

# Action plan

Kartong community pharmacy

Version definitive, 28/12/2006

## A) Responsibilities:

In the co-operation between FOFDHIK, Stichting Evenaar and Farmacie Mondiaal in order to establish a commercial pharmacy at the healthcare clinic in Kartong it is necessary to have a clear idea (e.g. mutual agreement) about the responsibilities of each faction.

As far as Farmacie Mondiaal is concerned it's primary responsibility is coming up with a suitable plan, practical help for implementing on site and advice for realising and sustaining a commercial pharmacy.

Especially concerning the advice it must be clear that the FOFDHIK and/or St. Evenaar are the organisations who decide to follow the advice and are responsible to undertake the necessary steps to make things happen as advised.

In order to get a better overview a division has been made in the diverse pharmacy aspects:

## B) Staff:

Business hours in Africa are quite long. In order to help many people and to do good business the pharmacy will be open 7 days a week from 08.00h-22.00h.

On average 1 Dutch pharmacy-assistant will cope with about 80 prescriptions a day. As made clear in the financial part the expected daily average is about 45 prescriptions.

To start with a pharmacy staff of 2 persons (1 fulltime and one part time 50%) will do.

If needed more staff can be employed but one has to realize very well what the financial consequences will be. Remember, the goal of the pharmacy is not to employ people!

During the fieldinvestigation 2 job interviews were hold with:

- Mr. Ousman Camara, at present pharmacist/shopkeeper for several years now in Gunjur, having a certificate proving that he has been trained in pharmacy matters,
- Mr. Ousman Jabang; the Teacher in Kartong.

Because of his knowledge and experience in pharmacy mr. Camara seems to be an eligible candidate for the position of (fulltime) senior shopkeeper.

Because of his general knowledge and the level accompanying his function as a teacher Mr. 'teacher' seems to be a good candidate for the position of (part-time) assistant shopkeeper.

They will receive a fixed monthly salary. In the future a bonus system might be appropriate to express the believe that a very good job has been done or is being done.

In order to make very clear what is expected from the pharmacy staff concerning running the pharmacy in a responsible way a Guideline pharmacy staff will be developed.

No.	Result needed	Responsible person for achieving result	Is the result achieved?
1	Application letters from Ousman & Ousman have to be received by the board	Jabang	
2	Letter of appointment for O&O for 1 year from the board. Containing salary level (3000/month for 100% job) and following the pharmacy guidelines as made up by FM/board	Jabang	
3	Guideline pharmacy staff	Van Slobbe	

### **C) Medication:**

For a start a rather limited IDA product range (about 50 items) and the amounts needed for a 4-6 month period have to be selected.

Beside drugs it also contains HIV- & Syphilustests, packaging materials and laboratory items. The first order to IDA is an estimated guess. Practical experience and evaluations will make clear which alterations are needed. The idea is that at least for the beginning Rezelman/van Slobbe closely watch the wanted product range and desired amounts.

<b>No.</b>	<b>Result needed</b>	<b>Responsible person for achieving result</b>	<b>Is the result achieved?</b>
1	Select an IDA product range and ordering quantities	Rezelman/van Slobbe	Yes
2	Guideline product range	Rezelman/Van Slobbe	

### **D) Logistics:**

Ordering at IDA needs to be clarified, e.g. the necessary procedures have to be cleared.

The first order will be done and paid for by St. Evenaar.

The order has to be collected from the airport by people from the clinic directly, finding out about custom procedures etc.

At this moment is not possible to say how many times a year an order at IDA should be made. Strictly on the basis of the number of inhabitants 2 or 3 times a year is expected but if many people from other communities come the frequency might be higher (especially in the beginning).

Because the clinic does have a computer and internet connection in the future ordering (and consultation with FM/Rezelman) at IDA can be done with the electronic order form.

In order to gain information about the demand per item/month (and to allow periodic stock controls) a daily stock administration system per item has to be used. The Guideline keeping track on demand and stock will be developed.

Expiring dates for IDA-drugs are at least 6 months on delivery, but usually 2 years. Checking on expiring dates will be incorporated in the above mentioned Guideline.

