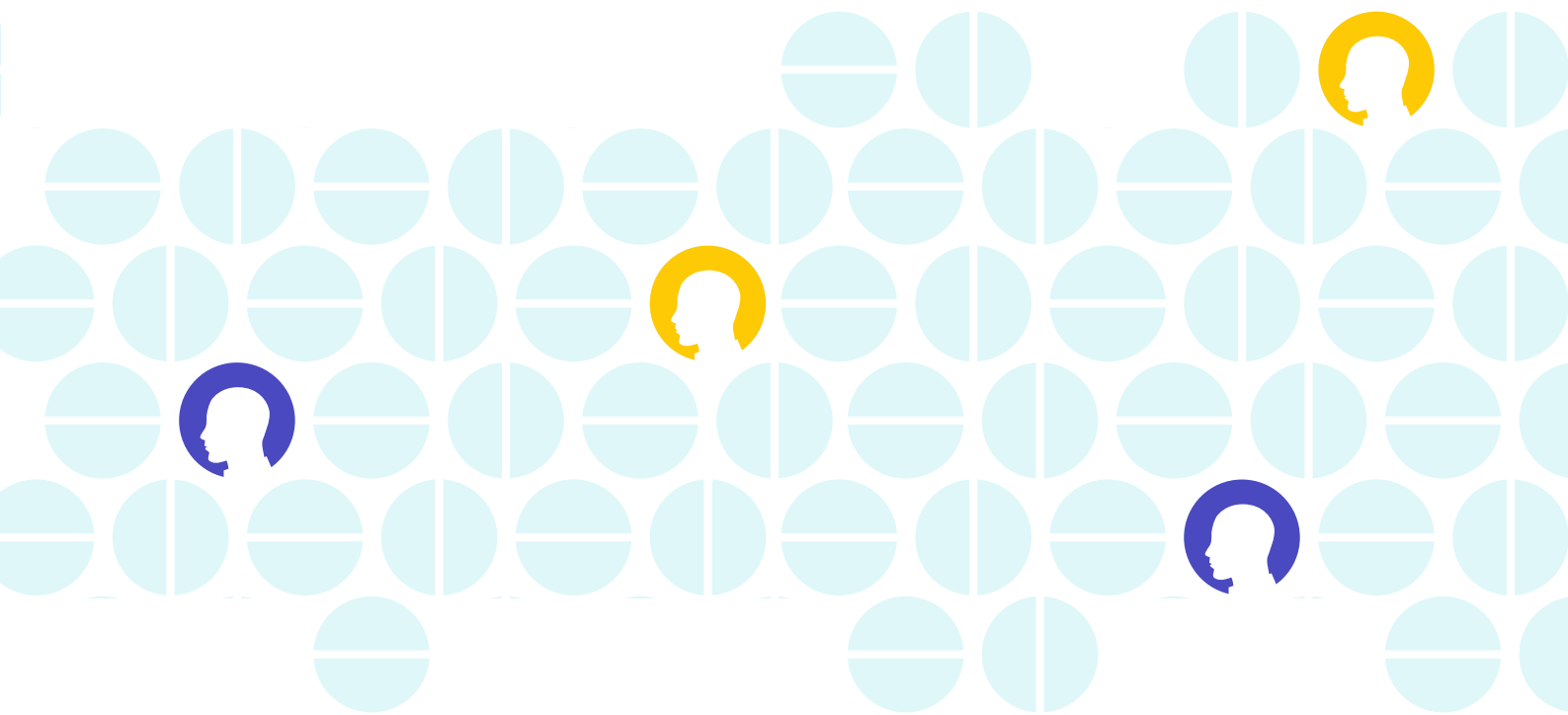




Reduce the Impact of Staff Shortages With Smarter Purchasing



You can never have too many knowledgeable, dedicated pharmacy professionals. Unfortunately, national statistics and input from those in the field indicate many pharmacies across the United States are understaffed.



With a huge volume of patients with complex health needs visiting their local pharmacy every day, pharmacy teams are taking on more roles to meet patient and business needs. This is a huge responsibility for staff. It often leads to [burnout](#), meaning a further reduction in the pharmacy workforce.

For success amidst rising staff shortages and other challenges, pharmacies need to save money, increase efficiency and make their work easier while ensuring compliance with trade partners and regulations. This will counterbalance the impact of staff shortages. It will also help pharmacies retain the skilled personnel that their patients know and trust.

