Learning from others

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CHANGE CAN BE LED FROM THE TOP IN CHALLENGING TIMES AND LEARNED FROM THE EXPERIENCE OF OTHERS.

PBS reforms will eventually take a huge bite from community pharmacies. The Pharmacy Guild of Australia president predicts an average drop in dispensary turnover of up to 9% while others predict up to 13% for pharmacies not achieving prescription growth. With the discount phenomenon creating an effective double-whammy, anyone already near their profitability ‘edge’ will be very vulnerable to this big bump.

But highly challenging times suit some managers who have an ability to ride the waves of turbulence and deliver new ideas, new ways of operating, new services, new retail categories or new innovations, and build bigger, better businesses than in the pre-turbulent times. Why are these managers different? This question forms the basis of my current research, and points to ‘learning’ as the key focus.

While my investigations are still in their infancy, I am sure that these managers don’t start to act when they see the turbulence happening. Their actions started months, if not years, before the most dynamic segments of a business environment arrive. Somehow they ‘sense’ the arrival of change—not because they are clairvoyant, but because they seemingly have an inbuilt and continuous curiosity. This curiosity, which management researcher Akin calls the ‘need to know’, appears to be a precondition to a continuous learning process. It makes sense that if managers are continuously curious and continuously learning, their general awareness about a developing business environment is high. Perhaps this is how they seem to ‘sense’ what is happening well in advance of managers who do not behave this way.

Akin identifies another continuous learning precondition he calls a ‘sense of role’ and defines as a ‘feeling that underpins the start of learning (and) is related to a person’s perception of the gap between what he or she is, and he or she should be’. This implies that top managers have some sort of conscious awareness about their own professional/business identity and that when this identity begins to not fit with the emerging environmental signals, they can perceive a ‘gap’. The ‘gap’ then permits thoughts and actions directed at closing it, which is a learning process.

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Closing the gap creates a realignment between the pharmacy’s customer value proposition and customer expectations. When alignment is happening, industries thrive. But realignment means that the pharmacy/manager identity must change.

The literature says managers who survive and thrive have clarity about how they and their businesses are placed against the prevalent dynamic conditions of the times. They also have a strong sense of personal locus of control, taking responsibility and finding new ways. This type of manager—the dynamically capable manager—is likely to be key to the pharmacy industry evolution that needs to take place now.

While these top managers are a minority, there are ways that the professional peak bodies can help their emergence. According to the literature, this is best done by helping with an ‘understanding’ of the business/professional environmental trajectory and possible responses, rather than at the more mechanistic ‘how to’, ‘do this that’ level. The natural curiosity and willingness to learn of dynamically capable managers respond well to new ways of seeing the world. These can be delivered through, for example, exposure to how other industries have transformed their business models at times of high turbulence and change.

One such example is the transformation of Scandinavian Airlines (SAS) during the 1980s. Before then SAS focused on the technical production of air travel and built a reputation on being expert at flying people around, safely and on time. But in the late 70s and early 80s the competition caught up and prices and profits went down. Rationalising operating costs worked for a while, but this tactic was by definition limited. The company needed to do things differently, but stay in the same industry. A new CEO, Jan Carlzon, saw a new way and changed the business model from an airline company to a travel company. This new way put the customer and their greater need, travel outcomes rather than transport, at the centre of the company’s concern.

This story of transformation, while complex, mostly centred on leadership taking responsibility for changing the very identity of the business and, the hardest part, the embedded identity that all workers in the organisation perceived of themselves. It’s also allegoric of the transformation that community pharmacy needs, in moving from a production focus (prescription) to a service focus in its dealings with customers. Just as with SAS, community pharmacy needs to put the customer and their greater needs—health outcomes rather than prescriptions—at its centre. As with SAS, this transformation is far more easily said than done.

To help those who have a natural orientation to be helped and to learn, Australian pharmacy peak bodies should be in possession of stories and concepts of change at a higher level. Producing competency standards, computing platforms, tools and precise and accredited procedures is all well and good—essential in fact—but none of these things are the real substance needed for transformation of an industry. Transformation must be understood and led from the top, where identity is shaped, and this can be learned from the pathways successfully taken by others—members of the ‘real world’ that pharmacy has been sheltered from.