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PHARMACEUTICAL MARKETING AND MANAGEMENT

WORKING BOOK

MINISTRY OF HEALTH OF UKRAINE
NATIONAL UNIVERSITY OF PHARMACY
DEPARTMENT OF PHARMACEUTICAL MARKETING AND MANAGEMENT

PHARMACEUTICAL MARKETING AND MANAGEMENT

WORKING BOOK

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The educational-methodical manual is created in accordance with the approved program of the academic discipline "Pharmaceutical marketing and management". The edition contains situational tasks and cases practical-oriented and adapted to the needs of the modern day, the implementation of which will enable to acquire professional competencies in organizational, managerial and marketing directions.

The educational-methodical manual is intended for practical and seminar classes for higher education applicants of the specialty "Pharmacy", who study in English.

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INTRODUCTION

Taking into account the modern doctrine of the development of education, it is important to adapt the contents of the academic disciplines to the world and European standards. In this regard, a significant work was carried out by the teaching staff of the Department of Pharmaceutical Marketing and Management of the National Pharmaceutical University to study and analyze the foreign experience of training specialists in pharmacy in universities of foreign countries to improve the quality of the educational process and adapt the content of the mandatory discipline "Pharmaceutical marketing and management" with modern standards. The generalization of foreign experience contributed to the renewal of the content and the corresponding educational and methodological support of the discipline "Pharmaceutical marketing and management".

Modern transformations in Ukraine focus the educational process on the implementation of the competence approach, taking into account the integration of the theoretical and practical training of future pharmaceutical specialists.

According to the curriculum on the specialty "Pharmacy" the discipline "Pharmaceutical marketing and management" " is carried out in VIII - X semesters.

The purpose of studying the discipline is to form and deepen the professionally competent knowledge and practical skills with respect to the basic categories of management and marketing, the implementation of the general and marketing management of pharmaceutical organizations taking into account international experience.

The created teaching and methodological manual contains practical-oriented and situational tasks and cases adapted to the requirements of the present time, the implementation of which will make it possible to acquire professional competencies of organizational, managerial and marketing direction.

The structure of the publication includes a list of theoretical questions on each subject of the academic discipline, additional information and examples of individual tasks, sample topics of essays, presentations, reports and discussions.

The material of the educational-methodical manual provides the educational needs of higher education applicants and performs the educational and monitoring function.

The educational-methodical manual is created in accordance with the approved program of the obligatory educational discipline "management and marketing in pharmacy" and is intended for practical and seminar classes, preparation for the licensed exam "KROK-2" for higher education applicants of the specialty "Pharmacy" studying in English.

THEMATIC MODULE 1
MANAGEMENT AS SCIENCE AND PRACTICE FOR ORGANIZATIONS' ADMINISTRATION

Topic 1. THEORETICAL BASES OF MANAGEMENT IN PHARMACY

Objective: To consolidate theoretical knowledge about the concept of management, to study the subspecies of management, to determine the essence of terms: manager, entrepreneur; to learn the evolution of management theory, management peculiarities in pharmacy, approaches to management, management process, acquire practical skills in analyzing management levels, managing the pharmaceutical system at the present stage, comparing foreign management mechanisms.

Theoretical questions

1. The meaning and concept of management. Evolution of managerial theory.
2. Features management in pharmacy.
3. Approaches to management. Management process.
4. Levels of management. Management of the pharmaceutical system at the present stage.
5. Foreign governance mechanisms.

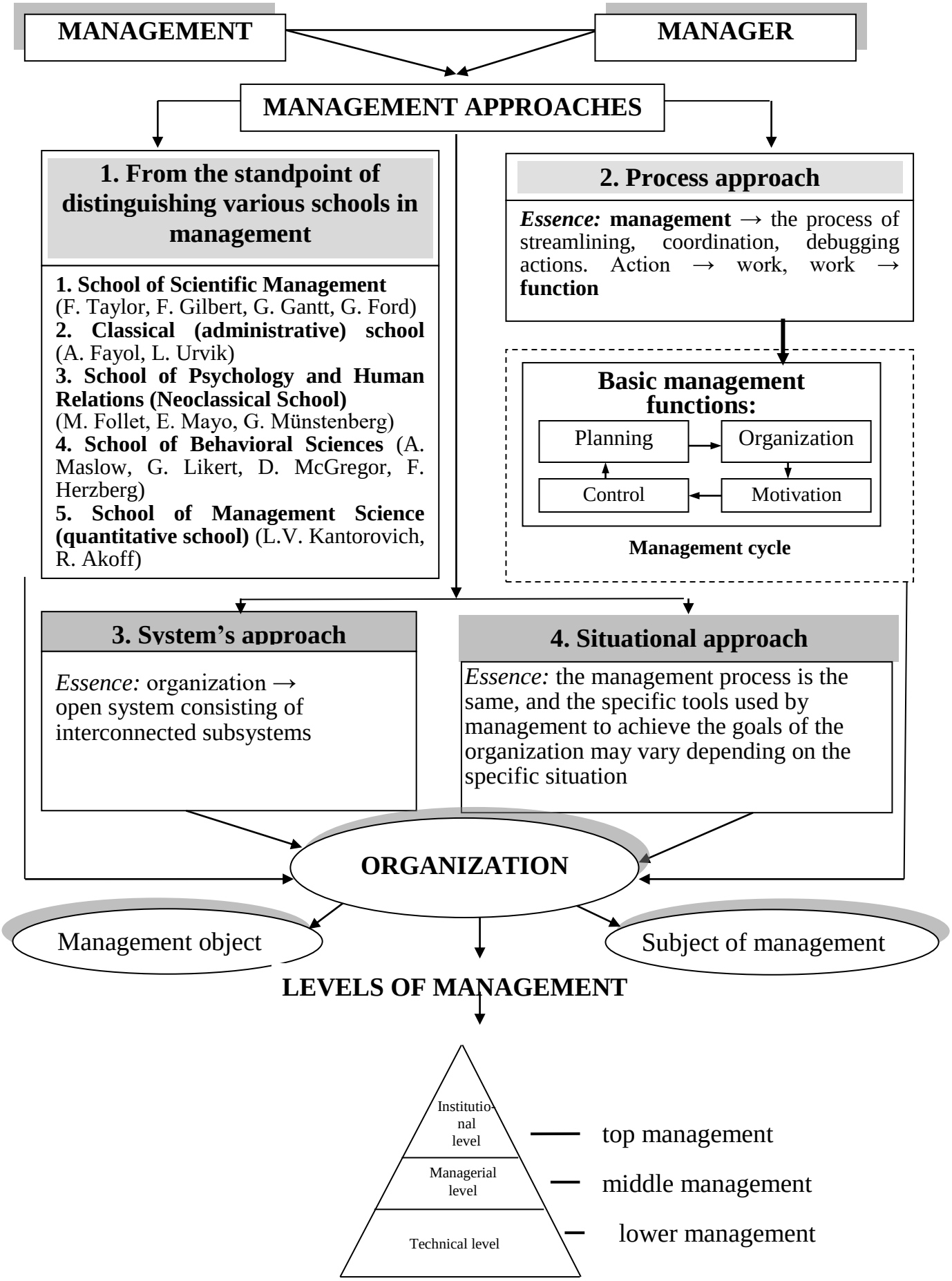


Fig. 1. Structural-logical scheme of the topic «Theoretical bases of management. Modern market structures of management»



PRACTICAL AND SITUATION TASKS

Task 1

Fill in the diagram shown on Fig. 2 the following approaches to management: schools of management, process, system, and situational.

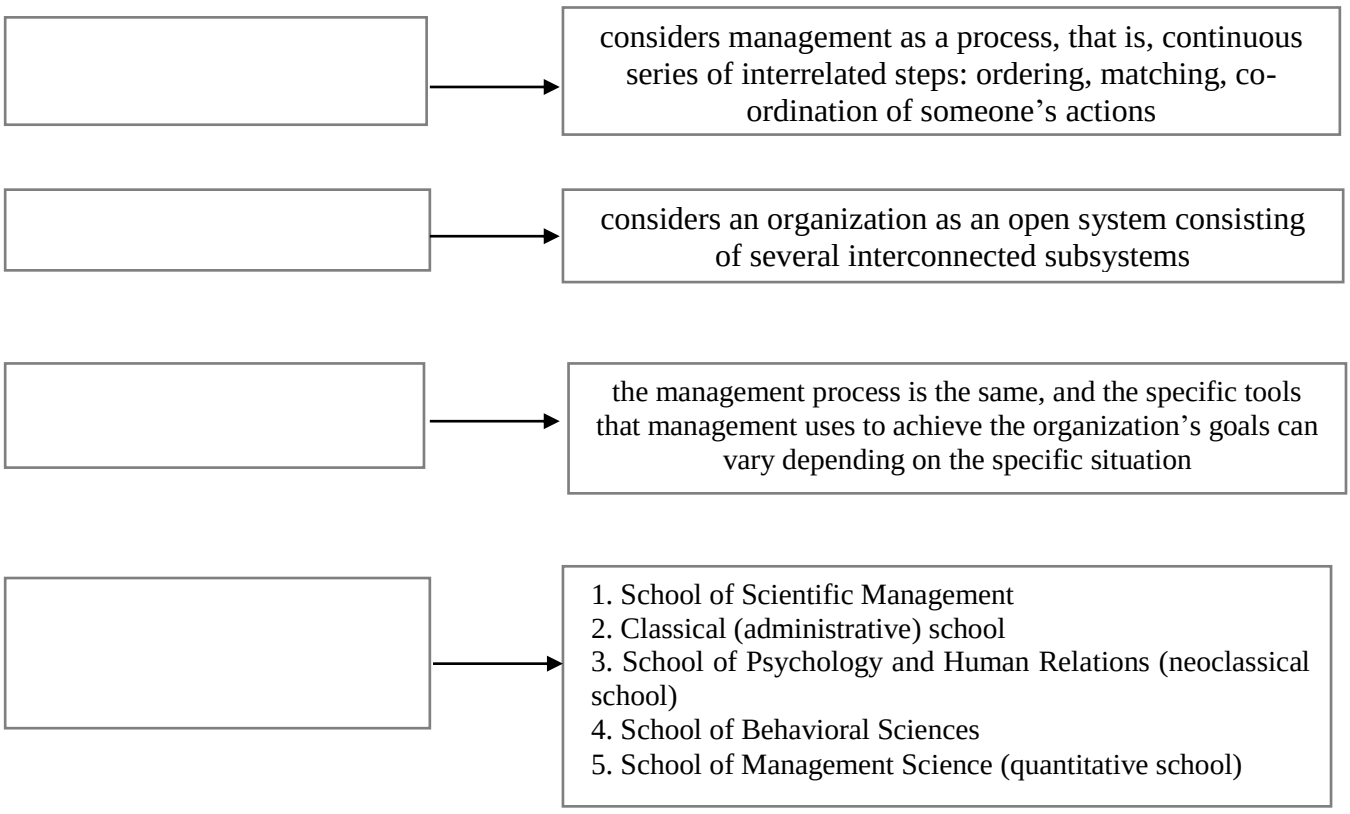


Fig. 2. Scheme of the characteristics of approaches to management

Task 2

Present the organizational structure of management according with the levels of management on the example of a pharmaceutical production enterprise, pharmaceutical wholesaler enterprise and pharmacy in your country. Show the results in table 1.

Table 1

Organizational structure of management

Methods of management levels presentation	Pharmaceutical production enterprise	Pharmaceutical wholesaler enterprise
 Top-management		
Middle management		
Lower management		

Task 3

Analyze foreign management models. The results issue in the table 2.

Table 2

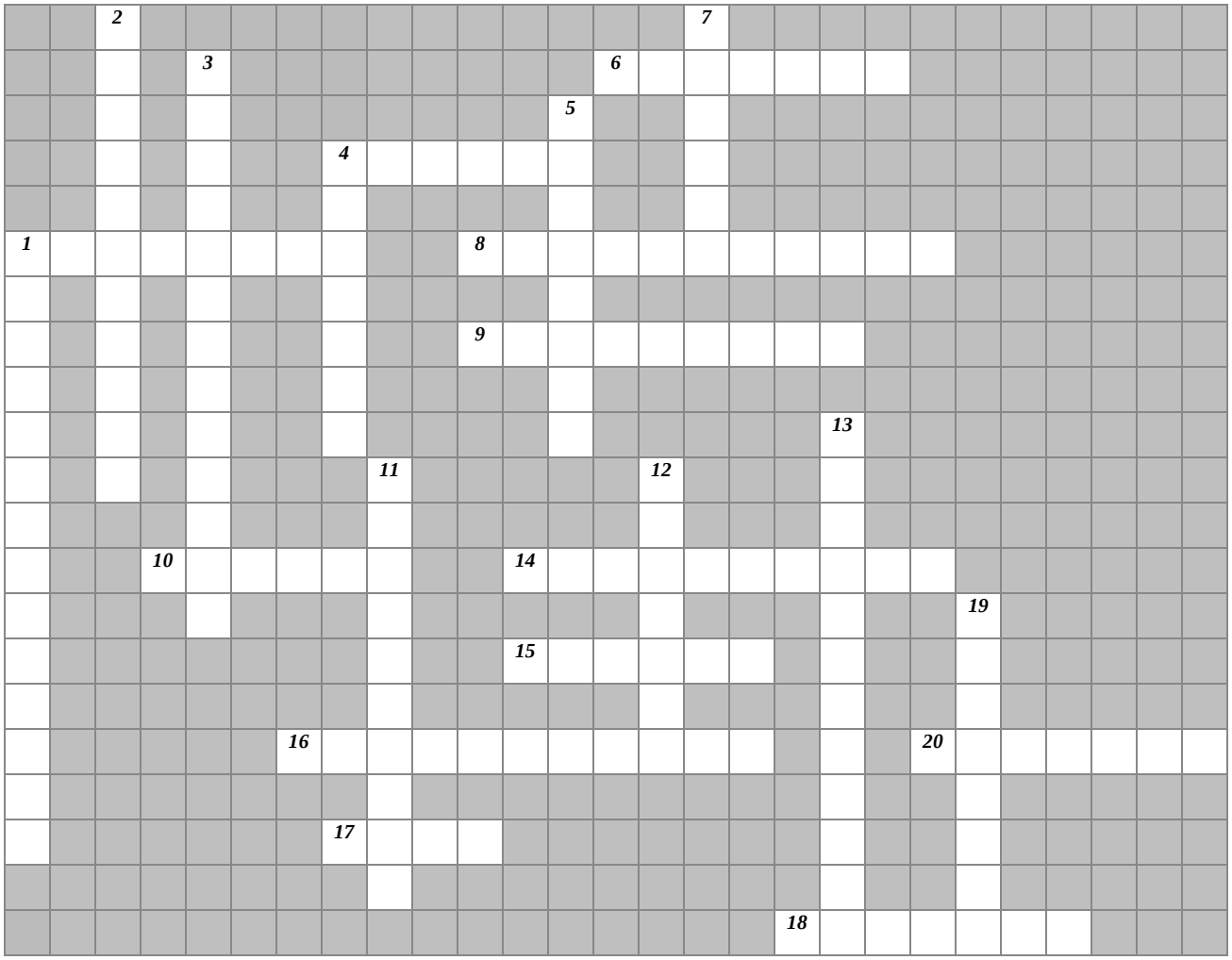
Comparative characteristics of American and Japanese management models

Characteristics	American model	Japanese model
Close connection of labor remuneration with individual results and productivity		
Specialized professional training (training of "narrow" experts). The specialized activity		
Individual decision-making process		
Short-term employment		
Decision-making process based on the principle of consensus		
Long-term employment		
Collective responsibility		
Individual responsibility		
The style of leadership, oriented to the group: "I am a group"		
Rapid assessment and promotion		
Slow evaluation and promotion		
Soft, unformalized control		
Orientation of management to a separate person, attention to		

man as to the performer		
The personal informal relations with subordinates		
Remuneration of labor according to the performance of the group, work experience		

Task 4

Complete the crossword using the basic concepts of discipline.



Horizontally:

1. what model of management is characterized job promotion based on individual achievements and results

4. managers on which level prepare the information for decisions making by top management, and pass these decisions, usually after their transformation into a technological convenient form, in the form of specific assignments to lower managers.

Vertically:

1. managers on which level, as a rule, coordinate all activities of various organization departments

2. a leader, possessing imitativeness, capacity for a risk, responsibility and self-sacrifice in behalf of business, by orientation on efficiency and quality, purposefulness, aspiring to being informed

6. a management body or a person performing the control action

8. the essence of which approach is that although the general management process is the same, the specific measures the manager should be achieve the goals of the organization effectively may vary considerably depending on the particular situation

9. managers on which level are mainly engaged in daily operations and activities necessary to achieve the main objectives of the organization

10. who did his philosophy rest on four basic principles

14. a complex of principles, methods, means and forms of administration for business organizations to improve their efficiency and increase profits in market conditions

15. which does approach consider an organization as an open system consisting of several interconnected subsystems

16. what is the synonym of situational approach

17. who was a member of school of "human relations"

18. which does approach consider management as a process, that is, continuous series of interrelated steps: ordering, matching, co-ordination of someone's actions

20. the basis of development and promotion of public awareness in Japan is the principle: "… is above all."

3. what is the synonym of the upper level of management

4. the head (primarily a hired manager), who works in the economic, industrial and market area having the professional knowledge in organizing and managing production

5. what kind of division of labour is used to differentiate between administrative work in coordinating all activities of the organization to be taken to achieve its objectives

7. a separate department or organization as a whole, which is directed to the control action

11. what kind of division of labour involves differentiation of the labour process, which leads to the formation of organizational departments

12. who did the first systematic course of management develop for teaching at the college

13. an owner or a manager of a business enterprise who makes money through risk and initiative

19. what model of management is characterized the process of decision-making based on the principle of consensus



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Life and the scientific path of the founders of managerial theories (D. Warton, F. Taylor, A. Fayol, E. Mayo, etc.).