This white paper will show how pharmacies can reduce the burden of staff shortages through smarter purchasing: unifying purchasing and inventory to optimize buying decisions and discover money-saving opportunities from their entire partner catalog while streamlining their operations and ensuring compliance. First, we'll examine the origins and impact of staff shortages.

Factors Driving Pharmacy Staff Shortages

Patient care has always been a pharmacy's primary responsibility, and there has never been one type of "patient." Everyone has unique health needs and personal preferences. Pharmacy staff serve a range of increasingly complex patient profiles. Meeting this demand requires even more pharmacy professionals with a higher level of knowledge.

The number of patients that pharmacy staff are now responsible for is also rising. On average, Medicare beneficiaries visit their local pharmacist almost twice as often as they see their primary care doctor. A 2021 CDC [article](#) estimates that 90% of the United States population lives within five miles of a community pharmacy. In rural areas with fewer pharmacies, pharmacy professionals at single locations serve even wider geographic regions.

The role of pharmacy staff has also expanded. Post-pandemic demands—such as new vaccines, sanitary procedures and patient inquiries—are probably the most well-known examples of these new responsibilities. Pharmacy professionals also point out "the jobs [they] didn't learn in pharmacy school" such as procurement, inventory, customer checkout and contacting physicians.

Contact [SureCost](#) to learn how to reduce the burden of staff shortages with smarter purchasing.



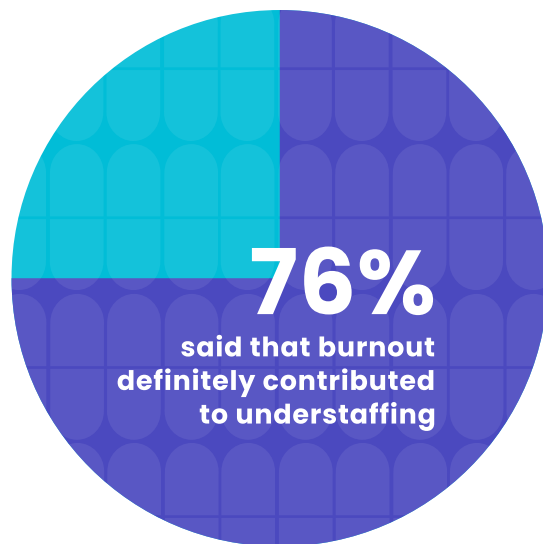
These are some of the factors leading to a [drop](#) in the number of qualified pharmacy professionals to handle all these roles. In a 2023 NCPA [survey](#) of U.S. pharmacy professionals, 58% reported difficulty filling open positions. 87% said that pharmacy technicians are in the highest demand, followed by front-end staff and then pharmacists.

The Impact of Staff Shortages on Pharmacies and Patients

It's no surprise that burnout is on the rise. A 2023 Pharmacy Times survey on mental health showed that self-reported burnout among pharmacy professionals more than doubled after the COVID-19 pandemic. On a scale of 1 to 7, with the highest number indicating extreme burnout, respondents reported an average rating close to 6. Nearly 76% said that burnout definitely contributed to understaffing at their facility while another 10% indicated it might be a factor.

A burnt-out workforce leads to higher turnover, which is a significant expense of time and money for pharmacies. Long Trinh, PharmD, the former senior director of pharmacy at Providence Health & Services, said that turnover for a single pharmacy technician costs up to \$35,000 each time. Turnover for a pharmacist is sometimes up to six times greater. Many facilities end up paying overtime for staff to cover these open positions, another expense and contributor to staff burnout.

Tired, stressed staff are more likely to make mistakes. These range from clerical oversights (like ordering the wrong item) to dangerous errors (like dispensing the wrong medication). With smaller teams filling more prescriptions and advising even more patients, patients wait longer to receive counseling and get their medication. Rushed to replenish stock and get back on the floor, pharmacy managers may purchase what they need without looking for savings opportunities. Those lost savings chip away at the pharmacy's margins. Meanwhile, the patient may seek other providers to get their products faster and cheaper.



Five Ways Smarter Purchasing Eases the Burden of Staff Shortages

We're unlikely to see a drastic and immediate increase in the number of trained pharmacy professionals. Instead, pharmacies have to counteract the impact of staff shortages. Here are five ways that smarter purchasing helps pharmacies ease the burden.

