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Nicolle McClure: Welcome to the next episode of Pharmacy Marketing Simplified podcast, part of the Pharmacy Podcast network. I'm your host, Nicolle McClure, president of GRX Marketing, and today we're tackling a bit of a different subject to deal with marketing, and that is marketing internally to your employees.

Nicolle McClure: Joining me is special guest Ben Coakley with with Waypoint Advisors. Ben has been a full-time advisor with Waypoint Advisors since 2004 with his main focus being working with young business owners, pharmacy owners, and professionals. He enjoys working with them to accomplish their most important lifetime financial goals. He's also the co-founder of the Inspired Independence process and a family success navigator, which has had a tremendously positive impact on pharmacy owners and family business owners.

Nicolle McClure: Ben, welcome to the show.

Ben Coakley: Thank you for having me.

Nicolle McClure: All right, so usually business owners, pharmacists, when we talk about marketing, we're talking about marketing to the public and customers, but we don't always think about how can we "market" to our own employees. Talk a little bit about why you think that's important to do and the benefits of it.

Ben Coakley: Well Nicolle, we get this question a lot, about how do we impact our employees and help them truly understand what we're trying to do as a pharmacy owner and from a vision and mission standpoint. That is what internal marketing is; internal marketing is getting the buy-in with your employees to help pull the wagon in the direction that you want it to go. I think that's important to distinguish between that and external marketing. They are different, but there is a symbiotic relationship between the two. What I always say is, is the better the internal marketing where people understand, the employees understand your vision, your mission, and where you're going, the better chance that your external marketing will work because now your people will be out actually promoting, especially now that they've bought into what you're trying to do. That's why it's important to have an internal marketing system, because it's like a see-saw; I don't think you can have one without the other.

Nicolle McClure: Say a pharmacy owner is listening to this and they really have not tackled that. They don't really have any sort of system to talk to their employees or market to them. What is your advice on how to get that started, and what would they do?

Ben Coakley: Well, the first thing that has to happen in order for this to be successful is you have to have a compelling mission and vision statement for your pharmacy. It's amazing how many pharmacy owners I speak with who don't have a clear, articulated vision and mission. I get questions all the time about, "I just can't get buy-in. How do I get them to do this?", and then I ask, "Well do you have a vision and mission?" They say, "Well, no." Then my next question is, "How can you even measure performance and measure things if your employees don't have an idea of where you're trying to go and they haven't bought in?" The first step is to create this clear, compelling vision and mission statement, and then once you have that, then the challenge becomes getting the people to buy-in and creating a system that consistently reinforces the vision and mission.

Nicolle McClure: Do you have advice for, kind of talking about just general overall marketing to employees, marketing differently to, maybe, employees that are disgruntled or not generally overall positive in the pharmacy? Do you recommend that they handle those situations differently, or does that just come with establishing a better internal marketing program?

Ben Coakley: Well, we have a saying at Waypoint: "You either don't know or you don't care." Nicolle, a lot of times, it's them not knowing what's expected of them. What we found is a lot of time, a disgruntled employee, an unsatisfied employee, let's say, is unsatisfied because they don't know how their specific role helps achieve the vision and the mission, and then there's been no benchmarks set. There's been no level of expectation set for them for them to strive for to improve. Matter of fact, I had a gentleman tell me one time, he said, "What I try to do with my employees, I don't want them so underwater when I'm giving them stuff to do that they feel overwhelmed because then they'll take off, but I also don't want them so underwhelmed. I want their nose just above the water, just above the water level where they've got to fight like crazy to keep their nose above water." I think that's the challenge we have, is finding the optimal amount of stuff to give the employees that continuously challenges them, but at the same time doesn't overwhelm them.

Nicolle McClure: Mm-hmm (affirmative). So, once a pharmacy owner develops their mission and vision, and maybe they establish a way to measure performance, do you have recommendations on how they carry this out? Is it setting up weekly meetings or making sure annual reviews are getting done? What's your advice on that?

Ben Coakley: Well, we have a saying at Waypoint that the three keys to any internal marketing program is communication, communication, communication. That's really important. Most reasons these types of programs aren't as successful as they really should be is because there's a breakdown in communication between the pharmacy owner and the employees. We recommend that you set up consistent meetings and consistent ways for the employees to provide feedback, and you to be able to provide feedback as the owner to the employee because what happens is, if we don't give them that outlet or the ability to come to us and we don't give them the allocated time where they can voice

their concerns and address the issues they feel that needs to be addressed in order to achieve the things that we want them to achieve, then they typically will shut down, the whole process will break down, and then we have a situation where basically everything is paralyzed because nobody really knows what to do or how to actually voice the concerns and challenges that they're facing as they're trying to strive to hit their goals.

