product Launch Support Tools



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Manufacturers

Less than 15% of manufacturers' HBW sales in 2005 were through healthcare distributors, a decrease from 19% in 2003. As indicated in Figure 9, HBW manufacturers are increasing their direct distribution to mass merchants. This trend is in line with manufacturers' emerging net profitability through mass merchants, ranked as the highest of six distribution options (Figure 10). Shipping directly to chain pharmacy distribution centers ranks second in profitability, followed by healthcare distributors.

Figure 9. Trends in HBW Distribution

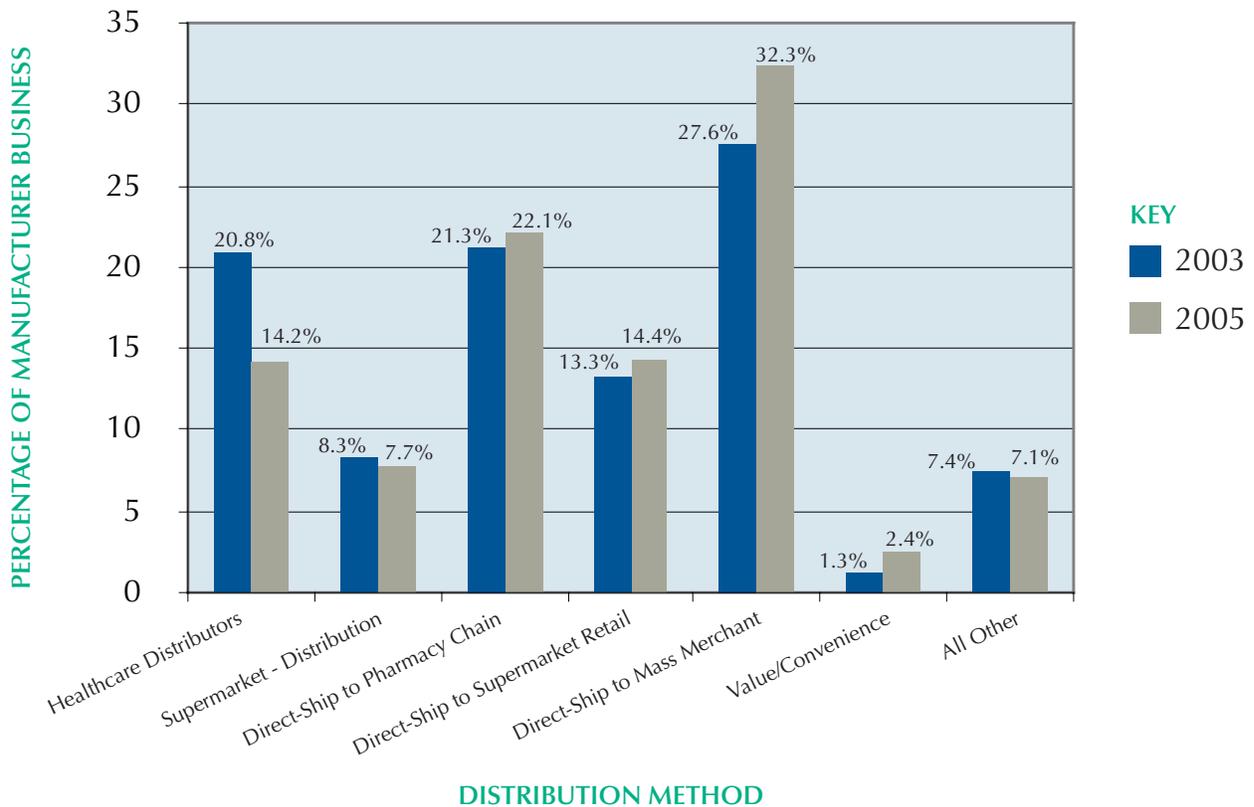


Figure 10. HBW Manufacturer Profitability by Trade Channel

Rate net profitability % to company by each trade channel (4 = high)

| | |
|-----------------------------------|-----|
| Direct-Ship to Mass Merchant | 3.1 |
| Direct-Ship to Pharmacy Chain | 2.6 |
| Healthcare Distribution | 2.5 |
| Direct-Ship to Supermarket Retail | 2.3 |
| Value/Convenience | 2.3 |
| Supermarket - Distribution | 1.9 |

Distributor Service Factors Valued By Manufacturers

Manufacturers value services differently, depending on trade channel. Through distributors, manufacturers most value efficient distribution and the ability to break down cases and ship “eaches” (individual pieces or small quantities that require a case to be “broken”). Manufacturers also highly value customer billing, collections, chargebacks and customer order consolidation services from distributors.

Through the value/convenience channel, the most valuable services were efficient distribution and the ability to break down cases and ship “eaches.”

Manufacturers mention efficient distribution and warehousing capacity as the most important services offered by direct sales to retail, including both pharmacy and supermarket retail. The least valued distributor services were demand forecasting and special handling services (Figure 11).

Figure 11. Importance of Distributor Services to Manufacturers (4 = high)

| | | |
|-----------------|--|-----|
| High Importance | Efficient distribution | 3.3 |
| | Breakdown cases (ability to ship each vs. case) | 3.3 |
| | Customer billing, collections, chargebacks, etc. | 3.2 |
| | Customer order consolidation | 3.0 |

| | | |
|-------------------|---|-----|
| Medium Importance | Warehousing capacity | 2.8 |
| | Inventory management | 2.6 |
| | Daily deliveries | 2.4 |
| | Next day delivery/short lead time | 2.1 |
| | Demand forecasting/Collaborative Planning, Forecasting and Replenishment (CPFR) | 2.0 |
| | Special handling services | 2.0 |

SUMMARY OF INTERVIEWS & DISCUSSION WITH MANUFACTURERS AND DISTRIBUTORS

Survey findings were supplemented by one-on-one interviews that revealed additional insights. Both manufacturers and distributors noted opportunities for communications improvements in the current health-care supply chain.