2. Features of the management process of the pharmaceutical organization (pharmacy, wholesale company, manufacturing enterprise).

3. How do the leaders of modern organizations use the elements of different approaches to management?

4. Necessity and expediency of distribution of management on levels in the pharmaceutical organizations.

5. In your opinion, what qualities should an effective leader have in the first place?

6. Based on which indicators can the work of the manager be assessed?

Conclusions to the class:																								

Topic 2. ORGANIZATIONS OF PHARMACEUTICAL SYSTEM AS OBJECTS OF MANAGEMENT. INTERNAL AND EXTERNAL ENVIRONMENT OF PHARMACEUTICAL ORGANIZATIONS

Objective: To consolidate theoretical knowledge about the concept of organization as an object of management and acquire practical skills in determining internal variables and indicators that characterize the activities of pharmaceutical organizations. Determine the role of environmental factors in ensuring the effective functioning of the organization.

Theoretical questions

1. The concept of organization in management theory, the requirements for organization.
2. General features of the organization.
3. Internal variables of pharmacies, their interrelation.
4. Goals and objectives of pharmaceutical enterprises and pharmacies. Types of goals and categories of tasks.
5. Structure of the organization. Requirements for organizational structures.
6. Technologies.
7. People. The main aspects of the human variable and the individual characteristics of the personality.
8. The life cycle of a pharmaceutical organization: the stages and their characteristics.
9. The external environment of the organization. General characteristics of the external environment.
10. Factors of direct and indirect environmental impact. Influence of external factors on the activity of pharmaceutical organizations.
11. The environment of organizations operating at the international level. Export, import, licensing, joint ventures, direct investments are means of penetration into international markets.

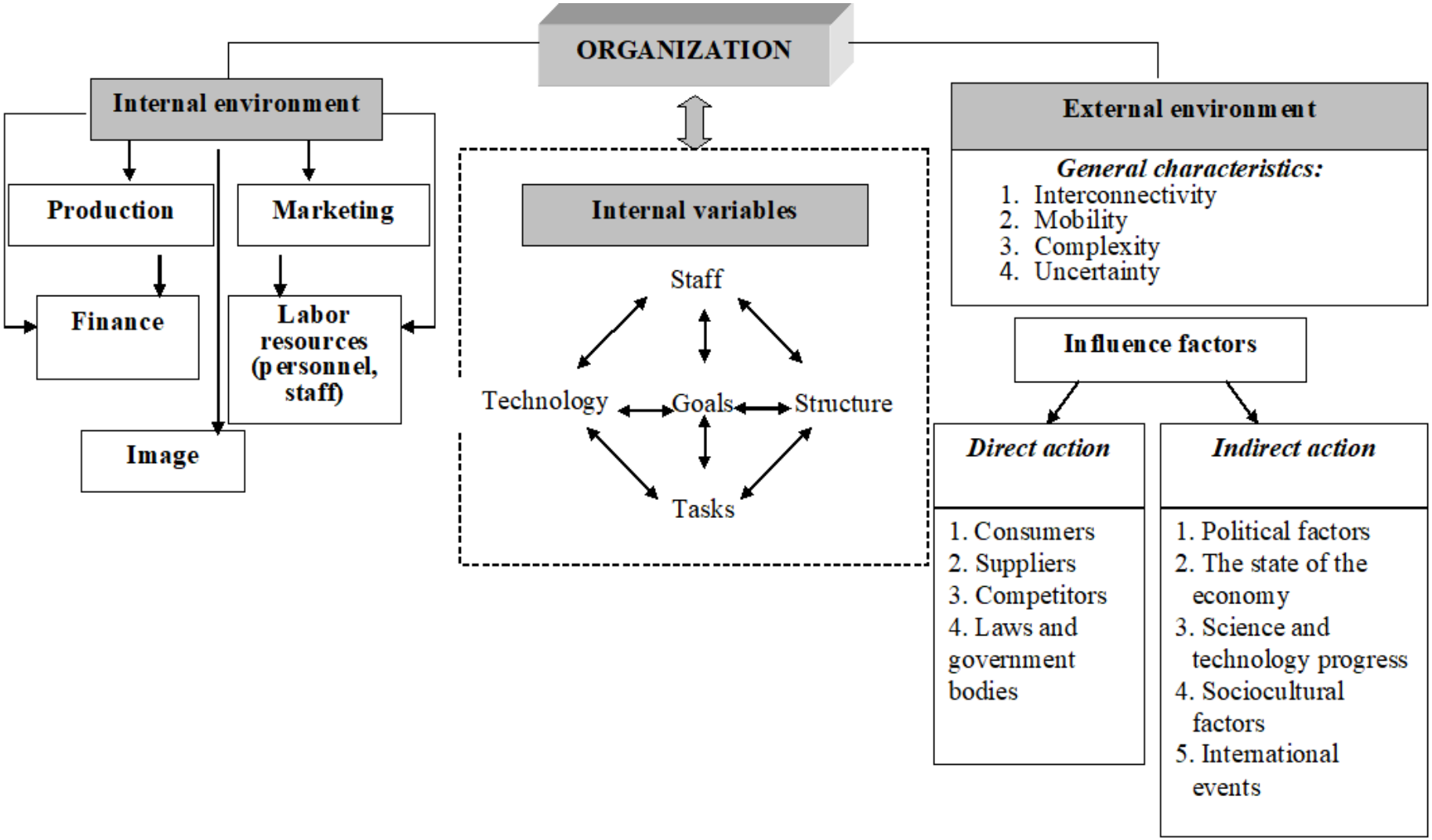


Fig. 3. Structural-logical scheme of the topic «Organizations of pharmaceutical system as objects of management. Internal and external environment of pharmaceutical organizations»



PRACTICAL AND SITUATION TASKS

Task 1

Fill in the diagram shown on Fig. 4 the following definitions:

- organization,
- staff (people),
- task,
- structure,
- technology,
- purpose.

	combination of qualified skills, equipment, infrastructure, instruments and the appropriate technical knowledge required for performing of the desired
	the group of people, their activity is consciously coordinated for achievement of the common purpose
	the exact final condition or a desired result that the group tries to achieve working together
	a logical interrelation of management levels and functional areas built in such form, which allows to achieve the organization's purposes most effectively
	work, series of works or a part of the work, which must be executed by the previously set way in the terms discussed beforehand
	employees of the organization who work for hire and have certain professional and qualitative characteristics

Fig. 4. The definitions of organization and internal variables

Task 2

Describe the internal variables of the organization and their relationship on the example of a pharmacy. The contents of the internal variables are presented in table 3.

Table 3

Contents of internal variables of the pharmacy

PURPOSES	TASKS	STRUCTURE	TECHNOLOGY	STAFF (PEOPLE)

Analyze how the internal pharmaceutical organizations will change if the following is planned in the pharmacy:

• creation of the department of optics, medical cosmetics;

• consultation of a dietitian;

• introduction of online consultations in the pharmacy.

Task 3

Read and analyze the factors of external environment: indirect (macroenvironment) and direct influence (microenvironment) on the organization of the pharmaceutical profile. Group the proposed factors and put the results in table 4 by such symbols: Int – internal, Macro – macroenvironment, Micro – microenvironment.

Table 4

The external and internal environment of the pharmaceutical organization

№	Factors	Factor designations
1.	sociocultural	
2.	consumers	
3.	economic	
4.	production	
5.	intermediaries	
6.	image	
7.	scientific and technical	
8.	workforce	
9.	laws and government bodies	
10.	finances	
11.	political	
12.	marketing	
13.	suppliers	
14.	competitors	
15.	demographic	

Task 4

Justify which of the above environmental factors contribute to and prevent the development of the pharmaceutical organization. Determine the possible contradiction of the influence of factors (table 5).

Table 5

The factors of external environment

№	Factors	Contribute (+)	Prevent (-)
1.	Natural resources		
2.	Human resources		
3.	Territory of the country (size, national characteristics)		
4.	National mentality (way of life, activities, psychology, traditions)		
5.	International relationships		
6.	State authorities and management		
7.	Monopolization of the economy		
8.	The state of competition development		
9.	Development of infrastructure (information, transport, advertising)		
10.	The level of economic development of the country (volumes and dynamics of production, labor productivity)		
11.	The rate of inflation		
12.	Tax system		
13.	The standard of living of the population (wages, pensions)		
14.	Unemployment,%		
15.	Social security of the population (the system of employment, training and retraining of personnel, the level of minimum wages, pensions)		
16.	Converted hryvnia (parallel circulation of national and foreign currencies)		

Task 5

Read and analyze the factors of indirect influence on the organization of the pharmaceutical profile. Group the proposed factors and put the results in table 6 by such symbols: P – political, E – economic, S – sociocultural, T – scientific and technical progress, I – international factors.

Table 6

Factors of indirect influence on the pharmaceutical organization

№	Factors of indirect impact on the organization	Factor designations
1.	Habits of the population, his propensity for independent treatment	
2.	Presence of pressure groups (lobby)	
3.	The rate of inflation	
4.	Exchange rate depreciation	
5.	The control price system and it regulation	
6.	System of social insurance and health	

7.	GDP dynamics	
8.	Unemployment rate	
9.	Directives of the EU Commission	
10.	Availability of credit resources	
11.	Share of health expenditure as a percentage of GDP	
12.	Class differences	
13.	Share of expenditures on drugs in % of GDP and % of expenditure on health	
14.	Change in standards (level) of life and education	
15.	Investment activity of business in other countries	
16.	Public attitude to business	
17.	Trade balance and exchange rates	
18.	Structure of employment	
19.	Direct investment in another country	
20.	Age structure of the population	
21.	Family structure of the population	
22.	The value system of the population	
23.	Religion	
24.	Establishment of joint and multinational corporations	
25.	Proportion of population under the age of 19 and over 65	
26.	Ratio of private and public property	
27.	Investor activity of resident investors	
28.	Patent-licensing protection of new medicinal products	
29.	State and non-government expenditures for science and technology	
30.	Drug consumption per capita	
31.	Structure of morbidity	
32.	Indicators of growth in births and deaths	
33.	Stability of government (political risk)	
34.	The pace of new product development	
35.	New trends in technology	



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Analysis of external microenvironment factors on the activity of pharmaceutical enterprises.

2. Evaluation of the influence of external macro environment factors on the activity of pharmacies. Analysis of the internal environment of the pharmaceutical organization.

3. Study of the behavior of consumers of pharmaceutical products on the activities of pharmacy institutions.

4. Research of the influence of competitors on the work of pharmaceutical organizations.

5. Evaluation of the influence of suppliers on the activities of pharmaceutical and pharmacy enterprises.

6. Analysis of the environment of a pharmaceutical company operating at the international level.

7. Investigation of the influence of contact audiences on the work of pharmaceutical enterprises.

8. Study of the influence of political factors on the activities of pharmaceutical organizations.

9. Investigation of the influence of economic factors on the work of pharmacies.

10. Evaluation of the impact of demographic factors on the functioning of pharmaceutical organizations.

11. Analysis of internal variables of pharmacy enterprises.

12. Assessment of the influence of socio-cultural factors on the activities of pharmaceutical organizations.

13. Research of the influence of scientific and technical factors on the activity of pharmaceutical enterprises.

Conclusions to the class:

Topic 3. SUCCESSFUL MANAGEMENT. THE POWER. LEADERSHIP

Objective: Fix theoretical knowledge of successful activity components for the pharmaceutical organization, effective organization of work in the chemist's enterprises, management methods in pharmacy. Get practical abilities according to the characteristic features inherent in the manager-head, definition of self-management, influence of the effective organization of work in a drugstore on economic indicators of its activity, organizational influence on enterprise or division collective, concept of an essence of leadership, forms of power, styles of management, definition of functional duties of workers in the pharmaceutical organization, to drawing up functional-duty regulations.

Theoretical questions

1. Components of successful activity of the pharmaceutical organization.
2. Activity of the head. Requirements to the successful manager. Self-management.
3. Functions and organization of drugstore manager work.
4. Management methods. Methods of direct and indirect influence.
5. The power. Leadership. Power forms. Approaches to leadership understanding.
6. Social - psychological styles of a management.

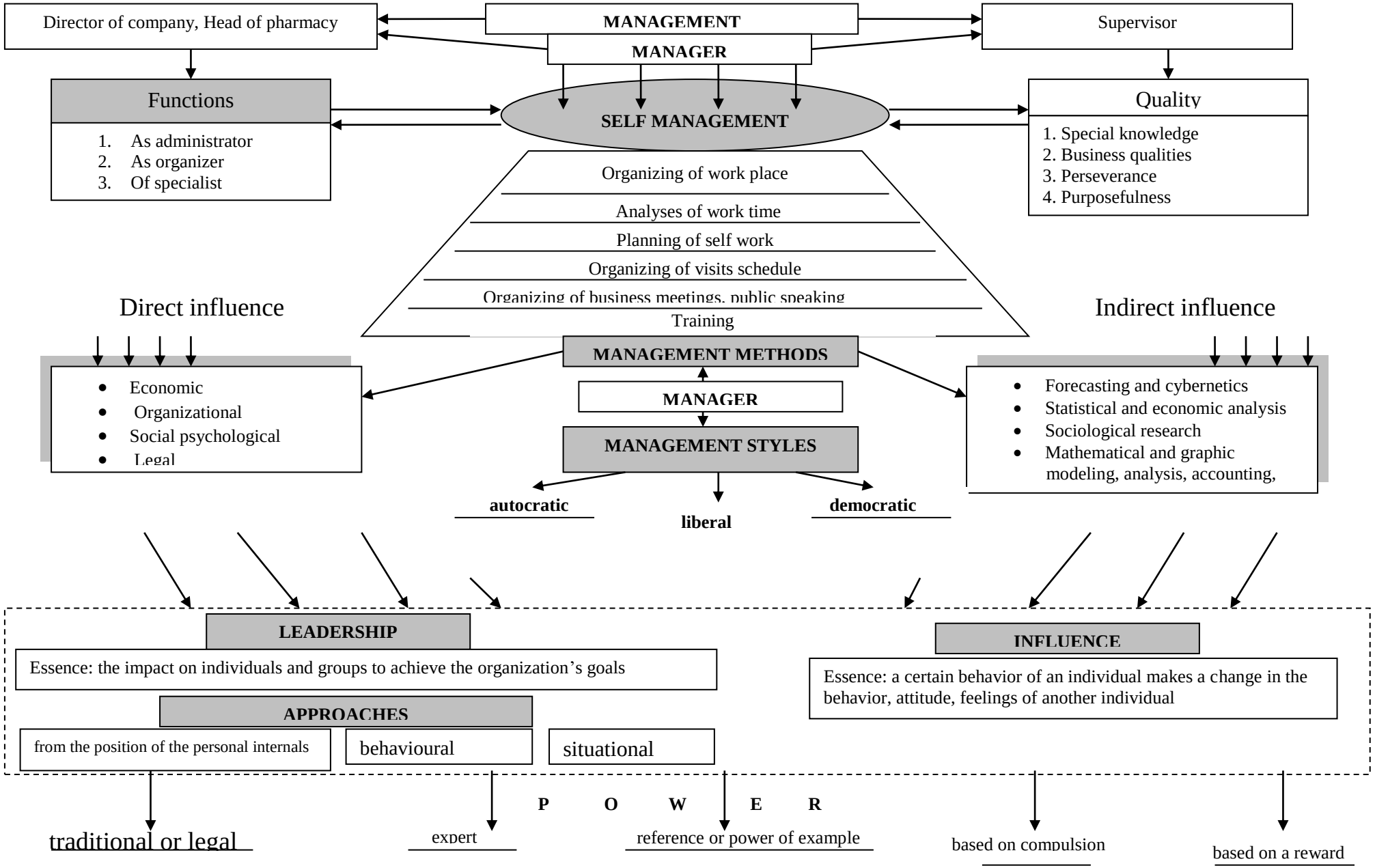


Fig.5. Structured-logical scheme of the topic «Successful management»



PRACTICAL AND SITUATION TASKS

Task 1

Give the definition of main theoretical terms of successful management.

self-management	is the ability to influence on individuals and groups, direct their efforts to achievement of purposes of the organization.
leadership	organizing of effective manager's personal work
social-psychological styles	is a possibility to influence on the behavior of others.
power	individual method or handwriting of the activity

Task 2

Divide requirements and skills, which should be inherent to the modern manager of pharmaceutical organization into three groups according main direction (Table 7):

Table 7

Characteristics of requirements and skills

Requirements and skills	Professional	Requirements to the manager like person	Social and psychological (relations with subordinates)
possession of computer program			
severity and insistence			
knowledge of management theory			
reliance of itself			
skill to communicate			
purposefulness			
the valid relation to the employees			
possession of the "know-how" of the goods and services			
skill to use system of			

punishment and encouragement			
skill to criticize subordinated			
propensity to risk			
knowledge of marketing			
carefully to concern to working hours subordinated			
initiative			
possession of statistics' methods			
book keeping and reporting			
skill to communicate			
resoluteness			
knowledge of the legislation			
politeness attitude			
independence			
knowledge of financial management			
to be interested in problems of subordinates			

Task 3

Fill a line «My purposes for a next two months», list tasks, which you are necessary for executing in this period. Tasks list in a free order (irrespectively performance deadline). It is should be not less than 12-14. Give a number for each tasks (1, 2, 3 etc.).

Now fill an Eisenhower Matrix, place number of each planned task in one of four quadrants, resulted below figure 3. Prioritize by urgency and importance.

Urgent means that a task requires immediate attention. These are the to-do's that shout "Now!" Urgent tasks put us in a *reactive* mode, one marked by a defensive, negative, hurried, and narrowly-focused mindset.