Nicolle McClure: Okay, that makes sense. So once a pharmacy owner establishes a process, and in your experience working with them, can they see a positive change in their employees? Does that translate into better sales or maybe just an overall better experience in the pharmacy and that sort of thing?

Ben Coakley: Nicolle, I think there's a direct correlation between implementing an internal marketing program and sales. Workplace environment, a better patient experience, I think all that is so important to have. We talk a lot with our clients about what distinguishes them in the marketplace. The one thing they consistently say is, "Well we have a better work environment, we've got happier people that come in," and I do believe that's true, but I don't think we should rest on our laurels and take that for granted because the big box stores, what I say the big difference between big box stores and independent pharmacies, the main difference is they can provide the service, but the big difference, they have a lot bigger microphone. A megaphone, let's say that. So they can actually go out and actually say they've got this unbelievable quality customer experience. We know that they can't deliver on the back end because they're so bug, but the perception in the marketplace is real. We have to make sure that we are consistently working on reinforcing these principles and values of customer service and things like that, and there's no better way to do that than through an internal marketing service.

Nicolle McClure: Mm-hmm (affirmative). Like you mentioned earlier, you can see those pharmacy owners that have that strong internal marketing program set up, because I'm sure that translates, then, too to their external marketing where those employees are more engaged and wanting to sell and promote products and services, in turn, having to buy in for it. I mean, do you see that where their overall marketing is stronger as well?

Ben Coakley: Yes, absolutely. Absolutely. When you have happier employees, more engaged employees, Nicolle, if you look at the sales, and really what's amazing is, it's not just the prescription volume; it's the sales of the ancillary products that go along with the prescriptions. The products may be now where there's higher profit margins. On those types of things, those go through the roof because people are more engaged. How about this: they're more empowered. They're more empowered to go out and actually do that because they know where they're going and they know what they're doing fits into where the pharmacy's ultimately going with that vision and mission.

Nicolle McClure: What's your thoughts on providing incentives to employees to promote certain products or services, or just overall for performance? Do you find it overall beneficial, or is it not because it's not really getting behind the mission and more about what they might earn?

Ben Coakley: Well I think there's a two-part answer to that question. The first answer is, the vision and mission really needs to have quantifiable elements to it. Let me give you an example of what I mean by that: so I was talking to an owner and he was like, "Well I need to get my vision and mission done." We came up with this vision: he wanted to be the leading health resource in his community. I said, "How are we going to measure that?" He said, "Well I always wanted to do 300 scripts a day and have 300 med sync patients. I said, "Do you feel that if you have 300 scripts a day that you will accomplish this vision of being the leading health resource?" In his town, that's a significant amount of business for the size of the town he's in. He said, "If I can get there, I feel like I'll be really close to this vision." So what we did is we created the 300/300 vision, and we put that up around the pharmacy so the employees, it was consistently reinforced in there about, "We want to grow to 300 scripts a day, 300 med sync patients." The last time I spoke with him, he's getting close to that objective because the employees can see it and they can quantify it.

Ben Coakley: So Nicolle, I think you have to quantify it first. Then, I do think it's really important that you build out incentive plans. What we do at Waypoint that's a little bit unique, and I know it's unique to the pharmacy industry because I haven't really seen it other than with the clients we talk with all the time, is we build out individual incentive plans and we build out a team incentive plan. What we do is we weight the team goal at 60% and we weight the individual goal at 40%. If somebody were to hit their individual goal but not the team goal, their bonus structure, they get 40% of their bonus. If we hit the individual goal and we hit the team goal, they get 100%. If we hit the team goal but not the individual, they get 60% of their bonus.

Ben Coakley: The idea, again, is that you can incentivize people to do good things, but what you don't want to do though, and we ran into this with the 300/300 vision, is this particular owner started incentivizing people to and would give out gift cards and things like that. What we actually found is that the spirit of competition between them actually starting to the point where it wasn't healthy. People would go into this particular owner and say, "Hey, that's mine, not hers. I want the \$25 gas card." So be careful when you're thinking about how to do that, and I think tying some kind of bonus structure to the end of the year makes more sense rather than giving out gift cards or things like that during the year. I'm not saying you can't do that; I'm just saying you need to be careful if you do get a sense of that competition, friendly competition amongst employees to try to grow is good, but if you start to see it's becoming unhealthy, then I'd highly encourage to stop that.