Manufacturers indicated the following primary needs:

- More market intelligence from distributors that would help manufacturers determine which products are most appropriate for which retail customer. In addition to enhancing product offerings to appropriate retailers, such information could lead to mutually-beneficial new product introductions.
- More information from distributors on the success rate of purchase incentives.
- Additional assistance from distributors to improve on-shelf visibility.

Distributors indicated the following primary needs:

- Order minimums that better suit the size of the store purchasing the product.
- Better cooperation with manufacturers to identify profitable and/or slow-moving items.
- Better cooperation with manufacturers to help determine which products and product formats are best suited for various types of retailers.
- More tools to support retail pharmacy customers, including merchandising guidance, marketing support for new items and profitability projections.
- Improved communication about distributors' value-added services in healthcare.

Both groups indicated in interviews that:

- SKU rationalization would be better facilitated if distributor and manufacturer trading partners shared their sales data.
- Understanding consumer buying habits could play a large role in stemming the tide of declining HBW sales in the independent pharmacy channel.

Many findings in this study identify potential areas of business process improvement for manufacturers and distributors. These findings are categorized into four main areas: Communications, SKU rationalization, marketing support and new item launches.

Communications

1. Distributors can better promote the full range of their capabilities, including distribution center and technology capabilities and the breadth of their access to retail customers.

For example, manufacturers are not always aware of the services that are available to help them attain their sales goals. Improved marketing by distributors, a deeper understanding of manufacturer goals and sales cycle data sharing can facilitate a more collaborative relationship.

2. Resources offered by manufacturers and services offered by distributors to retailers can be better synchronized. For example, if a manufacturer offers a promotional case price and a distributor routinely offers a “buy-one-get-one” special to retailers, awareness of these overlapping opportunities may increase product sales in the supply chain.
3. Value-added services offered by distributors (e.g., frequent deliveries, category management, educational support, etc.) may not be fully utilized by the retail pharmacy customer base. Better marketing of these services, clear explanation of their value and frequent follow-up with retailers can encourage more widespread use of these services, as well as continuous improvement.

SKU Rationalization

Manufacturers expressed interest in collaborating with distributors to reduce line extensions and streamline available product ranges to best fit retail pharmacy needs. Success in this area would require improved communication between distributors and retailers.

Marketing Support

As shown in Figure 5, manufacturers’ direct sales coverage within the distribution channel is more effective than telemarketing, e-mail or other communication methods. However, e-mail and “other” methods also show strong promise. Further research into alternative communications methods is warranted.

Manufacturers also may want to expand their contact with retailers in order to drive demand for new products, as customer demand is a key factor influencing the distributors’ decisions to carry products.

New Item Launches

Distributor and manufacturer trading partners should work more closely to share data and performance metrics in order to evaluate new items considered for stocking. Additionally, manufacturers expressed a desire to better understand the distributor’s customer base in order to focus their product development efforts in a more efficient manner. When manufacturers and distributors combine their efforts with the goal of satisfying the retailer—their key link to consumers—targeted marketing becomes easier.

Finally, better coordination and communication of new item launches and associated release dates should be a common goal of distributors and manufacturers.

Summary

This research is intended to clarify opportunities for enhanced business relationships between distributors and manufacturers. Both supply chain segments share a goal to provide the independent retailer with the HBW products they want and need. Manufacturers and distributors also share a desire to improve communication, marketing of available services, data sharing and overall collaboration. Achieving these goals will require an investment on the part of distributors and manufacturers, and a commitment to provide independent pharmacies with the sales and marketing tools needed in order to boost sales. This research indicates there are opportunities for improving efficiency and the overall financial performance of HBW products across the healthcare supply chain.

ACKNOWLEDGMENTS

This study would not have been possible without the commitment of the HBW Committee, established by Healthcare Distribution Management Association. HDMA and Hamacher Resource Group wish to thank the executives who took the time to share their thoughts, concerns and proprietary information during the course of this work.

About HDMA

The Healthcare Distribution Management Association (HDMA) is the national association representing primary, full-service healthcare distributors, including national and regional companies. Each day, the member companies of HDMA are responsible for ensuring that more than 13 million prescription medicines and healthcare products are safely delivered to 144,000 pharmacies, hospitals, nursing homes, physician offices, clinics, government and other providers in all 50 states. This essential public health function is provided with tremendous efficiency, saving the nation's healthcare system nearly \$34 billion each year. HDMA and its members are the vital link in the healthcare system, working daily to provide value, remove costs and develop innovative solutions to deliver care safely and effectively.



About the Center for Healthcare Supply Chain Research

The Center for Healthcare Supply Chain Research, formerly the HDMA Research and Education Foundation, is a 501(c) (3) non-profit charitable organization that serves as the knowledge partner of the Healthcare Distribution Management Association. The Center is committed to serving the healthcare industry by providing research and education specifically focused on priority healthcare supply chain issues.



About Hamacher Resource Group

The retail healthcare experts at Hamacher Resource Group combine the art of creative and strategic development with the science of market analytics to enhance the profitability of manufacturers, healthcare distributors, retailers, dot-coms and affiliated companies. Pioneers in category management and offering fully customized solutions including business development consulting, targeted market research, creative marketing services, data aggregation, comprehensive retailing strategies and more, HRG is headquartered in Milwaukee, WI, with a subsidiary in the United Kingdom.





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