Important tasks are things that contribute to our long-term mission, values, and goals. Sometimes important tasks are also urgent, but typically they're not. When we focus on important activities we operate in a *responsive* mode, which helps us remain calm, rational, and open to new opportunities.

	Urgent	Less urgent
Important	***① Do First*** First focus on important tasks to be done the same day	***②Schedule*** Important, but not-so-urgent stuff should be scheduled.
Less important	***③Delegate*** What's urgent, but less important, delegate to others.	***④Don't Do*** What's neither urgent nor important, don't do at all.

Fig. 6. Eisenhower Matrix

Analyze result. Fix "a favorite" quadrant.

Quadrant 1: Do First

Quadrant 1 contains tasks that are both urgent and important. These are "do first" tasks because they are critical for your life or career in some way and need to be finished right away. You want to get these tasks done as soon as possible.

These are the tasks that need to be done in order to avoid negative consequences. It is important to be able to manage the tasks that are in quadrant 1.

An example of a quadrant 1 task in your career may be answering a time-sensitive email from a client. This matrix can also be used in your personal life. An example of a quadrant 1 task in your personal life may be a crying baby, a medical emergency, or something burning in the oven.

Quadrant 2: Decide When

The tasks in quadrant 2 are important, but not urgent. This is where you want to invest the majority of your time. Quadrant 2 tasks are in line with your long-term goals.

What are some examples of these tasks? Well, exercising is important to your health, but you can decide when that can be done. It is also important to spend time with your family, but again, that can be aligned with your schedule. When it comes to your career, it may benefit you to obtain another degree or get a certificate of some sort. These things are important to your career, but they do not need to be done immediately.

It is important to remember here that everyone has different goals and objectives, so just because something falls into quadrant 2 for you, it may not for the next person. Also, just because these tasks are not urgent does not mean that they are not important. People often associate urgent matters with being important, which is not always true. Because your goals will stay constant, anything that will be beneficial to you in the long term will fall into the second quadrant.

Quadrant 3: Delegate It

Do you ever feel that you put too much importance on a task that in hindsight was not very important? Or think something has to be done right away, and it actually doesn’t?

If so, you are in good company.

This common mistake often occurs when someone asks you to do something that does not directly benefit you or get you closer to achieving your goals. For quadrant 3 tasks, it is important to learn and remember how to delegate certain things.

When you think something is urgent but it actually is not, it is usually an outside source of distraction. This may include constantly checking your email or phone, or responding to people as soon as they try to contact you. You may think it is urgent at the moment, so you stop what you are doing to tend to the matter. But in reality, it could wait.

If you are in the middle of working on a project and the phone rings, it is not important for you to answer it. So, you can delegate this task to someone else. It may seem urgent at the time while it is happening, but these little things can be handled by other people.

Quadrant 4: Delete It

Honestly, you want to avoid quadrant 4 tasks. These tasks are simply a waste of your time, and they should be eliminated. If you are able to identify and eliminate all of your quadrant 4 tasks, you will free up some much-needed time to invest in your quadrant 2 tasks.

Some examples of quadrant 4 tasks are playing video games, watching television shows that you have already seen, or mindless web browsing.

Does that mean nothing in quadrant 4 should be a part of your life? No. Having a balance between your professional and personal life is important, and downtime helps you regain your energy. The challenge here is to spend most of your time in quadrant 2, and just enough time in quadrant 4 to get by.

Task 4

Define priorities of your working and personal time, allocate which work for your advantage.

You can execute this exercise using incomplete sentence. Consider deeply and carefully these questions of all aspects of the life - work, the house, mutual relations with people, personal development etc., - answering them.

Continue following statements whenever possible most in detail.

As though I have been occupied, I always find time for

My purposes become accurately defined when task concerns

I precisely know, how long will it take to me for

I always immediately start to

I am never late

I do not have problems, when

I start to carry out complex projects without any problems, when

I am always occupied in breaks between

It is easy to me to tell “no” (to whom? In what situations?)

I find it easier to meet the deadlines, when

I am most happy, when I

Now see the answers and define, that new you can learn about yourselves. Wonder, why performance of these concrete tasks and problems you are doing well. Why it works? You start to carry out of certain tasks because they are very pleasant to you? Or you succumb to external pressure? Or because you are good at coping with them? The reason in time of day which you choose for these problems, or in time which is required for their performance? With what problems you consult − with those that require you to work alone or need of working together with other people? Wonder, what exactly induces you to carry out these problems.

The second part of the task. What does not work?

Now, when you have seen that you are really well operate at least a part of time, and understood why, ask to yourself the following question: "That does not work?"

It is useful to write down the answers and to look at all picture entirely. It is very interesting to compare answers to this question to questionnaire answers in section "That works?". Do not forget, answering questions, to consider all aspects of the life. Continue following statements. Result as much as possible examples.

I never have time on

I spend too much time on

I do not have accurately definite purposes in the relation

I want and I can to be engaged all the day long

I always underestimate time necessary for

I always postpone the beginning

I am often late

It’s hard for me to say "no"

It is difficult to me to finish

Your answers to a question "That does not work?" become for you the list of that you need to correct. Look at this list of problems and compare it to the list of answers to a question "That works?". If it is difficult to you to start performance or to finish one problem and at the same time you have no such problems with others, wonder, why it occurs. In certain cases, at you it turns out nothing because it is necessary for you to seize certain skills. Or you need to learn to apply your skills in one sphere of life, to other subjects.

Task 5

Define the styles of management according to the description (Table 8).

Table 8

The characteristic of authoritarian, democratic and liberal styles of a management

Directions of comparison	Styles of a management		
Way of decision-making	On the basis of the instructions from higher level or opinion of group. Some important decisions are made actually without participation of the chief	Sole. The chief requires that he is reported personally on all businesses	He tries to make decisions together with subordinates. He solely solves only most urgent and operative questions
Way of informing of executors about decisions	The request. To order is not able	The offer. He orders so, that it would be desirable to carry out	The order. He never asks
Principles of personnel selection	He gets rid of the strong competitors	He has no precise orientation in staff selection	He selects the business knowing employees and helps them in career
Attitude to assistants	He achieves trouble-free performance of decisions, subordination of assistants	He appreciates the assistants as experts. The attitude is equal, benevolent, requiring.	The attitude is undemanding.
Delineation of responsibility	The responsibility is allocated according to powers, i.e. it is allocated between the chief and subordinated	The responsibility is completely in hands of the executors; the chief is afraid to answer for his actions; he wishes to shirk responsibility	The responsibility is completely in the hands of the chief, as he solely makes the decisions or cancels them
Attitude to knowledge	Indifferent	He constantly studies and requires the same from subordinates	He is sure, that he knows all itself

Attitude to dialogue	Positive. He communicates actively	Indifferent. He does not show initiative	Negative. He observes a distance
Relations with subordinates, climate of joint work with subordinate	The attitude depends on moon. He often is tactless and even rough. Subordinates all time have to work under pressure at the presence of the chief.	The attitude is equal, benevolent, requiring. He addresses to subordinates politely. it is interesting to work with the chief.	The attitude is soft, not requiring; frequently in dialogue with subordinates he shows indifference. Subordinates practically are given to itself
Control of subordinates' work	Controlling results he always notices the positive side and praises subordinates	He always very strictly controls the work of subordinates and collective in general.	He controls work off and on
Attitude to councils of subordinates	He regularly communicates with subordinates, speaks about the situation of businesses in collective, about difficulties, which should be overcome. He consults on the assistants, especially with skilled workers.	He never consults with subordinates	Subordinates not only advise, but can instruct the chief.
Attitude to the initiative of subordinates	The initiative is supposed, but is not always accepted	He is usually conservative, since he is afraid of the new. The initiative is completely transferred to subordinates	The initiative is encouraged and is used
Motivation of subordinates	There is no precise orientation	Encouragement with rare punishment	Punishment with rare encouragement
Interest in	Solving industrial	He is interested only	Indifferent

good relations in the collective	Exercises, he tries to create good relations between people in collective	with performance of the plan, instead of elation of people to each other	
Insistence	He is not so exacting chief	He is exacting, but simultaneously is fair	He is too strict and even captious
Attitude to discipline	Reasonable	Rigid, formal	Soft, formal
Influence on discipline	He frequently makes observations to subordinates, reprimands	He is able to maintain discipline and order	He cannot influence discipline
Attitude to criticism	He does not like, when he is criticized, and does not try to hide it	He listens to criticism, but nothing undertakes	He usually listens to criticism and tries to correct them
Actions in critical conditions	He does not change ways of management	As often as not he use more rigid methods of management	He causes a panic. He copes with his duties badly
Skill to work independently	He cannot work itself, he waits for pushing from the others	He is able to work independently, but if he does not know something, he is not afraid to show this and tries to cooperate with the qualified experts	He solves even questions, which he doesn't know well.



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Estimation of components of successful activity of the pharmaceutical organization.

2. Research of the effective organization of work in the chemist’s enterprises.

3. Studying of activity of the head of the pharmaceutical enterprise.

4. The analysis of requirements to the successful manager.

5. Studying of features of self-management in pharmacy.

6. Studying of functions and the organization of work of the manager of a drugstore.

7. Research system of management methods in pharmacy.

8. The analysis of methods of direct and indirect influence on the pharmaceutical organization.

9. Studying of features of the power.

10. Research of essence "leadership".

11. An estimation of approaches to understanding of an essence of leadership.

12. The analysis of forms of the power.

13. Research of social-psychological styles of a management by collectives of the pharmaceutical enterprises and drugstores.

14. Studying of features of multidimensional management styles.

15. Features of application of situational models of leadership.

Conclusions to the class :																						

Topic 4. FUNCTIONS OF MANAGEMENT

Objective: To generate knowledge and to get practical skills of strategic planning of organization, and use during management of functions of motivation and control.

Theoretical questions

1. Process of strategic planning. Management of realization of strategic planning.
2. Organizing process.
3. Theory of motivation.
4. Control as function of management.



PRACTICAL AND SITUATION TASKS

Task 1

Among the listed terms, choose management functions and add them to the Fig.7: process, planning, control, realization of product, organizing, motivation.

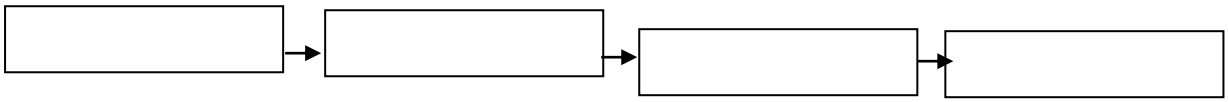


Fig. 7. Functions of management

Task 2

Compare the definitions of the functions of management, depending on the definitions shown in the table 9.

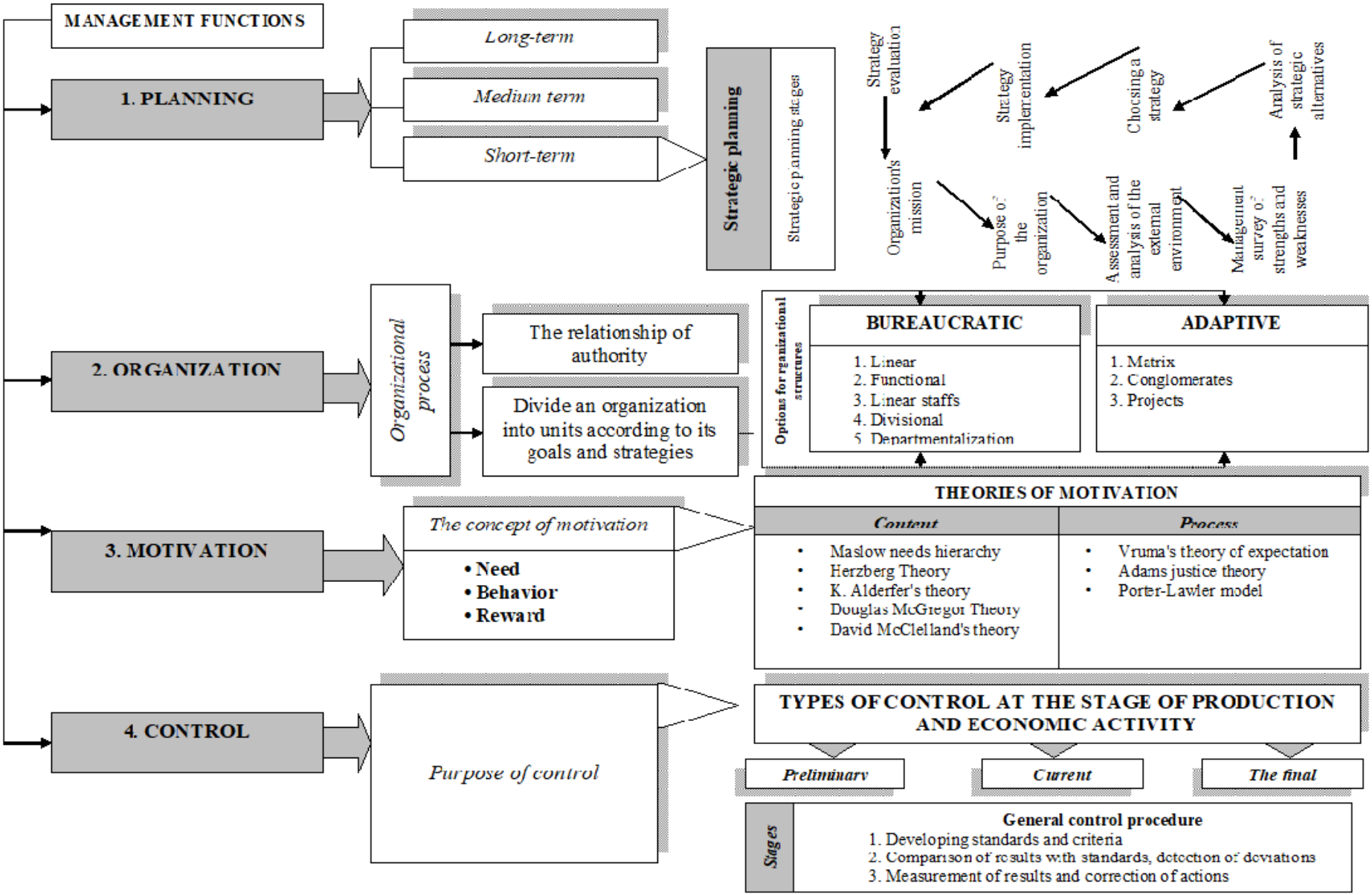


Fig. 8. Structured-logical scheme of the topic «Functions of management»

Table 9

Functions of management

№	The definitions of the functions of management	The function of management
1.	The function of management when synchronization and combination of human, physical and financial resources take place. Therefore, organizational function helps in achievement of results which, in fact, are important for the functioning of a concern.	
2.	A function is one of the ways, in which management provides a single direction of the efforts of all members of the organization to achieve their common goals.	
3.	The process that provides the achievement of goals by the organization.	
4.	The process of encouraging oneself and others to work to achieve personal or organizational goals.	

Task 3

Present as the table 10 stages of strategic planning of organization (on an example of the pharmacy).

Table 10

Stages of strategic planning of the pharmacy

№	Stage	Contents of the stage
1.	Determination of the organization's mission	For example, Pfizer Mission **Pfizer** aim to innovate to bring therapies to patients that significantly improve their lives. Through working in partnership with everyone from patients to health care providers and managed care organizations to world governments and non-governmental organizations, our goal is to ensure that people everywhere have access to innovative treatments and quality health care. MISSION –
2.	Goals setting	OBJECTIVES: - improvement of the economic and financial position of the pharmacy, - increase in profits; - improving the image of the pharmacy among consumers - - -

3.	Evaluation and analysis of the external environment	Identification of environmental factors that may create threats to the pharmacy or provide opportunities for further development: - suppliers – - consumers – - competitors – - laws and state bodies – It is also necessary to assess the possible impact of indirect actions (political, economic, socio-cultural, scientific and technological progress, international events).
4.	Evaluation and analysis of internal components of the organization	1. **Marketing** 2. **Finance** 3. **Operations** 4. **Human (labor) resources** 5. **The culture and image of the organization** 6. **Innovations**
5.	Evaluation of the strategy alternatives and the choice of the strategy	Pharmacy as an organization can choose one of the strategic alternatives: - **growth** – - **limited growth –** - **a strategy for reducing –** - **a combination of all alternatives**
6	Implementation of the strategic plan	TACTICS POLICY

		PROCEDURES RULES
7.	A final inspection	The evaluation of the strategy is based on the results of the pharmacy. Quantitative and qualitative indicators are used.

Task 4

Among the listed criteria, choose quantitative and qualitative criteria for assessing the strategic plan of a company. The data are presented in the table 11.

Table 11

Criteria for assessing the strategic plan of a company

Criteria for assessing the strategic plan of a company	Quantitative and qualitative
The ability to attract highly-qualified managers	
Market share	
Expansion of services	
Growth of the sales volume	
The level of production expenses and efficiency	
The level of sales expenses and efficiency	
Improving the market knowledge	
Reduction of risks	
Turnover of the staff	
Use of opportunities	
Net profit	
Exchange of shares	
Staff satisfaction	
Rate dividends	
Revenue per share	

Task 5

The aims of organization should be oriented in time. Choose between indicated aims long-term, medium-term, short-term its and issue the results in the table 12.

Table 12

Aims of the organization

List of aims of the organization	The aims of the organization
to become the leader in top-list of east Europe pharmaceutical production enterprises	
to implement GMP	
to develop and to realize to industry five new generic medicines	
to develop new design of medication`s package	
to increase volumes of sales on 10% at the end of the quarter	
to set up own production of medications` substances	
to develop new design of website company	
to create a new corporate culture of enterprise	
to start of the new automated line of medications production	

Task 6

Take a SWOT- analysis of the pharmacy state according with a situation. Issue the results in the table 13.