Nicolle McClure: Yeah, yeah. Not worth upsetting the apple cart for a gift card.

Ben Coakley: Sure.

Nicolle McClure: What's your advice for a multi-store owner? Maybe their locations are a bit more spread out. Do you recommend that they come up with an overall vision and then each store kind of sets their mission or goals for their employees, or should you try to keep it standardized as much as possible?

Ben Coakley: That is one of the most asked questions we get, Nicolle., I had a lady ask me one time, she's got five locations and she said, "Each one has their own personality, to the point where if we have an idea for one, it may work for that one, but not the other four." There's a challenge in that. My recommendation is, you create an overall vision for the actual organization that encompasses all the locations, and then you empower the people who are running the individual locations to set individual missions and visions for that store that tie into the bigger vision and mission. I know that seems kind of compartmentalized. It really is. You kind of have to do that. We have some owners who build stores and have multiple stores that all look the same, and they look at the demographics and they've mastered the demographics, and they're able to build stores that, matter of fact, one of my clients said, "I want every store to look exactly the same, because if I need to plug one pharmacist in from one store to another, he or she is not looking around for stuff saying, 'Where do I find this?' kind of stuff."

Ben Coakley: Both models I've seen have been successful. The more common one, though, is the first one because each community, the demographics are different, the percentage of private payers versus Medicaid, Medicare, all that's different. Basically, the needs of each location will be different; therefore, the vision and mission of each store should tie into a bigger mission and vision of the entire organization.

Nicolle McClure: Kind of just one step further on that, do you, for multi-store owners, recommend that they have some sort of gathering or get-together with all the employees to build that overall camaraderie? Or since it's more individualized missions per location, keep it more separate?

Ben Coakley: I think you have to do both. I think you have to do both. I think you have to have the camaraderie between the entire organization. I relate it back to my fraternity days at Clemson, and we had pledge classes. What we found with our fraternity, when we started actually looking and examining the results of our growth and our membership, is the pledge brothers all hung out together and each pledge class hung out together. We came together as a big fraternity, but they became so close as a pledge class that the bonds weren't between them and the fraternity brother; it was between them and their pledge brothers. So, the idea, again, is you don't want a situation where the relationship is only at that individual level and not at the big level, because there will come a time where they need to work together on something and you will want them to have the relationships with each other to be able to work together to

implement something if it's something that needs to go across all the businesses.

Ben Coakley: So Nicolle, I think you do both. We've got one owner who does this black tie affair. Every year, he does this event at the end of the year where they roll out the red carpet and he has all his employees dress up in tuxedos, they're picked up in limousines, dropped off. It's like the hit of the town, like people line up, like the news media lines up. It's really an incredible thing, but what he told me, this particular owner, is he said, "Ben, that right there does more for my business than anything else because they really know that I appreciate what they're doing," but that builds camaraderie amongst all the people, Nicolle, not necessarily each individual location.

Nicolle McClure: Mm-hmm (affirmative). That sounds pretty nice. Maybe it's something we need to try here.

Nicolle McClure: All right, so let's shift gears a little bit, and kind of playing off your last comment, so external marketing of benefits in the sense of, how does an independent pharmacy owner promote themselves to potential employees in the sense of getting the word out there but also competing against the chains with what they have to offer?

Ben Coakley: Well, I think that's a two-part question again, Nicolle.

Ben Coakley: So, the first thing that I would say is, one of the things we recommend is this thing called "golden handcuffs." If you've got key employees in your pharmacy, we need to create benefits specifically for them to keep them around so you're not having to go out and compete and try to find and replenish the talent in your pharmacies.

Ben Coakley: The second thing, actually it's a three-part question. The second thing is, this internal marketing program should really be fostering a culture of excellence in your pharmacy, and it should also be fostering a culture where people want to help other people succeed, so there's some cross-training and some learning that has to be done between different people in the organization so if somebody happens to leave, maybe the best option is to hire from within instead of having to go out now. If all things fail and you have to go out to the market, I think what's really important that you have to think about is when you find a potential candidate, "Are they a great fit for our culture first?" So important, so important that they fit in with the culture, and just a real simple rule of thumb: the bigger your pharmacy practice is, the pharmacy business, the less impact one bad hire has. The smaller your business, a bad hire can destroy the entire culture of your workplace.