In the beginning it is certainly unwise to act as a wholesaler for other pharmacies or clinics. Drugs will be out of stock soon (more difficult to calculate the amount needed for the own population) and more important the transportation costs are calculated within the fixed pharmacy fee. So if large quantities are sold at one time, the pharmacy fee is applicable only once and that probably won't be enough to pay for the transportations costs.

Furthermore, judicial trouble might arise if special licences are required to act as a wholesaler and competition might be alerted to soon about the project.

On arrival of the first shipment FM will help to store al the stock in a systematic and logical way in the cupboard and shelves.

<b>No.</b>	<b>Result needed</b>	<b>Responsible person for achieving result</b>	<b>Is the result achieved?</b>
1	Find out ordering procedures at IDA	Rezelman/van Slobbe	
2	Ordering the first shipment	Rezelman	
3	Collecting and transporting first order from airport	Rezelman/Jammeh	
4	Guideline ordering at IDA	Van Slobbe	
5	Guideline keeping track on demand and stock	Van Slobbe	
6	Jabang needs to be known as qualified IDA-person	Jabang	

## E) Finance:

Indeed finance is a critical point in the pharmacy business and it's sustainability. Critical attention has to be paid, especially in the beginning when people will have to get used to following procedures.

As explained in the background information the price the general public has to pay for each separate drug is composed of 2 items, e.g.

- Wholesale price IDA (+ handling fee of 3%)
- Fixed pharmacy fee per prescription to cover pharmacy costs.

In order to come to the actual fixed pharmacy fee some assumptions have to be made at this moment in time. Experience will make clear if alteration is needed.

For the pharmacy fee it is thought that only logical & normal quantities of a specific drug are sold to a person.

The formula used is:

Expected pharmacy costs + safety margin 20%  
----- = fixed pharmacy fee per prescription  
Expected number of prescriptions per month

Here the build up of the expected pharmacy costs per month:

Pharmacy cost built up	
Staff salaries	Dalasi's 4500
Transportation costs; for 6 month order Euro 600,-, so Euro 100,-/month	Dalasi's 3500
Packaging material	Dalasi's 500
Total	Dalasi's 8500
20% safety margin	Dalasi's 1700
<b>Overall total</b>	<b>Dalasi's 10200</b>

It is difficult to say what the amount of prescriptions a month will be.

An estimation (based on the population size) would be somewhere around 40-50 prescriptions a day (this is about 10% what this number of people would use in The Netherlands).

This would result in:  $30 \times 45 = 1350$  prescriptions a month.

Calculation of fixed pharmacy fee:

Amount to cover/month:	10200	Dalasi's
Number of prescriptions/month	Pharmacy fee needed per prescription	
500	20,4	Dalasi's
750	13,6	Dalasi's
1000	10,2	Dalasi's
1250	8,2	Dalasi's
1500	6,8	Dalasi's
1750	5,8	Dalasi's
2000	5,1	Dalasi's

Hence a starting fixed pharmacy fee of **8 Dalasi's per prescription** seems adequate.

Depending on the amount of business the fee can be decreased/augmented to ensure sustainability.

To have a good insight into the pharmacy's earnings an adequate administration has to be realised.

The idea is that every change in the amount of each item has to be administered on a daily basis, e.g. what drug, which amount, the calculated wholesale prize, (reason for change in stock; for example sold or expiring date reached), the actual pharmacy fee and the resulting consumer prize.

A first pricing list of drugs will be made by FM

The daily results will be used for the weekly financial report.

A Guideline administration will be developed.

Because of the possibility of changing exchange rates (Euro's to Dalasi's and v.v.) and IDA-whole sale prices it will be necessary to check with each new shipment received what the resulting wholesale price will be per drug.

Furthermore, a check should be performed if the pharmacy fee should be altered, mainly because of change in transportations costs. A Guideline administration checks will be developed.

No.	Result needed	Responsible person for achieving result	Is the result achieved?
1	Guideline basic administration	Van Slobbe	
2	Guideline administration checks	Van Slobbe	
3	Pricing list based on IDA prices 08-2006	Van Slobbe	

## F) Banking matters:

A separate bank account for the pharmacy is needed because of the money flow and to facilitate (management)control.