Situation

A pharmacy named «Life» locates in large town and carries out the activity during ten years (last four years – as the Company Limited). The pharmacy is near a city hospital, not far away from the center of city and a lot of people come to it. The mode of operations of the pharmacy is from 8 a.m. to 8 p.m. The pharmacy always has a wide assortment of medicines, cosmetics, goods of hygiene and etc. The high level of service customers and qualification of staff attracts clients. Prices for medicines in the pharmacy are high.

There is a considerable competition at the market of pharmacies and escalation of it is forecasting in a future. The basic competitors are private pharmacies and branch pharmacy that can set low prices. Some of them work round-the-clock, offer

to the consumers' additional services, in particular, measuring of pressure, advising doctors, delivery of medications to home.

Management of the pharmacy was informed that a known foreign pharmaceutical enterprise looking for chemist shop with the purpose to conclude of treaty about the use of trade mark. Management of the pharmacy plans to organize web-site of pharmacy in Internet. Besides, management of the pharmacy forecasts further expansion of list of medicines, prices on which were regulated.

Table 13

SWOT- analysis of the pharmacy state

Internal factors	Strength:	Weaknesses:
External factors	Opportunities:	Threats:

Task 7

Among the listed factors, select the factors of motivation (M) and factors of demotivation (D) in the work of pharmacist. Justify your point. Mark in the work journal the influence of factors in the table 14.

Table 14

Factors of motivation and demotivation in the work of pharmacy

Factors of motivation and demotivation at work of pharmacist	M/D
timely payment of wages	
violation of the pharmacy management's tacit agreement with subordinates	

Factors of motivation and demotivation at work of pharmacist	M/D
the lack of proper recognition of the achievements and results of the work of the employee from the management of the pharmacy and colleagues	
non-use of the leadership of certain skills of the employee, which he appreciates in himself	
confidence in tomorrow	
ignoring the leadership of the employee's ideas and initiative	
no change in the status or authority of the employee	
the opportunity to realize itself in the social orientation of the profession of pharmacist	
clarity of requirements to work, regulation of work rules and standards	
the ability to make certain decisions on their own (in the presentation of goods, customer consultation, etc.)	
lack of employee's sense of achievement, personal and professional growth	
inconsistent, fuzzy requirements for work	
convenient, flexible work schedule	
the ability to apply the skills and knowledge an employee appreciates	
lack of employee's sense of involvement in work and results	
ability to interact with highly skilled colleagues	
predictability of the actions of the management	
understanding employee tasks set before him	
awareness of the fact that the work performed brings help to other people	
a succession of leadership in evaluating the actions of the pharmacy staff	
highlighting the high requirements that pharmacy pharmacists must meet	

Task 8

One of the first content theories of motivation is the Maslow's hierarchy of needs. According to it, needs can be arranged in a strict hierarchy. Distribute the listed requirements according to the Maslow's hierarchy of needs and present the data in the form of a figure 9: safety needs, esteem needs, social needs, physiological needs, self-actualization needs, primary needs, secondary needs.

Using the Maslow's hierarchy of needs, analyze what consumer needs satisfy such goods and services (see the table 15).

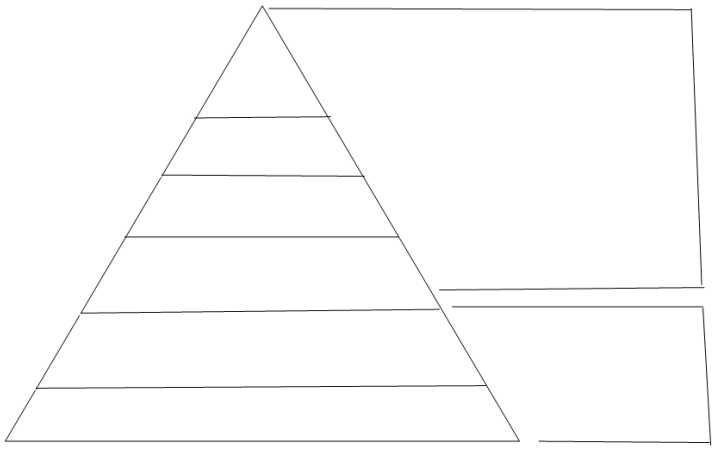


Fig. 9. The Maslow's hierarchy of needs

Table 15

Need depending on the type of product or service

Product or Service	Need
drug of antihypertensive action Norvaschem (Pfizer Corp., USA)	
hair lamination tool	
eBook	
social networks in the Internet	
cosmetics company Vichy	
receiving the second higher education	
chocolate Cake "Polyus"	
rest in a mountain resort	
anti-cellulite remedy	

Task 9

Specify proposed descriptions in compliance with the incentives of the Maslow's hierarchy of needs

the need for love, affection, feeling of belonging_____

the need for air, water, food and sex _____

needs, which enable individuals to grow, to feel fulfilled and realize their potential_____

need for self-respect, self-esteem, achievement, respect from others_____

the individual must feel safe, and free from fear and threat_____

Task 10

Among these needs, identify those that belong to the theory of David McClelland's motivation and to present the data in the form of a figure 10: success, safety needs, power, physiological needs, involvement.

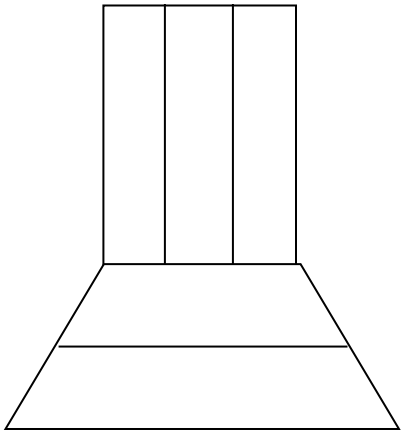


Fig. 10. The theory of David McClelland

Task 11

Analyze situations which describe control of personnel work in pharmaceutical organizations. In which situations control described as insufficient, moderate or excessive? Describe possible consequences for organization in the case of insufficient or excessive control.

Situation 1

In a pharmacy «Healthy life» is implemented algorithm of communication of pharmacists with clients, which consist of greeting with visitors, recommendation different drugs, work with objections. Video supervision is conducted; the system of penalties is inculcated even for insignificant deviations from algorithm of communication.

Situation 2

The medical representatives of pharmaceutical companies daily make the plan of work and co-ordinate it with a regional manager. Control is constantly carried out for their movement for territories of city. Double visits to the doctors and heads of pharmacies for verification are used. At the end of every working day medical representatives make a report about the executed work.

Situation 3

In the pharmacy is quarterly conducted testing of pharmacists for determination of their knowledge level relate to the assortment of medicinal preparations, rules of

its realization, ethics norms of communication with the clients. Employees which have the best results are rewarded bonuses.

Situation 4

The head of pharmacy after the repeated complaints of clients charged the deputy to check up work of pharmacist Ivanova M., which already three months works in this pharmacy. Verification confirmed, that Ivanova M. rudely answer on visitors` questions, does not give complete information about properties of medicinal preparations.



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Bring examples of pharmaceutical company missions. Determine what role the mission of the enterprise plays?
2. One of the requirements for the organization's goals is their timely orientation. Give examples of long, medium- and short-term goals of the pharmaceutical company.
3. To present the results of SWOT-analysis of the activity of any pharmacy in the market.

Conclusions to the class:

Topic 5. MANAGEMENT OF DECISION MAKING PROCESS

Objective: To fix theoretical knowledge about approaches decision-making process and the main provisions of the decision-making theory, to acquire practical skills in technology of the process of making and implementing management decisions, delegating powers and overcoming obstacles and blocking the delegation process.

Theoretical questions

1. Classification of decisions. General characteristics of management decisions.
2. Approaches, models and methods of decision making.
3. Factors, that affect the process of administrative decision making.
4. Stages of rational decision of problem.
5. Automation in the process of decision-making.
6. Delegation of authority and responsibility.



PRACTICAL AND SITUATION TASKS

Task 1

Give the definition of main theoretical terms of decision-making.

Rational decision	it's a choice that should make the head to perform the duties due to his position
Management decision	is a choice of the alternative
Model	is decision justified by objective analytical process and based on the methods of economic analysis and optimization
Decision	is a representation of an object, system or idea in a form different from the most integrity

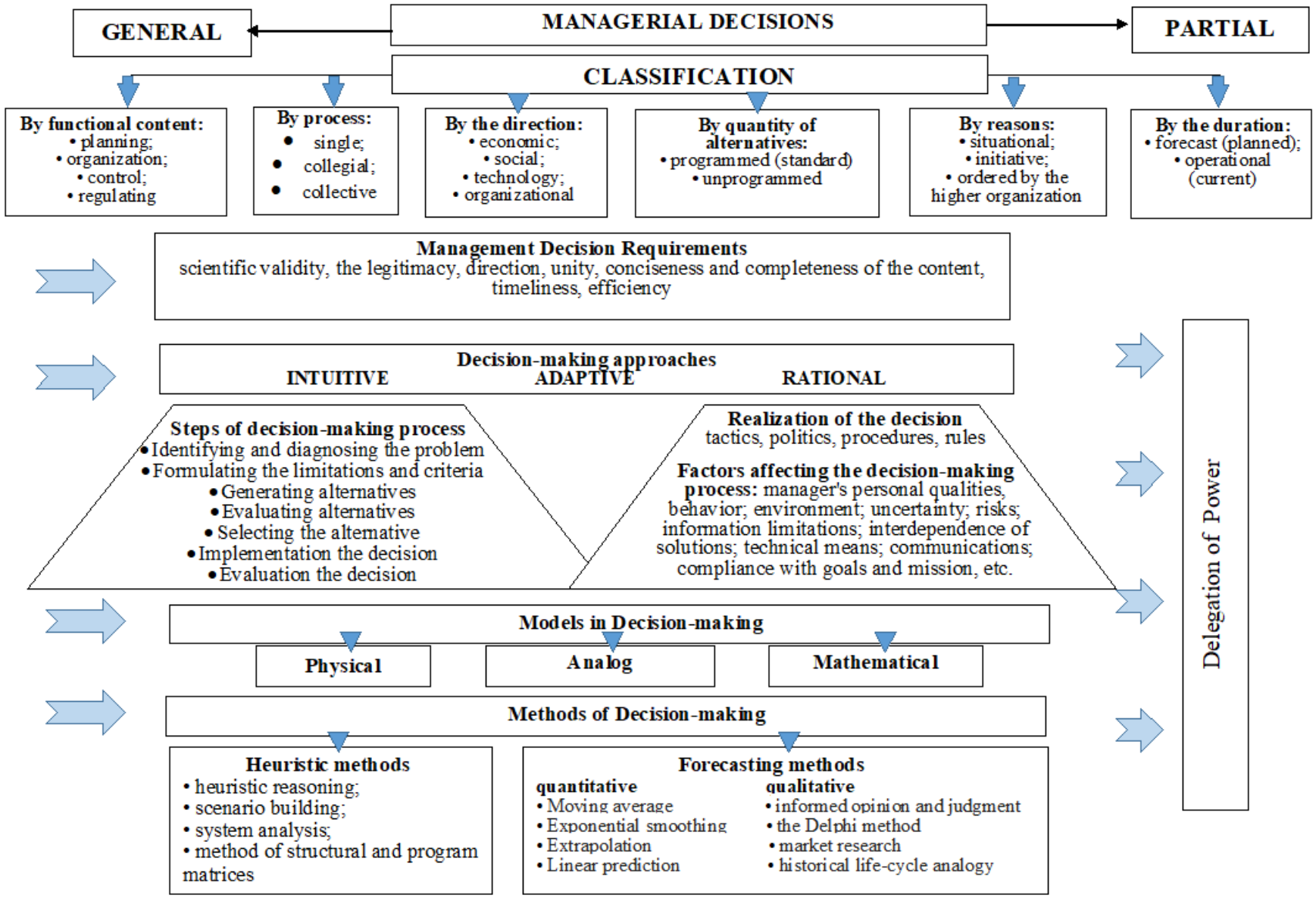


Fig. 11. Structured-logical scheme of the topic «Management of decision making process»

Task 2

Analyze the stages of managerial decision-making and determine the management actions to improve the activities of the pharmacy.

Select management actions (from the list) that are most common for each of the stages during the process of decision-making.

Present the results in the form of table 16.

Table 16

Steps of decision-making process	Managerial actions
1. Identifying and diagnosing the problem	
II. Formulating the limitations and criteria of decision-making	
III. Generating alternatives	
IV. Evaluating alternatives	
V. Selecting the alternative.	
VI. Feedback	

I. Identifying and diagnosing the problem.

Search for information:

- turnover
- profit level
- area of the drugstore
- rent payment
- terms of delivery of the drugs
- general expenses of the drugstore
- staff of the drugstore, wages fund
- advertising activity of producers of medications
- level of morbidity of population
- terms of delivery of commodity
- frequency of visits medical representatives in pharmacies

Determination of symptoms of the problem:

- high expenses
- low profitability
- Increase of middle sum of check
- High level of qualification of personnel
- Increase of amounts of permanent clients

II. **Formulating the limitations and criteria of decision-making**

- Legislation is limitation factor
- Centralized supply
- Irrational structure of the drugstore
- increased staff of a drugstore
- increase of level of qualification of personnel
- ground of size of the state of pharmacy
- use of innovative technologies is in the production of medications
- purchase of commodity in a few wholesale firms

III. **Generating alternatives**

- to change organizational structure of a drugstore
- to let on lease the exempted areas
- to reduce the staff of a drugstore

- to use the equipment more effectively
- to enter rigid economy of resources, energy
- to reduce the densities of centralized deliveries
- to find ways of drug deliveries to extend the amount of additional services
- to inculcate the hard economy of power resources
- to increase the amount of skilled personnel

IV. **Evaluating alternatives**

- the change of organizational structure of a drugstore will result in clearing a part of the areas, which it is possible to let on lease
- the reduction of staff of a drugstore will result in reduction of wages fund
- the restriction of the centralized deliveries will give economy of obligatory payments to central storage
- the direct deliveries of popular drugs will raise turnaround, and, hence, will speed up process of formation of the total income; will cut down expenses for purchase of the goods
- increase of additional services amount will increase clients amount
- increase of skilled employees amount will be improved the level of customers' service

V. **Selecting the alternative.**

- change of organizational structure of a drugstore with following reduction of staff and opportunity of subrent of the exempted areas
- use decentralized of deliveries alongside with centralized
- purchase popular drugs with the high trade margin

Task 3

Discuss the types of management decisions needed to solve problems in the pharmacy. Harmonize the complexity and structure of problems, making appropriate decisions on the levels of the organizational hierarchy (Table 17). From the list of management decisions, select those that are typical for solving structured and unstructured problems.

Table 17

Management decision-making depending on the nature of problems in the organization

Type of problem	Type of decision
structured problems	Programmed decision:
unstructured problems	Non-programmed solutions:

List of management decisions

• calculation of the pharmacy staff according to the load standards per employee;

• improvement of the quality of products of the pharmaceutical enterprise;

• selection of a new drug supplier for the pharmacy;

• calculation of the number of medical representatives according to the load standards;

• purchase of new drugs;

• planning of commodity turnover in terms of growth rates;

• introduction into production of a new medicinal product

• determination of the need for medicines, the use of which is limited by the relevant consumption standards;

• improving the structure of the pharmacy.



ADDITIONAL INFORMATION

Structured problems are routine, repetitive. This type of problem requires the adoption of programmed, standard decisions.

Unstructured problems are characterized by the presence of unclear and inadequate information about the development and trends in the company and its external environment. This type of problem requires the adoption of unprogrammed decisions.

Task 4

Justify the process of managerial decision-making about choosing a company-supplier for purchasing medicines to the pharmacy.

Assess the wholesale pharmaceutical companies according to basic selection criteria.



ADDITIONAL INFORMATION

When performing the task, use steps of rational management decision-making.

At the stage of diagnostics, it is necessary to identify a problem that needs an appropriate solution.

At the stage of formulation of criteria and limitations, it is necessary to develop a list of the main criteria (5-7) for selecting a supplier - a wholesale pharmaceutical company (WhPhC).

At the stage of identifying alternatives, several options for potential suppliers need to be established.

In the evaluation phase of the alternatives you should:

- *to calculate weight of criteria (Table 18),*
- *to assess all alternatives in points,*
- *to calculate the rating as the product of the weight of the criterion and the evaluation of the alternative in points,*
- *to calculate total rating (Table 19).*

At the stage of selecting an alternative, you should select the wholesale company with the highest total rating.

At the stage of feedback, the results of work with the selected supplier are assessed after a certain time of cooperation.

The decision-making process of choice a supplier company for purchase of medicines to the pharmacy

I step. Diagnosing the problem
II step. Formulating the limitations and criteria of decision-making
Criteria for choice the supplier:
III step. Generating alternatives
Variants of potential suppliers - wholesale pharmaceutical companies:
IV step. Evaluating alternatives

Table 18

Criteria of choice	**Your assessment of criterion's importance (5-most important, 1- least important (don't repeat)**	**Weight of criterion (lead to 1: *Mark of the criterion – X Sum of all criteria (15) - 1***
Assortment width		
Prices, discounts		
Service quality		
Reliability		
Flexibility		
Total	15	1,0

Table 19

Criteria of choice	**Weight of criterion**	**Evaluation of the alternative, marks**			**Rating of alternative**		
		WPhC 1	WPhC 2	WPhC 3	WPhC 1	WPhC 2	WPhC 3
Assortment width		5	3	4			
Prices, discounts		5	5	3			
Service quality		4	3	5			
Reliability		3	4	5			
Flexibility		4	3	2			
Total	1,0						

V step. Selecting the alternative

VI step. Feedback

Task 5

Describe the decision-making process for buying a pharmaceutical product (optional). Determine the selection criteria yourself (Table 20).