Nicolle McClure: Yeah, interesting.

Ben Coakley: Yeah, it's an interesting kind of thing, and no one really thinks about that, Nicole, because we just think, "Oh, we'll bring that person in. They got the great skillset and all that." Well, you can have the best skillset in the world, but if you've got the worst attitude in the world ... I use Dave Ramsey, a pretty successful financial coach in the marketplace. He talks about his hiring process all the time, and his hiring process lasts like three months. They require the potential candidate to read a couple books, and if you're not willing to read the books, you don't even get a second interview. They bring them on the second interview, they talk to them, and another rule they have, if compensation comes up at all, they're immediately asked to leave. Compensation is the last thing they discuss, but the last meeting, the last meeting between any employee that goes to work for Dave Ramsey, I think he's up to like 680 employees and he still does this, which is amazing, you and your family have to go to dinner with him and his wife.

Ben Coakley: That's fascinating because they want to know not only are they getting a great hire, but they want to know if they're getting a great family person to come in and fit their culture.

Nicolle McClure: Yeah, that's interesting. Do you have any pharmacy owners that you work with that, when they're trying to hire an employee externally, that brings in the candidate to meet with the pharmacy team as well, or is it usually just with the owner?

Ben Coakley: Well, it depends. It depends. We have some people who want to have certain people engaged in that process, Nicole. So we have, like this particular gentleman who I was talking about that does the black tie events, he absolutely will have the people that will be working with that person directly involved in that process. The other thing that I think is unique about having a ... an internal marketing/culture of excellence and of people working together, of teamwork-inspired groups, is one of the last interviews that we recommend that you have, after they've gone through the process of meeting with everybody and everybody signs up, "This is the right person," we feel the next step is to bring them in and their last interview is to actually work with the team. The last interview is an hour. You're interacting with the team and I'm going to sit back and observe. If you need to pay them for an hour to come in as a 1099 if they don't work out, pay them for an hour, and then let them go, but the idea again is, Nicolle, how do they work together? How do they fit into the culture?

Ben Coakley: Back to that "I don't know versus I don't care," if they don't know, that's on us. If they don't care, then we recommend that you set them free, as Dave Ramsey would say.

Nicolle McClure: Mm-hmm (affirmative), okay.

Nicolle McClure: Well before we wrap up, any other advice, recommendations that you want to give pharmacy owners out there listening?

Ben Coakley: Yeah. I think if you remember the 80/20 rule, that's important in this whole thing. 20% of your employees are going to be superstars. If you've got ten, that means you've got two that are really going to buy into this. 20% are going to be people that just want to collect a check. What I would say is we're fighting for the 60% in the middle, and that also applies to the quality experience that you have and patients going out and actually referring you. 20% of your patients are going to go out and refer you to everybody. 20% will never refer you. It's that 60% in the middle that we're trying to influence. A corporate culture, a pharmacy culture where we're focused on excellence, we're focused on communication and the vision and reinforcing the mission, all that will lead not only to better employees, but it will lead to a better experience, and it will lead to more of your people going out and actually telling other people about the experience that they get at your pharmacy, which ultimately will lead to more people coming in and hopefully more growth.

Nicolle McClure: Mm-hmm (affirmative). Yeah, great advice for sure.

Nicolle McClure: Well thank you, Ben, for joining me today. I really appreciate your time and all your ideas and recommendations that you gave us today.

Ben Coakley: Well thank you, Nicolle. Can I give out my website?

Nicolle McClure: Yeah, go ahead.

Ben Coakley: Yeah, if anybody here wants to get in touch with me personally, you can go to our website: it's waypointrx.com. Just click on the "Waypoint Pharmacists Advisors" logo. It'll take you right to our site. There's all kinds of great information on there about some of the things we do for culture and things like that for employees and a lot of other great resources. If you want to get in touch with me personally, my email address is ben@waypointus.com, or feel free to call me at 843-873-4420. I'm extension 13.

Nicolle McClure: Well thank you for listening to another episode of the Pharmacy Marketing Simplified Podcast. Be sure to reach out to us at grxmarketing.com for all your pharmacy marketing needs.