

Room for growth

With growth and investment on their agenda, the Co-operative Pharmacy has bucked the current trends and experienced a fruitful year. Managing director John Nuttall and commercial director Gordon Farquhar reveal where the money's at...

With almost 800 outlets that make it the third largest pharmacy chain across UK – the largest in Wales – the Co-operative Pharmacy still has plans for expansion in the coming months complemented with a £100m investment budget that has been set for 2009-10.

With considerable growth arriving via acquisitions – the number of stores increasing from 467 to 794 in the last three years – the Co-operative Pharmacy has also launched operations in China recently. Becoming the first community pharmacy in the UK to do so, there exist plans to produce 50 generic products for the UK market in the Tasly/Co-operative joint venture with the project due for completion in spring next year.

In addition to the overseas project, there has also been a £15m investment on the establishment of the National Healthcare Distribution Centre (NHDC), a 190,000 square feet purpose-built warehouse in Stoke. With 200 employees, the NHDC will fulfil the demand of the fastest moving, prescriptions

of the Co-operative Group to 5,500. Apart from the fascia changes – resulting in the Co-operative Group having more branded fascias in the UK than McDonald's – we also refitted 204 branches while relocating 16 as we believe brand awareness is really important,' Farquhar said.

According to a company survey, the refits not only improved the look of the pharmacy but also improved customer satisfaction. Figures showed a five per cent increase in customers awarding are-fitted Co-operative Pharmacy's service full marks while there was a six per cent increase in customers giving the level of service a nine on ten on a visit to a refitted pharmacy. There was also a significant improvement in marks awarded for store cleanliness, staff friendliness, the



All smiles – John Nuttall and Gordon Farquhar of the Co-operative Pharmacy

As with many other organisations across the world, the Co-operative Pharmacy too was hit by the tough economic conditions, resulting in 'painful redundancies' and store closures. According to Nuttall, the closures had become necessary as 'there was no prospect of turning them around' and 'the economies of scale that we required to maintain good businesses were not possible to achieve in those locations' before adding that there were no more closures looming on the horizon.

With the expansion plans in place, the Co-operative Pharmacy has also ensured a 'green image' of the organisation by with all its pharmacies in England, Scotland and Wales powered by green electricity – electricity produced from sources such as wind and solar power that do not cause severe environmental impacts. 'In addition to the green electricity, we have ensured that all our dispensing bags are made of recycled paper and we are rebranding our plastic bags so that they are made of ten times less plastic,' Farquhar said.

While speaking of the burning issue regarding the formation of two separate bodies in place of the existing Royal Pharmaceutical Society of Great Britain, Nuttall restrained from giving a clear answer as to whether Co-operative Pharmacy would be joining the new body or not. 'It is important to have a professional body that is transparent and offers value for money. We will support it if it provides a clear mandate of what it plans on achieving.'

Signing off with the vision of having a thousand stores under the Co-operative Pharmacy brand by the year 2010 – termed challenging due to the current market conditions – Nuttall revealed significant OTC launches this year as well as a major corporate launch to be unveiled in the coming weeks.

Apart from the fascia changes – resulting in the Co-operative Group having more branded fascias in the UK than McDonald's – we also refitted 204 branches while relocating 16 as we believe brand awareness is really important

medicine and OTC products' totalling about 5,000.

Commenting on the NHDC as well as a fruitful year, John Nuttall, Co-operative Pharmacy's managing director, termed 2009 as 'the year of Co-operative' while being 'proud of all the investment made'.

Although not entirely content with the progress the pharmacy sector has made in general, the last twelve months for Co-operative Pharmacy have been big on integration and we were able to launch the largest rebranding programme in UK's history,' Nuttall said.

The programme, according to Gordon Farquhar, Co-operative Pharmacy's commercial director, involved 232 fascia changes in 2008 thus bringing the total branded fascias

level of knowledge and the presence of available chairs in the pharmacy.

'Presence of available seats is something we take for granted but it played a significant role in pleasing our customers,' Farquhar said. 'The refit was not just taken for the building but also the way staff interacts with customers, their knowledge about the products as well as the organisation and how we portray its image.'

'We undertook staff training and incorporated the brand image realisation with it while ensuring the "customer is the owner" image is clearly understood by all. The training is then tested via customer feedback as well as mystery shopping that we undertake regularly.'