Product _____

Table 20

Criteria of choice	Weight of criterion	Evaluation of the alternative, marks			Rating of alternative		
Total	1,0						

Conclusion:																							

Task 6

Consider the functions of the head of the pharmacy and analyze the possibilities of their delegation (Table 21).

Table 21

Delegation of the functions of the head of the pharmacy

Functions of the head of the pharmacy	Possibilities for delegation
Ensuring the fulfillment of licensing conditions for the implementation of economic activities for the retail sale of medicines and the provision of adequate pharmaceutical care to the public	
Planning, organization and control of the efficiency of the pharmacy and its structural units, the definition of their functions, organizational and managerial structure, work schedule, staffing	
Organization and control of the work with recipes, manufacturing, quality control, pharmaceutical care, sale of medicines and goods of the pharmacy range, procurement of medicinal raw materials	

Organization of informing medical workers, providing first aid and educating the public	
Ensuring the availability of an assortment of medicines, medical products, other goods	
Monitoring compliance with the rules for sale medicinal products from a pharmacy, including on preferential terms	
Creation of necessary storage conditions for medicinal products and other goods, in accordance with their properties and regulatory requirements	
Organization of work with personnel (development of job descriptions, selection, training, placement, motivation), quality control of employees' performance of their duties, ensuring the improvement of their skills	
Bringing to the staff the requirements of regulatory documents regulating retail sales of medicines and monitoring their implementation	
Creation of proper and safe working conditions in the pharmacy, organization of timely medical examination by employees	
Ensuring the correctness of accounting and reporting on the economic activities of the enterprise, personnel documentation	
Control of the rational use of the material means of the pharmacy and their condition, ensuring the preservation of property, commodity and monetary values	
Introduction in the work of the pharmacy achievements of pharmaceutical science, promising forms of medicinal provision of the population, modern and effective organization of work	



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. The role and functions of decisions in the management process.
2. Typology and classification of management decisions.
3. Information support of decisions and information security.
4. The influence of traditions and the specifics of the enterprise on the development of managerial risk. The role of the human factor in the process of developing a management decision.
5. Ethical basis of management decision.
6. Modern trends in the use of information technology in the process of management decision-making.
7. Creation of the structure of the problem field and the structuring of the causes.

8. Intellectual activity in management decision-making.
9. Modern methods of calculating the effectiveness of management decisions.
10. Organizing the implementation of decisions taken.
11. System approach in management decision-making.
12. Interaction of methods and models in management decision-making.
13. Uncertainty and risk of management decisions.
14. Measures to correct decisions taken in the process of their implementation.

Conclusions to the class:																							

Topic 6. COMMUNICATION PROCESSES IN MANAGEMENT

Objective: To consolidate theoretical knowledge about the essence of communications, their types, the characteristics of information exchange tools, ways to overcome communication obstacles and gain practical skills improving the effectiveness of organizational and interpersonal communications.

Theoretical questions

1. Concepts and types of communications.
2. The main elements and stages of the communicative process.
3. Obstacles in organizational and interpersonal communications. Methods of overcoming communicative obstacles.
4. Forms and organization of business communication.
5. Organization of business meetings and business discussions. Business negotiations and reception of visitors.
6. The specifics of the business communication of the pharmacist with the client.



PRACTICAL AND SITUATION TASKS

Task 1

Give the definition of main theoretical terms of communications.

Expressive communication	When we want to transfer our feelings, estimations, sights
Sender	meeting, assembly, session, business conversation, detour of workplaces
Communication	is a person generating ideas or collecting the information and transmitting it
Forms of business communication	is value of words or symbols
Semantic	is a process of information interchange, it is semantic value between two or more people

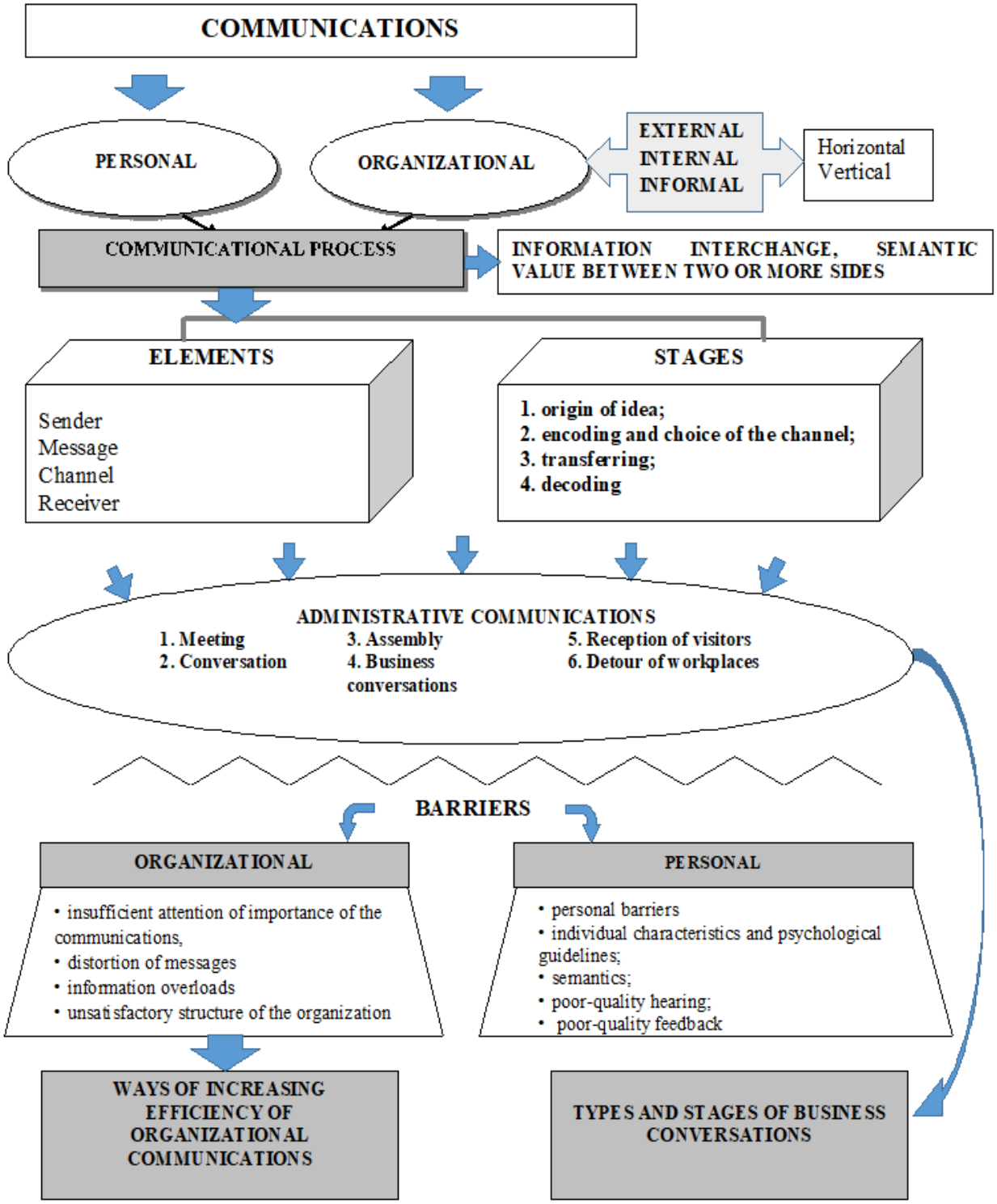


Fig. 12. Structured-logical scheme of the topic «Communication processes in management»

Task 2

Describe the essence of communications in the process of information exchange between management and subordinates. Give examples of information transmitted along vertical (upward and downward), horizontal and diagonal communications in the pharmacy network (organizational structure is shown in Fig. 13.

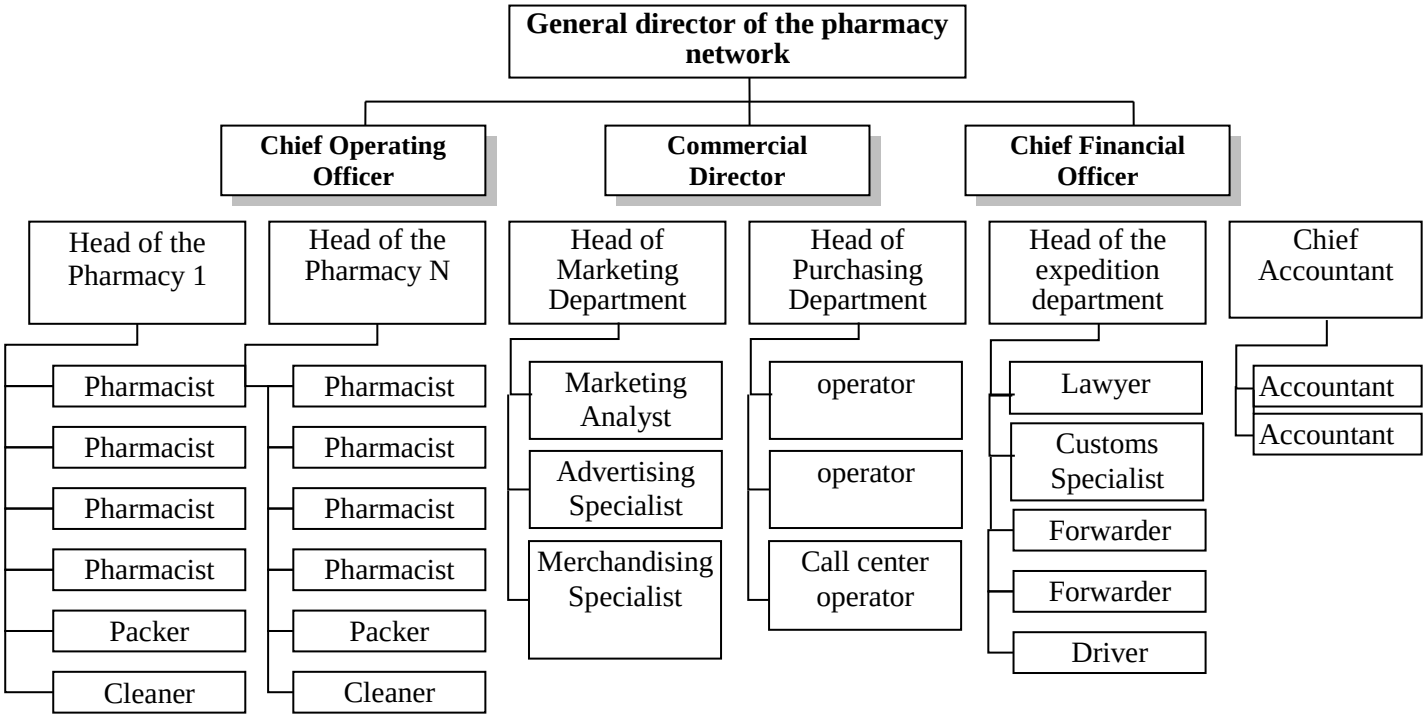


Fig. 13. Organizational structure of pharmacy network

Conclusion:																				

Task 3

Discuss and define the elements of the communication process (Fig. 14).

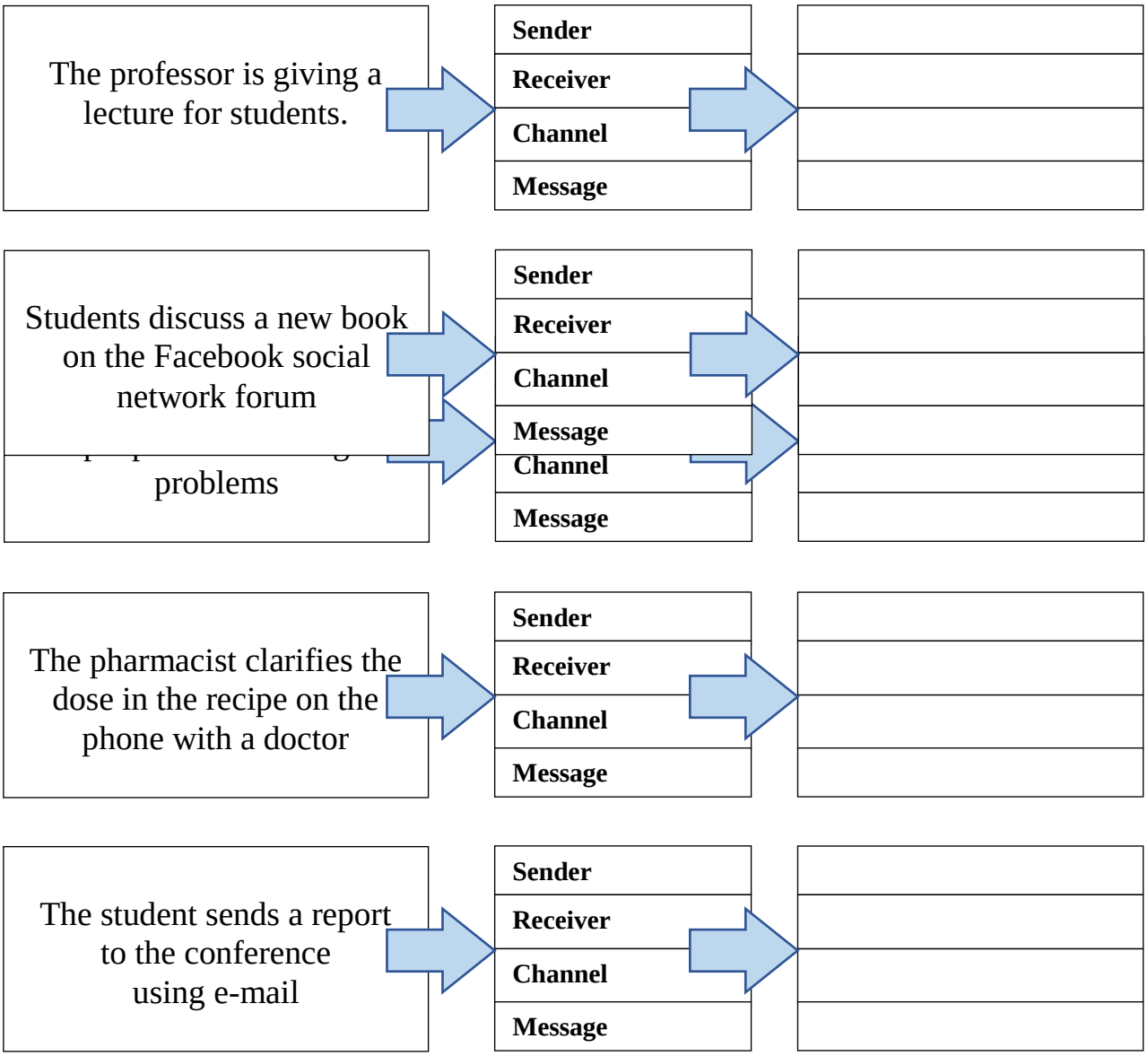


Fig.14. Elements of communication process

Task 4

Make as the circuit the model of communication process between the pharmacist and patient. Add the Fig. 15 with elements and steps of communicational process: information (idea), the patient analyzes the information about the drug, drug application (message), patient (receiver), pharmacist (sender), transfers the message.

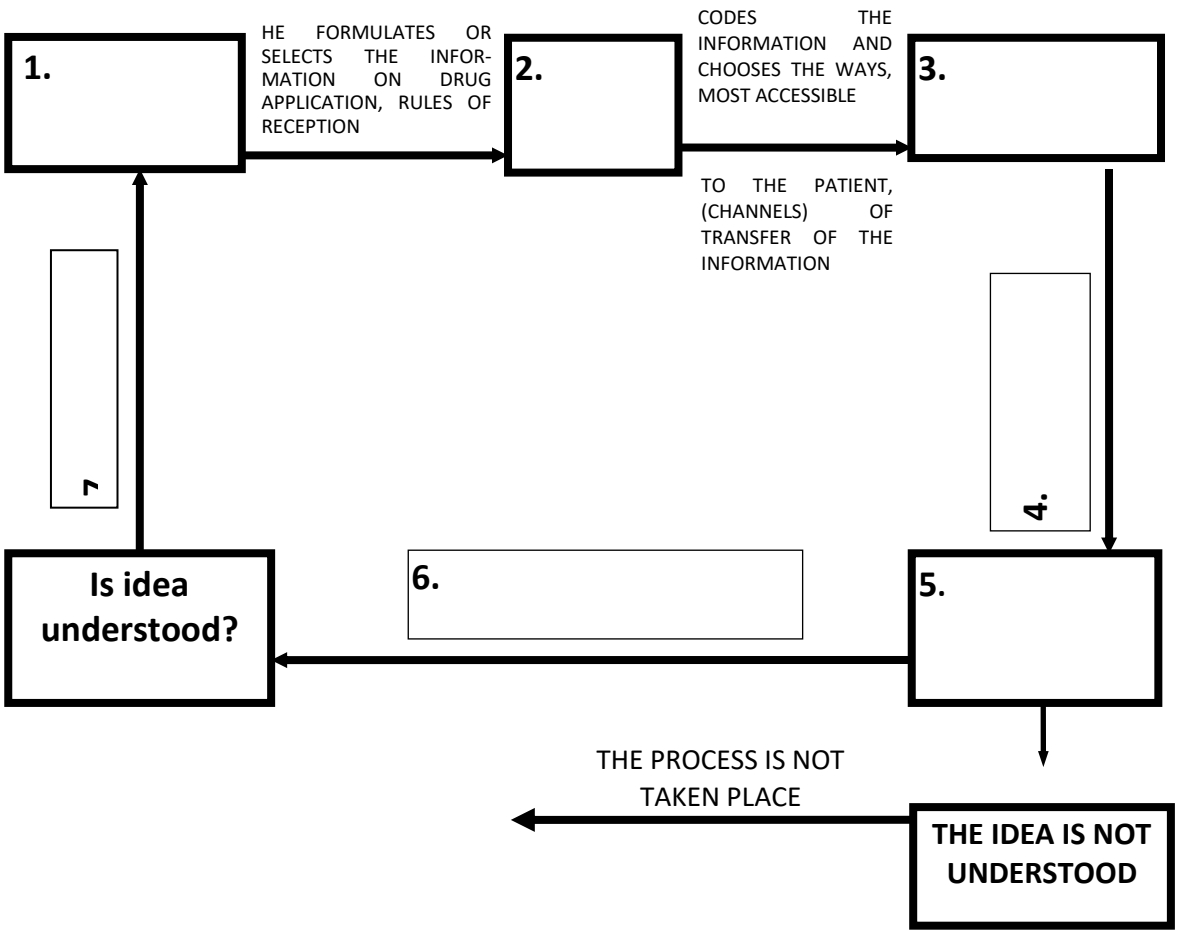


Fig. 15. Model of communication process

Task 5

Divide requirements to pharmacist for satisfaction of consumers' needs into two groups: rational (R) and emotional (E).