Streamline Purchasing

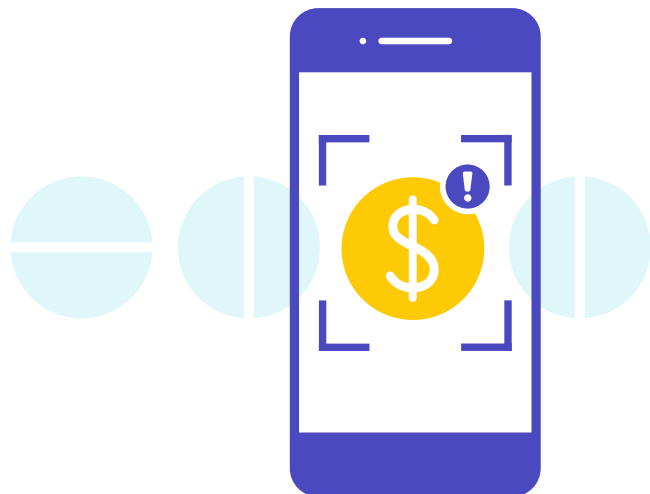
On average, pharmacy staff lose two to three hours each day on procurement. Although procurement is an essential element of pharmacy management, an opaque purchasing ecosystem and outdated practices make it a time-consuming and tedious process.

Pharmacy teams are literally spending hours bouncing between multiple websites and vendor catalogs. That's before they have to upload separate purchase orders through different interfaces. With some pharmacies juggling as many as 15 vendors, human error and employee burnout are inevitable.

Streamlining purchasing saves pharmacy professionals time and reduces repetitive manual tasks. Instead of burning themselves out shopping, team members can spend their time serving patients.

This approach is also inefficient. For most pharmacies, the time to actually compare options is a luxury they can't afford. A single vendor may list the same product across multiple categories; even pharmacies that only work with a primary are losing time and missing savings opportunities. If they have the time, they will often have to calculate unit prices for every NDC from each vendor to see their actual cost of goods sold (COGS). That's a big "if" for most pharmacies.

Yet pharmacies can save time and money by using a solution to **view all their purchasing options—from their primary vendor and any secondaries—in one place**. The right tool will be able to accommodate data from all pharmacy trade partners along with purchasing group data. Team members will then only have to create and **submit one purchase order for all vendors**. At each step, there are systems in place to **ensure compliance** with purchasing agreements. Pharmacies can expand their purchasing portfolio without worrying if they're buying enough from their wholesaler.



Streamlined purchasing also means pricing transparency. For example, pharmacies can **automatically view the unit price for every item from each vendor**. Understanding their **true COGS** shows pharmacies which purchasing options are better or worse, leading to better purchasing strategies. The most sophisticated tools allow pharmacies to **model rebates**, forecasting their potential reimbursement for an item and analyze for factors like [average wholesale price \(AWP\) spread](#).



Pharmacies using SureCost to streamline their purchasing report spending half as much time each day on purchasing management. On average, that's no more than an hour and a half (not three). For a pharmacy technician making an average of \$20 per hour, pharmacies save \$600 each month alone by streamlining their purchasing. If salaried team members are responsible for purchasing, those savings rise exponentially.

Harness Accurate Data

Like almost any other business, pharmacies rely on data for their daily operations and to formulate strategy. But, as outlined above, the pharmacy market is a complex structure of manufacturers, vendors, catalog numbers, unit prices, NDCs and other information. Pricing and availability constantly change. Effective inventory management also creates its own set of data and issues with integrity. It's rarely as simple as simply counting what's on shelves, which itself is a time-consuming and tedious process.

Receiving products—verifying the item, price and quantity against a purchase order when items arrive—is another data-laden process. The integrity of information is crucial. Free solutions are limited in this area: they cannot verify if a pharmacy's primary vendor is honoring the best contract price.

Book a Free Consultation with us to define the best strategy for your pharmacy.



Robust reporting allows pharmacies to instantly review all the data. Integration with pharmacy management systems updates the pharmacy's on-hand quantity and their COGS using parameters they set (for example, the last price they paid).



Inaccurate or outdated product data—in a catalog, in a delivery or on pharmacy shelves—comes at significant costs:

- Missed savings opportunities
- Time and stress correcting discrepancies
- Ordering too much or too little of an item
- Failing to replenish on time
- Receiving wrong items
- Being overcharged for items

Pharmacies can use technology to ensure accurate, updated information is at their fingertips. They gain **product pricing and availability** from both wholesalers and distributors. **Real-time insights into open/submitted purchase orders and inventory levels** ensure they only order what they actually need when they need it. Replenishment and consumption data can further inform these decisions.