Weekly the cash earnings can be deposited at the bank. The bank account should have the possibility to do international money transfers (to IDA, The Netherlands). A check should be performed. The only person allowed to do money transfers should be the financial board member.

It is advised to limit the accounts where the money can be transferred to (just to IDA and to the clinic account).

Cash withdrawals should be only possible when 2 board members have signed the necessary document.

No.	Result needed	Responsible person for achieving result	Is the result achieved?
1	Open a separate pharmacy bank account with the (technical properties) as mentioned above	Jabang	
2	International money transfer is possible, do check	Jabang	

IDA information	Banking details
Payments for medicines should be made to:  IDA foundation Amsterdam The Netherlands Account number at ING bank: 69.78.62.283	ING Bank Amstelplein 1 1096 HA Amsterdam P.O. Box 1800 1000 BV Amsterdam The Netherlands Account No.: 69.78.62.283 Swift Code: INGBNL2A IBAN Code: NL36INGB0697862283

### G) Building:

At the moment the idea is to use the present 2 consultation rooms, each has about a surface of 10 square meters. One of them already has a dispensing window, so the public doesn't need to enter the actual pharmacy and the other is suitable as a stock room for it has a lockable steel door.

Probably some extra shelves are needed. This will be dealt with at the moment the first shipment is handled.

### H) Community approval:

For the people of Kartong it must be made clear that the new system will start in February 2007 and can only work sustainably because a real price for the pharmacy service is charged. A success will reflect the power and the will of the people of Kartong for not being dependent anymore on government funds or foreign sponsors.

No.	Result needed	Responsible person for achieving result	Is the result achieved?
1	Citizens of Kartong understanding the new system and seeing the advantages of it.	Board	

### I) Controls:

In order to make sure the money and stock of the pharmacy are handled accordingly to the guidelines critical control points have to be defined.

It must be made clear which person/function has to perform the controls and what responsibilities are coming with a certain function.

Person/function	Control point	When
Head of clinic	1) Check if administration procedures are followed correctly and completely 2) Looking after attendance of staff 3) Seeing to it that the pharmacy is kept clean and tidy 4) Performing a stock control; comparing the data from the Guideline keeping track on demand and stock, with the actual stock	Weekly  Always Always  Periodically, or as much as seen fit to minimize the chance of undetected theft/loss
Financial board member	1) Keep a general overview over the financial results, this from the week reports, cash deposits and own investigations. 2) Check if Guideline administration checks has been used correctly.	Monthly

## **J) Critical process points**

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In order to reach the goal of this exercise:

**Improving the availability of, essential, quality drugs at reasonable prices in a sustainable way for the community of Kartong, the Gambia.**

some critical process points have to be identified:

### **Internal**

- the general public must accept the new way of how the pharmacy is operating, and that the time of 'free drugs' is over,
- Farmacie Mondiaal cannot closely watch on site the way how things are developing, so it comes down very much to feeling 'own responsibility' and taking actions accordingly (especially concerning financial and stock matters),
- the 2 persons responsible for the pharmacy have to take their job very seriously and know that they are serving the whole community, so a failing of the pharmacy is not only a pity because of their own loss of jobs,
- the person responsible for the whole of the clinic has to take his job very seriously and communicate with Farmacie Mondiaal on time to evaluate results and discuss necessary actions,
- the financial board member has to monitor the proceedings closely in the beginning.

### **External**

- uncertain is how the reactions might be from the economic counterparts (e.g. big pharmacies like Step Stop and others) to the initiative,
- uncertain is how healthcare authorities might react (especially when government funding at a certain stage is not asked for anymore),
- The Jammeh Foundation for Peace can be of much use when problems might arise, especially in the above mentioned matters.

## **K) Follow up:**

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It is to be expected that from the practical experience which is being gained as the pharmacy really gets going new insights will arise.

These will probably affect the present ideas and procedures about how to run effectively a sustainable pharmacy.

By working together closely (especially in the first year) FOFDHIK, St. Evenaar and FM should be able to create a good result for the citizens of Kartong.

## **L) Public Relations**

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Farmacie Mondiaal will use the Kartong-project ('Kartong-model') in communication with its sponsors and others.