☐ High quality of products

☐ Reasonable prices

☐ Availability of information

☐ Authentic data

☐ Competence

☐ Behavior according to consumers' needs

☐ Detailed consultation

☐ Absence of line

☐ Professionalism

 Definition of consumers' needs

 Respect attitude

 Individual approach to solution of the problem.

Task 6

In the activity of heads of organizations, it is very important to pay attention to the effective distribution of functional duties among employees. In this case, not only their qualification skills, but also personal traits, inclinations, opportunities, individual abilities matter. To determine the level of communication skills, we suggest you take a test.

You're really busy at work and a colleague is telling you their life story and personal woes. You:

1. Don't dare to interrupt them
2. Think it's more important to give them some of your time; work can wait
3. Listen, but with only with half an ear
4. Interrupt and explain that you are really busy at the moment

You've been sitting in the doctor's waiting room for more than 25 minutes. You:

1. Look at your watch every two minutes
2. Bubble with inner anger, but keep quiet
3. Explain to other equally impatient people in the room that the doctor is always running late
4. Complain in a loud voice, while tapping your foot impatiently

You're having an animated discussion with a colleague regarding a project that you're in charge of. You:

1. Don't dare contradict them
2. Think that they are obviously right
3. Defend your own point of view, tooth and nail
4. Continuously interrupt your colleague

You are taking part in a guided tour of a museum. You:

1. Are a bit too far towards the back so don't really hear what the guide is saying
2. Follow the group without question
3. Make sure that everyone is able to hear properly
4. Are right up the front, adding your own comments in a loud voice

During dinner parties at your home, you have a hard time with people who:

1. Ask you to tell a story in front of everyone else
2. Talk privately between themselves
3. Hang around you all evening
4. Always drag the conversation back to themselves

You crack a joke at work, but nobody seems to have noticed. You:

1. Think it's for the best — it was a lame joke anyway
2. Wait to share it with your friends after work
3. Try again a bit later with one of your colleagues
4. Keep telling it until they pay attention

This morning, your agenda seems to be free. You:

1. Know that somebody will find a reason to come and bother you
2. Heave a sigh of relief and look forward to a day without stress
3. Question your colleagues about a project that's been worrying you
4. Pick up the phone and start filling up your agenda with meetings

During dinner, the discussion moves to a subject about which you know nothing at all. You:

1. Don't dare show that you don't know anything about the subject
2. Barely follow the discussion
3. Ask lots of questions to learn more about it
4. Change the subject of discussion

You're out with a group of friends and there's a person who's quite shy and doesn't talk much. You:

1. Notice that they're alone, but don't go over to talk with them
2. Go and have a chat with them
3. Shoot some friendly smiles in their direction
4. Hardly notice them at all

At work, somebody asks for your help for the hundredth time. You:

1. Give them a hand, as usual
2. Accept — you're known for being helpful
3. Ask them, please, to find somebody else for a change
4. Loudly make it known that you're annoyed

You've been see a movie with your family and the reviews are mixed. You:

1. Don't share your point of view with anyone
2. Didn't like the film, but keep your views to yourself when asked

3. State your point of view with enthusiasm
4. Try to bring the others round to your point of view

A friend arrives late for your meeting. You:
1. Say, 'It's not a problem,' even if that's not what you really think
2. Give them a filthy look and sulk for the rest of the evening
3. Tell them, 'You're too much! Have you seen the time?'
4. Make a scene in front of everyone

You can't find your car keys. You:
1. Don't want anyone to find out, so you take the bus instead
2. Panic and search madly without asking anyone for help
3. Grumble without telling your family why you're in a bad mood
4. Accuse those around you for misplacing them

It's time for your annual appraisal with your boss. You:
1. Go with great hesitation as these sessions are torture for you
2. Look forward to hearing what your boss thinks about you and expects from you
3. Rehearse ad nauseam the arguments and ideas that you've prepared for the meeting
4. Go along unprepared as you are confident and like improvising

Calculate the amount of points you scored during the answers to questions.



ADDITIONAL INFORMATION

1-16 You are more of an introvert

You feel that living alone is to live happily, and you prefer hiding in a crowd rather than standing out in one. You are perpetually tormented by the idea of doing things wrong, not understanding or not being alert enough or intelligent enough to do what others expect of you. You lack in self-confidence and you seem to believe that others are better than you. You are afraid of contact with others as you imagine that they are constantly judging you and that their probing looks will obviously find your faults. So, you try to remain the most transparent and discreet possible. How far will you take this logic of self-denigration? Try and stop projecting onto others the bad image you have about yourself. Have a good look around you and you'll see that they too have faults, weaknesses and shortcomings, so stop finding excuses for everything. Learn to look after your own interests — everyone else does, so why not you? You too have desires, dreams and opinions — express them. If you think that by saying no or thinking differently from others that you will no longer be loved, it just isn't so. Others will learn to respect you because you respect yourself.

17-30 You are more of a public introvert and private extrovert

Within your circle of family and friends, you are completely at ease and it's often you who takes the lead to organize outings, dinners, vacations, etc. However, as soon as you are in a public or professional setting you become rather inhibited. You don't feel in tune with what you would qualify as agitation, rivalry or vainglory and this can sometimes appear to others as a kind of hidden criticism or a lack of ambition. In fact, your pragmatic temperament helps you successfully manage problems as and when they arise. You aren't the kind to calculate your every move and plan every inch of your life, and you find the sphere of family and friends to be much more gratifying to the professional sphere. You are more expressive in emotional, sensorial and human terms and at home your organization skills and capacity to oil the family wheels work well and many of your family and friends appreciate your qualities and skills. At first glance, people find it hard to understand how you could be so comfortable organizing your private life and then seem to lose the better part of your self-confidence when you're in public. If you feel frustrated by this imbalance, it could be useful to look into the deeper reasons (either on your own or with someone else) that keep you less focused on professional ambition. For instance, such reasons could be: a lack of thanks and recognition, a fear of not being up to the mark… It's up to you to find out.

31-44 You are more of a public extravert and private introvert

In public and at work you are a ball of energy perpetually on the move. You take the initiative, encourage others, hate waiting and are endlessly anticipating what's going on around you. You take real pleasure in managing everything, much like the conductor of an orchestra. You enjoy being noticed by your work peers and your anxiety is linked more to the thought of leaving others indifferent. You need other's attention to fully exist, but once you've crossed the threshold of your home, it's another matter. You no longer take initiatives, but leave others to decide in your place. You're not comfortable and don't know how to react and those around you often interpret your passiveness as a lack of interest or a certain reticence. The public over-activity into which you throw yourself prevents you from expressing your emotions and feelings. At work, rationality and efficiency is asked of you, but even there, emotions and feelings are unavoidable. It's not by denying or pushing them out of your attention that they cease to exist. Instead, by forcing them out of your conscious mind, they govern you unconsciously. Why are you so afraid of your emotions? What are you afraid of finding deep within yourself? This over-investment in public and professional life could well be, to a certain degree, running away from whatever it is that you don't master or control. You'd win some inner serenity if you accepted to walk the road of self-knowledge.

45-56 You are more of an extrovert

Whether at work or at home, you are a leader, the head of the pack. You are the type of person who is at ease with everyone — with the grocer, the doctor, a managing director or a waiter. You have an opinion about just about everything and you like to share your knowledge around, even imposing it on others if they haven't asked for it. When you're on a roll, it's hard to sop you and the least that could be said is that listening skills are not one of your innate skills. Your confidence and exuberance are a strong motor for your highly colorful life and you are a real antidote to any hint of grey skies or boredom. It's perhaps the moments of excess activity or

confidence that you need to question. Your capacity to be over the top can make others feel that you consider yourself as the most important person, that you have to be the center of attention to feel loved and thus to exist, unless of course these are ways of pre-empting judgement from others. Do you worry about leaving others indifferent if you're not perpetually 'on show'? Maybe this need for attention is to compensate your own self-judgement? Your energy levels and enthusiasm are unquestionable, but are you as comfortable receiving as giving? Have you actually listened to anyone recently, without butting in? Do you know how to stay by yourself and do nothing else but be with yourself? A few questions that could be interesting to ask yourself…



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Should attention be paid to the quality of communications in everyday life and in the process of work, in the process of managing a manager?
2. Give examples of interpersonal and organizational communications.
3. Features of the information coding stage (traditional and non-traditional types of coding).
4. How to overcome obstacles in the way of the communicative process and acquire skills of effective communication?
5. Use of non-verbal communication, their features for different peoples of the world.
6. The art of conducting business meetings, negotiations, conversations. Ways and methods for improving their effectiveness.
7. Deciphering non-verbal communication (body language, psychology of facial expressions and gestures).
8. Secrets of oratory.

Conclusions to the class:

Topic 7. MANAGEMENT AND OFFICE WORK OF PHARMACEUTICAL ORGANIZATIONS. MANAGEMENT AND INFORMATICS

Objective: To consolidate theoretical knowledge about the methodological principles of office work and modern technical means in management, to get acquainted with the basic types of administrative documents in pharmaceutical organizations and to acquire practical skills in drawing up, designing and applying different types of documents as well as determining their degree of implementation and possibilities of using of automated management systems and management information system in pharmacy.

Theoretical questions

1. The concept, role and classification of documents as a source of administrative information. The role of office work in management.
2. Flow of documents of pharmaceutical organizations. Stages of flow of documents. Storage of documents.
3. Account and consideration of propositions, applications and complaints.
4. Modern technical means in management. Management and informatics. Possibilities of using of automated management systems and management information system in pharmacy.
5. Possibilities of using automated working places in the activity of pharmaceutical companies.

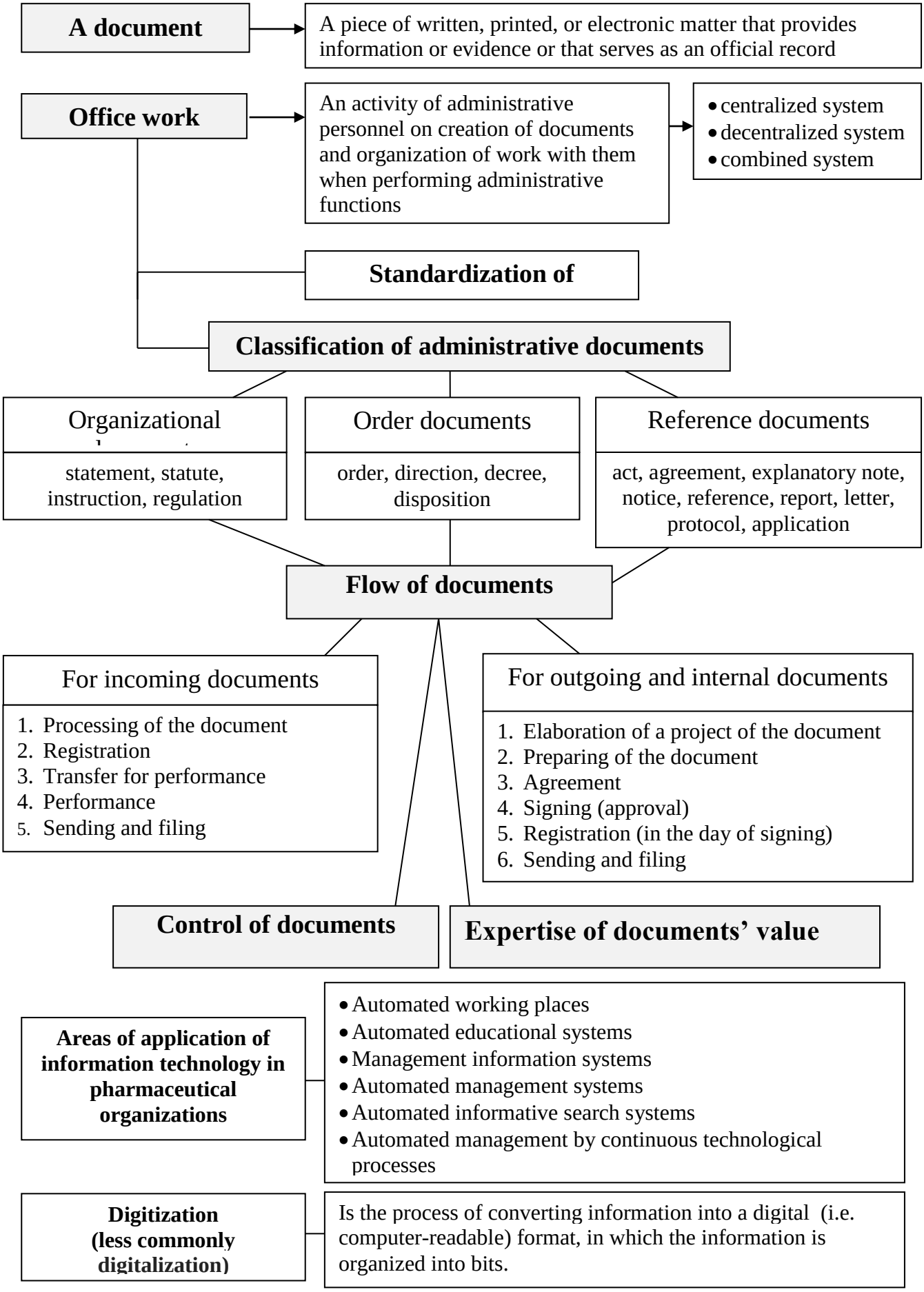


Fig. 16. Structural and logical scheme of the topic «Management and office work of Pharmaceutical organizations. Management and informatics»



PRACTICAL AND SITUATION TASKS

Task 1

Give the definition of main theoretical terms of the topic.

Document	a set of documents related to the specific question or area of the organization's activity and sorted into a separate cover or folder
Office work	a complex of interconnected scientific, technological and engineering disciplines engaged in processing and storage of information and methods of organization of its interaction with people and industrial equipment and their practical application
Documentation	
File	activity of administrative personnel on creation of documents and organization of work with them into basic and secondary documents
Nomenclature of files	the process of transferring information to a document
Information technology	a material object containing a fixed information
	systematized list of the files names with indication of terms of their storage

Task 2

Fill in the classification scheme of administrative documents (Fig.17):

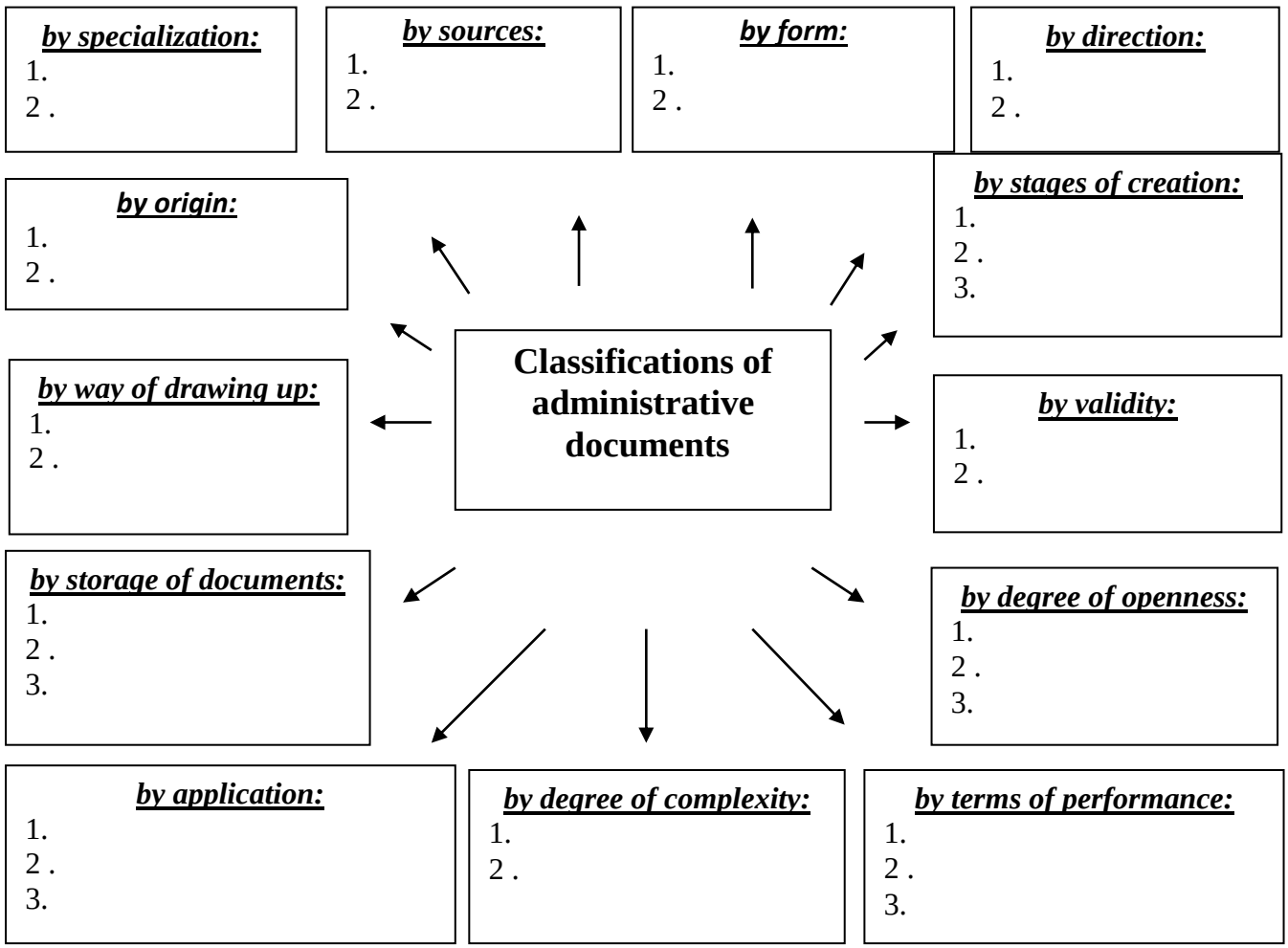


Fig.17. Classification of administrative documents

Task 3

Learn the main types of administrative documents used in pharmacies and their short description. Distribute the proposed documents into groups: organizational, administrative and reference documents. Enter the result in the table 22.