With greater transparency into accurate, updated purchasing data, pharmacies can make data-driven decisions and form better strategies. For example, which product offers the best rebate potential without affecting compliance? Is it worth paying more for a particular item if they can get it tomorrow?

A smarter purchasing solution also **integrates with inventory management**. Pharmacies always know what they have on-hand, if they have excess stock that can be transferred to another location or returned to the vendor, or if they're running low on a high-demand item and need to replenish immediately.

Advanced features can optimize how pharmacies use their existing inventory. For example, **cycle counts** determine the most expensive and most frequently sold items. Those are the products with the highest impact on patients and profits. Pharmacies can analyze inventory movement on a perpetual basis to concentrate on these high-impact items.

Linking purchasing and receiving ensures vendors honor their contract pricing. Pharmacies can easily confirm they **always receive the right product at the correct quantity for the agreed-upon price**. From the initial purchase up to receipt, the data flows through a single solution. The technology can check the purchase order against invoices down to the NDC and **flag discrepancies** such as being overcharged, being shorted a product or getting a substituted item.

Pharmacies need easy access to trustworthy data for purchasing, inventory and compliance. This eliminates costly errors and empowers staff. They spend less time on manual processes while making better decisions and focusing on patients.



With a pharmacy professional's limited time and resources, monitoring compliance can be a burden.

“

A pharmacy owner—and you may disagree with me—is worth \$500 an hour, so if you're taking those phone calls and doing all of that extra buying out of your agreement, you have to factor in your time.”

Jeff Harrell quoted in C. Linville, “The financial pressures facing independent pharmacists is an all too familiar story,” from *America's Pharmacist* (February 2024).

Ensure Strategic Compliance

Compliance with a primary vendor drives most decisions. If a pharmacy belongs to a GPO or buying group, there's even more compliance factors team members must account for when making purchases. A system should be in place to ensure contract compliance to minimize discrepancies and increase profitability.

A smarter purchasing solution **ensures compliance across all trade partners** including the primary vendor, secondary vendors, GPOs and buying groups. Pharmacies can also use metrics about how close they are to compliance targets right before they submit each order. These data points help them analyze whether they are able to reach that rebate tier or if it's worth a loss in potential savings. A smarter purchasing solution tells pharmacy managers the **actual value of compliance** for every item with each order.

Primary vendor assurance (PVA) lets pharmacies go beyond just ensuring compliance. Reports and analytic tools empower them to optimize overall purchasing. By analyzing compliance metrics in real time (such as total spend on brand versus generic), pharmacies can strategize how to best reach those targets.

The best systems can be configured to look for “smarter” compliant items from a primary vendor. For example, a pharmacy may want to calculate AWP spread or consider wholesale acquisition cost (WAC) and drive compliance based on those factors. Once they maximize the profit potential for compliant items, pharmacies can then discover competitive pricing for other products.

Team members won't have to check every purchase against multiple agreements. That saves them time and reduces their stress. The pharmacy sets the right compliance targets, and the system automatically drives to those items. Managers can determine when exceptions can be made and by whom—with protocols for recording who made the exception and why each time.



SureCost users across the country have learned that saving money isn't just a matter of always buying the lowest-priced item. In fact, it might not always be the best purchasing option. SureCost instantly calculates an item's true cost based on other variables beyond the listed price such as rebates, AWP, WAC and GPO pricing. It also automatically flags opportunities for savings. Pharmacies using SureCost find items that might have a higher catalog price but ultimately yield a better COGS.

If you'd like to talk to SureCost about primary vendor assurance,
[Let Us Know Here.](#)

SureCost

The “old school” approach may be familiar, but these over-complicated processes burn out staff, lead to costly errors and obscure better purchasing opportunities.

Automate Purchasing and Inventory Management



Many pharmacies still rely on manual tools to manage purchasing and inventory. These tools range from spreadsheets to handwritten notes. Example of manual processes include:

- Checking against a packing list to verify invoices then handed off to accounting
- Using paper to record and change cycle counts and on-hand counts
- Reviewing purchasing history line by line, item by item
- Visually inspecting inventory to fill out-of-stocks or determine excess
- Generating separate purchase orders for each department/location

Technology offers pharmacy teams robust solutions for managing purchasing and inventory. The best solutions **enhance how they work without forcing them to overhaul how they work**. Instead of spending an inordinate amount of time implementing software and onboarding employees, **customizable automation** integrates seamlessly with existing systems and partners. That includes all vendors, groups, pharmacy management systems and accounts payable. As outlined above, it also allows pharmacies to configure purchasing and inventory around their goals.