Table 22

Types of administrative documents

organizational documents	order documents	reference documents



ADDITIONAL INFORMATION

The service record *is made for written fixing of the decision of operative questions. Service records can be made out by hand-written way.*

The reference *is the document which contains the description and acknowledgement any facts and events.*

The stenogram *is literal record of reports, speeches and other statements at assemblies, meetings and sessions of joint bodies which is carried out by a method of shorthand.*

The application *is the document containing the request or the offer, addressed by the person or group of persons to establishment or the official.*

The disposition *is the legal act, which is published individually by the head of joint state body with the purpose of the decision of operative questions.*

The letter-acknowledgement *is made for the message of the sender about reception of the documents (products, equipment etc.).*

The decision *is the legal act which is accepted by local councils of People's Deputies or their executive committees in the joint order for the decision of the most important questions which are included into their competence.*

The decree *is the legal act which is accepted by supreme and some central bodies of joint management for the decision of the most complex and basic Exercises and establishments of stable norms and rules of behavior.*

The plan *is the document establishing the exact list of works, actions, their sequence, volume, time coordinates of heads and concrete executors.*

The letter-message *is used for the message of any fact and begins with words: we inform; we lead up to your data.*

Statement *is a legal act which regulates the basic aspects of organizational activity of establishments, divisions and officials, determines their structure, functions, Exercises, duties, rights, responsibility, etc.*

The order *is the legal act which is published by heads of the chemist's establishments, acting on a basis of one-man management, with the purpose of the decision of the Exercises of the establishment.*

The letter-invitation *is addressed to the concrete person, group of persons or the establishment.*

Statute is *the legal act determining structure, functions and the rights of establishment, organization or the enterprise.*

The report *is the document, addressed to the head of the organization or structural division which contains a detailed statement of any question with conclusions and offers.*

The letter-reminder *contains a reminder about the ending or approximation of a target date.*

The protocol *is the document in which in the brief form a course of discussion of questions at assemblies, meetings, conferences and sessions, and also made decisions are fixed.*

Instruction *is the legal act, created by state body (or confirmed by its head) for an establishment of rules which regulate the organizational, scientific and technical, technological, financial and other special activities of establishments, the enterprises, their separate divisions and services, and also officials or citizens.*

The list *is the systematized transferring of documents or other subjects, objects or works.*

Duty regulations *are developed by establishments, organizations, the enterprises for officials, technical officers, etc. Such instructions regulate their rights and duties, Exercises, personal responsibility, etc.*

The letter *is the generalized name of different documents which are sent by mail.*

In ***the covering letter*** *the fact of sending of documents is informed to the addressee*

The review *is the document made for informing of subordinated and other organizations about works or about activity of group of establishments during the certain period.*

The report *is the document which contains data about performance of the plan, Exercises, orders, preparation and carrying out of actions. It is given to the official or higher establishment.*

The contract *is a document which fixes agreements of the sides about establishment of any relations and regulates these relations.*

The explanatory note *is made by the worker of establishment and it is given on demand of a head, on occasion - under the initiative of the subordinate.*

The direction *is the legal act which is published by state body mainly concerning information-methodical character, and also connected with the performance of orders, instructions and other acts of the management supreme bodies.*

The act *is the document made by several persons for confirmation of any facts or events (for example, at inventory or write-off of commodity-material assets in drugstores, transfer it to other head, check of the pharmaceutical order, withdrawal of medicines for the control, the fact of accident).*

Task 4

Learn the additional information and complete a marketing letter of a pharmaceutical company to a physician.



ADDITIONAL INFORMATION

A marketing letter to a physician may be written by a pharmaceutical company or a company manufacturing medical equipment. Physicians are busy people and are hard pressed for time. A crisp and well written letter written can succeed in getting the physician’s interest in your product. Follow this sample to write an effective marketing letter to a physician.

Marketing Letter to Physician Writing Tips:

- be very precise and to the point
- identify your company clearly
- avoid describing the benefits in too much detail (for medicines)
- praise the doctor for their efforts in health care/

From,

_____

_____

_____

Date _____ (Date of letter)

To,

_____

_____

_____

Dear Sir/Madam,

We at ———— (company name) would like to congratulate you for your outstanding work in the medical field in the city.

We are pleased to inform you about our new product, ———— (range/single product name).

It contains ————————- (mention contents). It can be prescribed for ———— (mention for what it can be given). This has been created after years of research at our labs.

Enclosed with this letter is a detailed literature about the product and also a sample. We hope we will have your valuable support in promoting this product.

I would be honored to visit you at your clinic to show you more samples and literature.

Thanking you

Yours truly

Signature and name.

Task 5

Learn database on medicines Pharma14 (use educational video and information on the website of the company https://www.pharma14.com) and fill the table 23:

Table 23

Main products	
Features	
Information users	
Country of origin	
Number of markets	
Number of medicines	
Frequency of updating	
Similar databases	



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Analysis of complaints and proposals coming to pharmacies, and directions for dealing with them.
2. Current trends in application of information technologies in pharmacy.

3. Problems of automation of the work of pharmacies, pharmacy networks and wholesale pharmaceutical firms regarding the management of the product range and stock and ways to solve them.

4. The role of automation in the management of relationships with clients of pharmaceutical organizations.

5. Possibilities and advantages of the automated working place of the pharmacist in terms of quality of service to visitors of pharmacies.

6. Analysis of popular drug search services in pharmacies of Ukraine (tabletki.ua, geoapteka.ua, etc.).

7. The condition and prospects of using electronic recipes in Ukraine and abroad.

8. Opportunities and prospects of using CRM-systems in pharmaceutical organizations.

9. The role of internet resources in the professional activities of pharmaceutical workers.

Conclusions to the class

THEMATIC MODULE 2
MANAGEMENT AND ENTREPRENEURSHIP. MANAGEMENT BY LABOR RESOURCES AND PERSONNEL OF ORGANIZATION

Topic 8. MANAGEMENT AND ENTREPRENEURSHIP

Objective: Fix theoretical knowledge of problems, functions, legislative regulation and features of entrepreneur activity in pharmacy, allocate and group of risks at levels of maintenance of quality of medical products and acquisitions of practical abilities of planning of enterprise activity, working out of projects and components of the business plan, the analysis of efficiency of investment contributions.

Theoretical questions

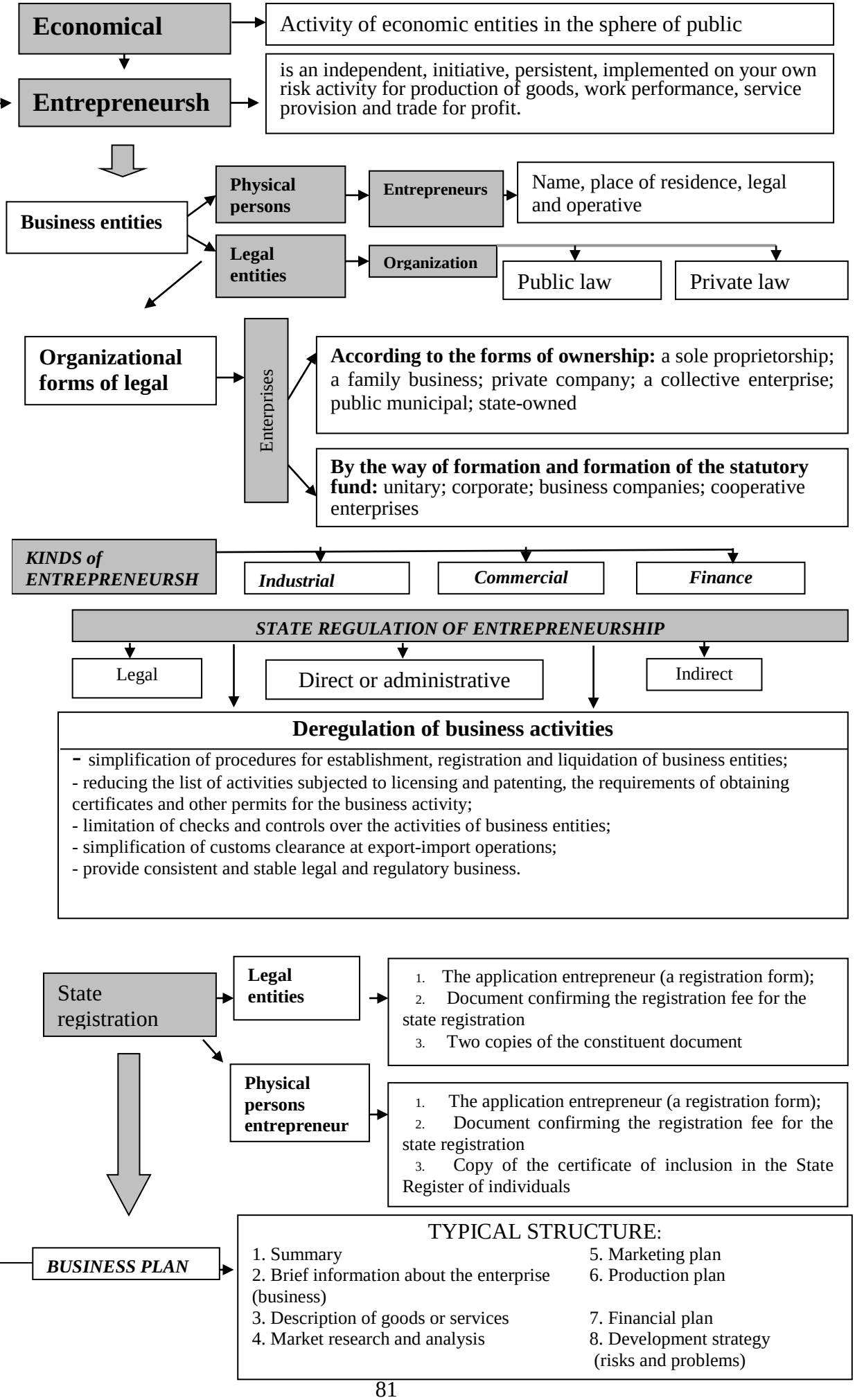
1. Economical and enterprise activity. Principles, kinds and organizational forms of enterprise. Subjects and objects of enterprises in Ukraine.
2. Government control and deregulation of entrepreneurial activity.
3. State registration and licensing of enterprise. Features of entrepreneurial activity in a pharmacy. Stages of pharmaceutical enterprise organization.
4. Planning of entrepreneurial activity. Development of business plan.
5. Stages of enterprise agreement realization.
6. Enterprise risk and ways of it reduction. Types of losses.
7. Business and social responsibility. Business ethics.



PRACTICAL AND SITUATION TASKS

Task 1

Make a comparative analysis of doing Pharmacy business in Ukraine and your country according to key criteria of The World Bank Table 24.


Economical
Activity of economic entities in the sphere of public
Entrepreneursh
is an independent, initiative, persistent, implemented on your own risk activity for production of goods, work performance, service provision and trade for profit.
Business entities
Physical persons
Entrepreneurs
Name, place of residence, legal and operative
Legal entities
Organization
Public law
Private law
Organizational forms of legal
Enterprises
According to the forms of ownership: a sole proprietorship; a family business; private company; a collective enterprise; public municipal; state-owned
By the way of formation and formation of the statutory fund: unitary; corporate; business companies; cooperative enterprises
KINDS of ENTREPRENEURSH
Industrial
Commercial
Finance
STATE REGULATION OF ENTREPRENEURSHIP
Legal
Direct or administrative
Indirect
Deregulation of business activities
- simplification of procedures for establishment, registration and liquidation of business entities;
- reducing the list of activities subjected to licensing and patenting, the requirements of obtaining certificates and other permits for the business activity;
- limitation of checks and controls over the activities of business entities;
- simplification of customs clearance at export-import operations;
- provide consistent and stable legal and regulatory business.
State registration
Legal entities
1. The application entrepreneur (a registration form);
2. Document confirming the registration fee for the state registration
3. Two copies of the constituent document
Physical persons entrepreneur
1. The application entrepreneur (a registration form);
2. Document confirming the registration fee for the state registration
3. Copy of the certificate of inclusion in the State Register of individuals
BUSINESS PLAN
TYPICAL STRUCTURE:
1. Summary
2. Brief information about the enterprise (business)
3. Description of goods or services
4. Market research and analysis
5. Marketing plan
6. Production plan
7. Financial plan
8. Development strategy (risks and problems)

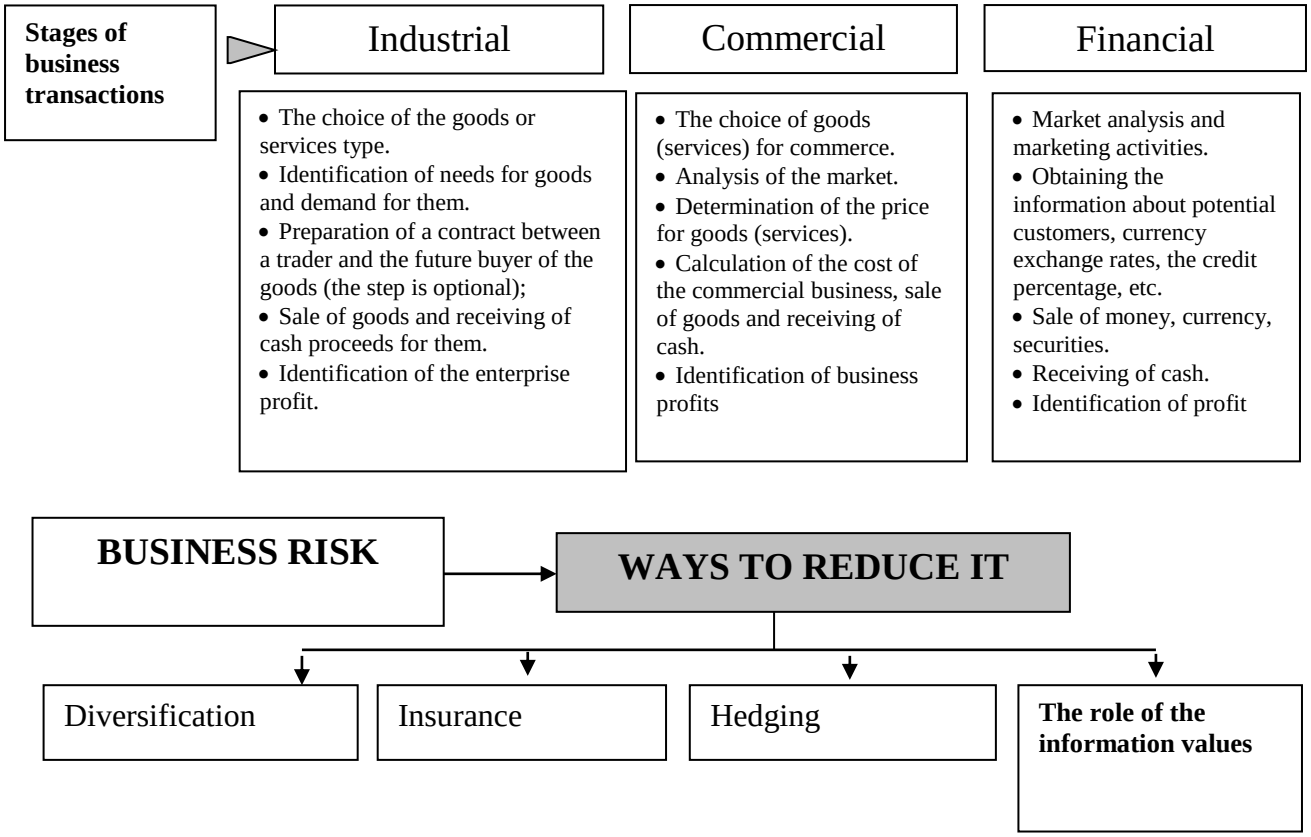


Fig.18. Structured-logical scheme of the topic «Management and entrepreneurship»

Table 24

Criteria	Characteristic
Starting a Business	Limited of business (license) Who are owners Number of Procedures Costs Paid-in minimum capital Reforms
Dealing with Construction Permits	Project-specific documents Time Cost
Getting Electricity	Procedures Time Costs
Registering Property	Procedures Time Costs
Getting Credit	Procedures Time Costs
Protecting Minority Investors	Protection of Shareholders
Paying Taxes	Total tax rate Specific taxes
Trading Across Borders	Countries for import and export Time of deliver, shipping ways Costs
Enforcing Contracts	Days to resolve a Commercial Dispute Court costs Quality of Judicial Processes
Resolving Insolvency	Recovery of debt in insolvency
Labor Market Regulation	Hiring Working hours Redundancy Job quality

Task 2

Determine sum, necessary for financing of opening of a chemist's shop according to offered structure of expenses (Table 25):

Table 25

№	Type of expenses	Average market amount, UAH	Deviations from the amount, UAH	Note
1.	The building (rent or own)			
2.	Trading equipment			
3.	The special equipment			
4.	Computer and cash register			
5.	The licence			
6.	A signboard and external advertising			
7.	Advertising campaign			
8.	Other expenses (household equipment, and appliances, communication, etc.)			
9.	Assortment of the goods (Commodity stocks)			
10.	Salary			
11.				
12.				
	In total			

Conclusion:

Task 3

Fill the Table 26 using propositions and additional information

Table 26

	Sole trader	Partnership	Private co	Public co	Franchise
Who owns					
Size					
Liability					
Who takes Profit					
Access to Capital					
Disadvantage					

Who owns	Partners, 1 owner, Shareholders, Franchise, Shareholders
Size	Most fairly small but some large, Large, Fairly small, Small, Small but may be part of very large organization
Liability	Most Unlimited, Limited, Unlimited, Limited, Limited
Who takes Profit	Partners, 1 owner, Shareholders, Divided between franchisor and franchisee, Shareholders
Access to Capital	Less than for PLC, Usually fairly limited, Limited, Limited by owner`s capital, Extensive
Disadvantage	Disagreements between partners, Limited capital, Franchisee has to share profit with franchisor, May be taken over, Hard work



ADDITIONAL INFORMATION

Typical samples of the different types of business organization outlined above are:

Sole traders - like small corner stores and newsagents. If you call out a plumber or electrician, they have a good chance of being a sole trader. Although they may also be part of a franchise arrangement or a partnership.