Technology doesn't replace staff; it makes their job easier by reducing tedious tasks. Checking received items against packing lists and invoices can now be done electronically, even **from a mobile device**. Because purchase order information from all vendors is already in the system, instead of checking for discrepancies, all potential issues (even getting undercharged) are **automatically flagged**. With the same scan, **inventory levels are also automatically updated**. Some pharmacies even program automation to **automatically replenish stock** based on inventory data and order history or send alerts for negative on-hand quantities. They can easily prevent out-of-stocks and transfer excess stock between locations. They also find discrepancies immediately so they can address the issue quickly.

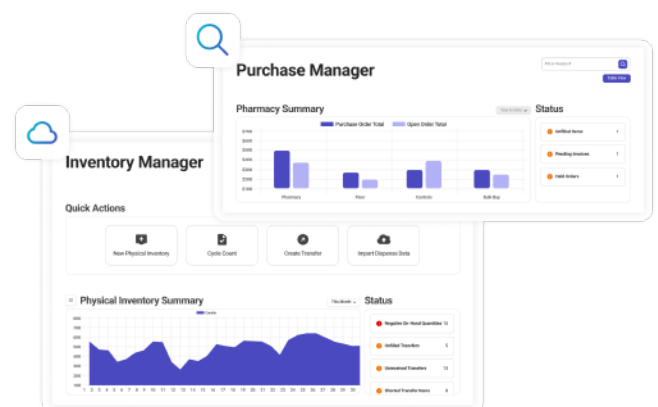
Consolidate Purchasing and Inventory—Plus DSCSA Compliance

Technology is a powerful resource. But it's ultimately just a tool. Smarter purchasing is about unifying teams and processes. Siloed processes that don't “speak” to one another are prone to oversights and create more work for staff.

A strategy isn't effective unless the entire team follows it. That's why it's crucial for pharmacies to **standardize their purchasing strategy**. In addition to a simple and clear workflow for every team member to follow, pharmacies should **install “guardrails”** to ensure their team is purchasing the right items based on historical data and the pharmacy's goals. An automated solution is ideal here.

Of course, there will be exceptions and anomalies, so pharmacies need the ability to **track all purchasing decisions**, including who purchased which products at what time and why they selected that option. This adds another level of visibility to purchasing management.

Integrating inventory management processes is just as critical. **Consolidated inventory management** combines physical inventory, perpetual inventory, receiving, transfers and returns into one solution. At the same time, current



DSCSA compliance is complicated enough; pharmacies need to do whatever they can to ease that stress on employees.

and new systems must work together. This means integrating purchasing and inventory management with an existing pharmacy management system and accounts payable.

Unifying operations and finances makes team members' jobs easier. It also ensures accountability. Pharmacies gain the ability to track the entire life cycle of a product from the purchase order to being dispensed—with receiving, invoice reconciliation and transfers between the two events.

With [upcoming changes to DSCSA regulations](#), this level of insight and accountability throughout the chain of custody will become even more important. Siloing DSCSA data and losing integrity across disparate systems adds another complicated process—except pharmacies now risk fines and other penalties.

Pharmacies need to **instantly capture DSCSA data** as soon as they receive a product and store that information within their integrated solution. Smarter purchasing allows data to be captured with a scan as soon as a team member receives a product. That information is then stored in the same inventory management solution they use every day. But pharmacies need to ensure their solution meets DSCSA requirements regarding storage (which the right partner will be ready for).

Summary

Pharmacies continue to have difficulty filling positions, and turnover costs have a significant impact on their bottom line. Fewer pharmacy professionals are serving more patients with more complex needs alongside additional responsibilities. Employee burnout is on the rise as the workforce shrinks.

Still, with the right tools and strategies, pharmacies can offset the operational and financial impact of staff shortages. Pharmacies must leverage smarter purchasing by:

- Streamlining their purchasing process
- Harnessing accurate, real-time data
- Ensuring—and optimizing—compliance
- Automating purchasing and inventory
- Consolidating purchasing, inventory and DSCSA compliance

Smarter purchasing eases the pressure on staff, minimizes the effects on patient care and saves pharmacies time and money. It allows pharmacies to save more, work smarter and stay compliant. Staff shortages may be on the rise, but pharmacies don't need to compromise quality patient care or profitability.

Book a 30-minute introductory meeting today. Let's talk.

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