Partnership - your doctor or dentist may well be in partnership, as well as solicitors that help your family to buy a house or to make out a will.

Private companies - are typically small family businesses that want to keep the control of the business within the family.

Public companies - are the well-known national and international companies like Vodafone and Corus.

Franchises - are commonly found in Quick Service Restaurants such as McDonald's as well as in other food outlets, and services such as 24-hour plumbing.

Task 4

Join the stakeholder groups and what they may expect from the business.

Shareholders	To be given safe
Customers	To be paid corporation tax
Employees	To receive regular loan repayments
Suppliers	To get value for money
Local community	To be paid regular dividends
Government	To improve the surrounding environment
Financiers	To receive regular orders

Task 5

The pharmaceutical enterprise plans to produce the injection solutions. The credit was got in a sum 3338,5 thousand dol. for the purchase of equipment, substances, auxiliary materials. The sum of total revenue and expense in the first year of work made 3403,0 thousand of doll. and 2722,5 thousand of dol. accordingly, deprecation cost–350,4 thousand doll.; clear profit –476,3 thousand doll.; total sales amount – 4927,57 thousand of dol. Calculate the term of investments recoupment (IR), coefficient of profitability (ARR), coefficient of investment capital return (ROI). Make the proper conclusions.



ADDITIONAL INFORMATION

The term of investments recoupment (IR)*:*

$$IR = \sum_{n=0}^{N} \frac{I_n}{D_n - B_n}$$

where I_n *– the sum of investments in the n-year, doll.;*

D_n *– the sum of total revenue in the n- year, doll.;*

B_n *– the sum of general expenses in the n-year (without deprecation cost);*

N – number of year (n = 0, 1, 2 .... N)

n– is horizon of calculation (the number of investments redemption year).

Coefficient of profitability *(or coefficient of investments efficiency):*

$$ARR = \sum_{n=0}^{N} \frac{D_n - B_n}{I_n}$$

Coefficient of investment capital return *(or coefficient of profit norm on a capital):*

$$ROI = \frac{CP_n}{VP} \cdot \frac{VP}{I_n} \cdot 100\%$$

where CP_n *– the clear profit in the n-year, doll.;*

VP – total sales amount in the n-year, doll.

Task 6

The pharmaceutical firm «Farm life» plans to get a profit (NP) – 10000 doll. from realization of «Klotrisal» gel

To calculate the volume of products (Qp.) that must realize to acquire the profit, if the price of Klotrisal» gel makes a 2,5 doll., variable charges (VC) for it –1,88 doll., the permanent charges (FC) – 6200 doll.



ADDITIONAL INFORMATION

Volume of products (Qp):

$$Q_{пл.} = \frac{NP + FC}{MR}$$

$$MR = P - VC$$

where: NP – the clear profit, doll.;

FC – the permanent charges, doll.;

MR – the marginal profit, doll.;

P – the price of a product realization, doll;

VC – the variable charges of a product, doll.

Task 7

Psychological test

"Do you have an interest in entrepreneurship?" Suppose that after the appropriate training you can do any work. But if you would have to choose only two possibilities, what would you prefer? Mark your choice with the "+" sign in the Table 27.

Table 27

1.	Permanent deal with money	or	Draw charts, tables, graphs
2.	To do all work from the beginning to the end	or	Follow the instructions of the chief
3.	Make decisions about personal	or	Decisions on work of machines

	success and income		and mechanisms
4.	Do not have a moment to rest at work	or	Work in the rhythm that he himself chose
5.	Work under the press of constantly receiving new information	or	Do work that does not require constant self-improvement
6.	Work in time-shortage mode	or	Free dispose of working time
7.	Make decisions in a financial risk situation	or	Performing day by day the same functions
8.	Constantly communicate with people	or	Work in conditions that do not require permanent communication
9.	Choose from several opportunities one	or	Work on a pre-planned task
10.	Get new resources and resources	or	Combine available resources
11.	Perform actions whose consequences are hard to predict	or	Do actions that do not have long-reaching consequences
12.	Individual response for all their actions	or	Be responsible for a narrow scope of work
13.	Responsible for other people’s actions	or	Do not think how your work will affect the overall result
14.	Always be on the alert	or	Do not depend on the current circumstances
15.	Forecast the consequences of your decisions a few steps forward	or	Decide on a narrow range of special tasks
16.	Good to understand at once in many things	or	Good to understand your specific work
17.	Good to understand people and be able to convince	or	Adapt well to the people
18.	Do not refuse big business	or	Do not seek to work for others
19.	Be able to calculate the benefits and losses	or	Be poor
20.	To be able to offer a "product face"	or	After completing the work, it’s easy to do another one

Task 8

Group the risks or pharmacy by degrees of influence on the activity (minimum, small, medium, high, maximum and critical risks) (Table 28).

Table 28

Kind of risk	Degree of influence	
damage or change of properties of drugs during storage		
ineffective management of warehouses		
End of expiry date of drugs		
risk of wrong pricing		
conflicts in the collective		
lack of suppliers of necessary resources		
risk of an erroneous sales strategy		
risk of ineffective communication policy		
risk of incorrect merchandizing (accommodation of the goods)		
risk of delays in the fulfillment by the partner of volatile contractual obligations		
risk of insufficient qualification of personnel		
Risk of unscrupulous attitude of staff to work		
risk of inadequate assessment of the consumers' needs		
miscalculations in terms of supply		
changes of the population incomes		
risks of unpredictable competition		
price competition		
imperfection of the country's legislative base		

Conclusion:



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. The Drugstore as public health services establishment and production and trading company.
2. Use of business plans in pharmacy.
3. The Medicinal product as a special kind of the goods.
4. Economic and not economic indicators of drugstore activity.
5. Social packages as components of social protection of pharmacy workers.
6. Modern organizational-tax systems in pharmacy.
7. Lacks and the latent threats of unstable labor relations in pharmaceutical sector in public health services.
8. Risks management of pharmacy.
10. Ethics and social responsibility of business.

Conclusions to the class:

Topic 9. MANAGEMENT OF LABOR RESOURCES AND PERSONNEL OF PHARMACEUTICAL ORGANIZATION

Objective: To consolidate theoretical knowledge about the principles of the formation and development of labor resources, the structure of pharmaceutical education and acquire practical skills regarding the development of areas of personnel management.

Theoretical questions

1. Manpower management. The role of the personnel management.
2. Principles and general Exercises of the personnel management.
3. Labor force planning. Recruitment and selection process.
4. The structure of Curriculum Vitae (CV).



PRACTICAL AND SITUATION TASKS

Task 1

Compare these definitions in accordance with the characteristics presented in the table 29: staff schedule, human resources, curriculum vitae (CV), employment, staff (personnel), personnel management, manpower policy.

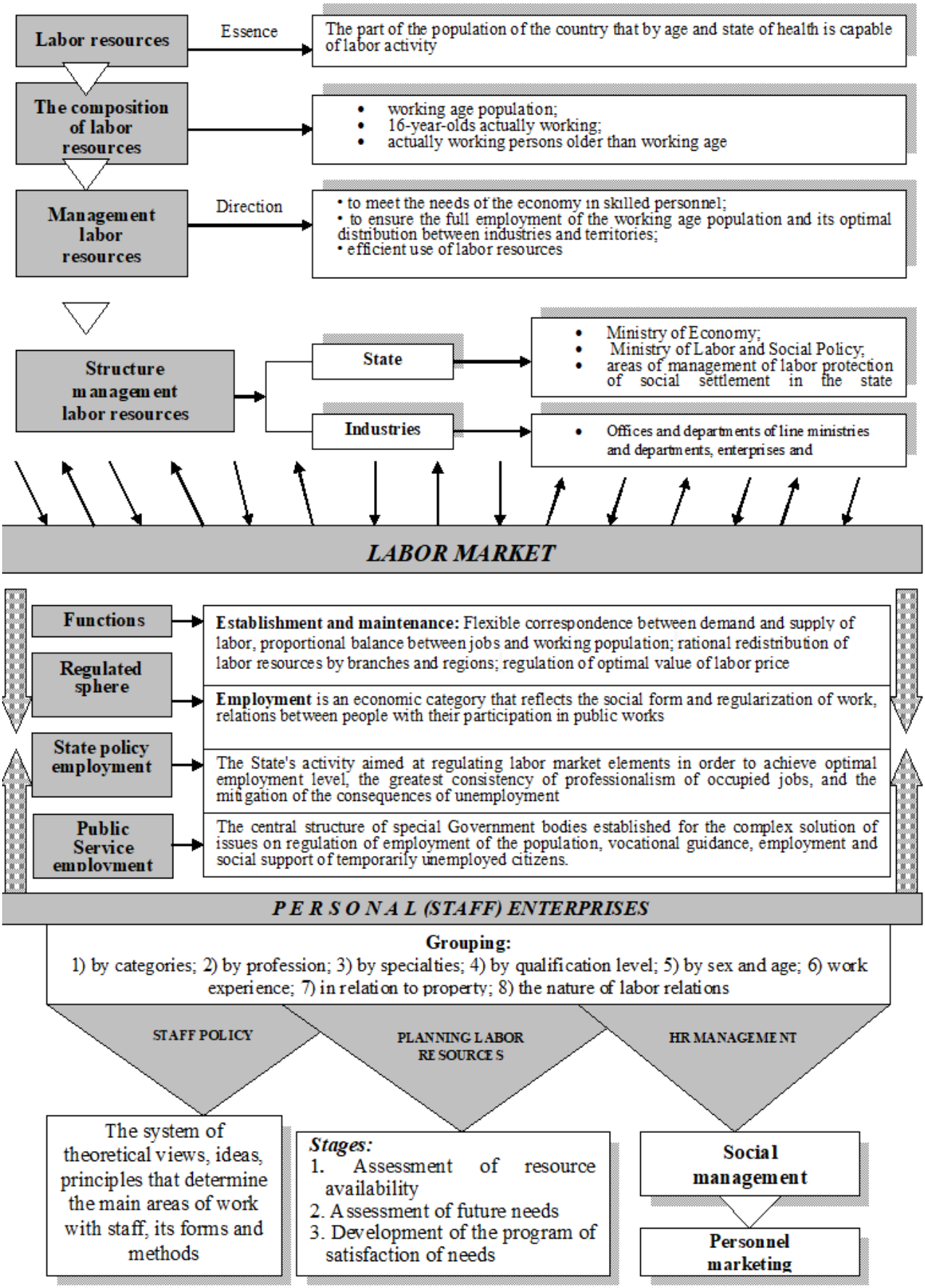


Fig. 19. Structural and logical scheme of the topic «Management of labor resources and personnel of pharmaceutical organization»

Table 29

Characteristics and definitions of management of human resources and personnel of organization

№	The characteristics	The definitions
1	part of the country's population, which by age and the state of health is capable of work	
2	a general economic category, which reflects the public system of work, conditions of employment, mutual relations between people in their participation in social activities.	
3	a complex of permanent employees who have received the necessary professional training and (or) have the practical experience and provide the activities of a business entity	
4	the internal normative document of the entity that specifies the list of positions existing in the organization, the number of employees in each of them and the size of their monthly salaries	
5	complex of socio-legal, organizational, economic and psychological measures of the state to form, use and renewal of labour (human) capacity	
6	the sense of managing people can be said to be part of the role of every person who is responsible for the work of others.	
7	the way to inform the employer about the most important characteristics of the applicant for a job in the organization.	

Task 2

Analyze the stages of selecting a candidate for the position of manager for the purchase of drugs and medical products of a pharmaceutical organization.

An example of a solution

The stages of selecting a candidate for the position of manager for the purchase of drugs and medical products of a pharmaceutical organization.

Stage 1:

Ad placement (Internet, newspaper, specialized magazines)

Example: A wholesale pharmaceutical company in Kharkov needs a sales manager. Job responsibilities: organization of sales of products, independent negotiation, accounting of shipment and payment, shipment planning. Experience in working with medicinal products, medical products).

Requirements for candidates: higher education, desirable experience in the pharmaceutical sector.

Salary from 7000 UAH + Percentage of sales + Bonuses + Social package.

CV send by e-mail.

Stage 2:

Review summary (summary attached)

Stage 3:

Selection of the relevant resume (usually 3-5% of the total array)

Stage 4:

Contact with applicants by phone (primary interview): acquaintance, a brief description of the company, several requests, which are specified for the summary, the coordination of common questions, the request for recommendations (if any).

Stage 5:

Decision-making for an on-going (targeted) interview

Stage 6:

Conducting an on-site (target) interview: a structured interview (with the possibility of using psychological testing, graphical examination)

Stage 7:

Making a decision to hire or continue to search.

Task 3

Discuss the list of questions that may arise from the employer and the applicant for work during the interview.

List of possible questions at the interview:

1. "Tell me about yourself"

Task 4

Develop Curriculum Vitae (CV) for a candidate for one of the positions: a sales manager in a wholesale company, a pharmacy manager, a pharmacist, a marketing specialist in a pharmaceutical company.



ADDITIONAL INFORMATION

First name(s) Surname(s): *full name of the applicant.*

Contact details: *indicate your address, phone numbers and e-mail address. It is appropriate to specify the coordinates in the programs for communication: Skype and ICQ. A common mistake is to specify accounts in social networks.*

Personal data: *indicate the age, marital status and family composition (number and age of children).*

Purpose: *it is recommended to write in the form of one sentence, the skills that you want to develop (they need to be called).*

Desired position: *name the position you are applying for. Salary: specify the desired salary. Be sure to indicate if you are hoping to receive part of the salary as a percentage of sales.*

Education: *name the institute, the faculty and the qualifications obtained. Indicate the year of receipt of the diploma.*

Work experience: *indicate the last jobs. In some cases, it is necessary to indicate not the last jobs, but the most significant or close ones towards the work you are applying for.*

Computer skills: *specify the programs and packages with which you work at the level of an experienced user. Be sure to specify if you are using the method of blind typing.*

Driving experience: *indicate the category of rights and your practical driving experience, if any.*

Foreign languages: *list the languages with which you can work. Be sure to indicate your level of proficiency in each language: free communication, professional speaking, reading and translation with a dictionary.*

Personal qualities: *employers especially appreciate: responsibility, honesty, attentiveness, stress resistance, independence, organizational skills, results orientation, analytical mindset, teamwork, creativity, ability to learn, initiative and*

high performance. We advise you to specify no more than 5-6 items, the most important for a particular position.

Hobbies: *an optional item in which you can list your hobbies and hobbies.*



EXAMPLE OF IMPLEMENTATION

Curriculum Vitae (CV)

Trushkina Svetlana Aleksandrovna	
	Svetlaya street 12, apt. 3, Kharkov city Tel: 097-341-32-23 E-mail: trushkina@ukr.net
Personal data	
Age	21 years (11/04/1996)
Marital status:	Single, no children
Goal	
Work in a stable company with the prospect of career growth. Development of creative and analytical skills, gaining new experience.	
Salary	By agreement
Education	
5th year student:	National University of Pharmacy. Faculty: pharmaceutical
Qualification obtained:	Bachelor
Work experience	
Skills robots with a computer	Skills robots with a computer at the level of an experienced user: Microsoft Office, Internet Explorer, etc. Knowledge of operating systems: Windows, Linux
Presence of a driving license	Presence of a driving license Category "B"
Languages	English– fluent Ukrainian and Russian – basic (working with texts and documents)
Personal qualities	Communicability, responsibility, diligence, attentiveness, creative approach to accomplishment of tasks, ability to work in a team, ability to learn fast, high working capacity

Task 5

Allocate motives of staff turnover at the pharmaceutical industrial enterprise according following groups (table 30):

Conflicts with employees, unsatisfactory domestic conditions, a state of health, overload, discrepancy of a post, loss of authority, a low wage, an operating mode, professional skills, absence of opportunities for professional growth, absence of the abilities, absence of trust of collective, insufficient experience, family circumstances, absence of encouragements.

Table 30

Motives of personnel turnover in the pharmaceutical organization

Professional	Organization and operating conditions	Personal	Level of satisfaction material benefits	Relations in the collective

Task 6

Determine the type of rotation of the frames in the presented Fig.20.

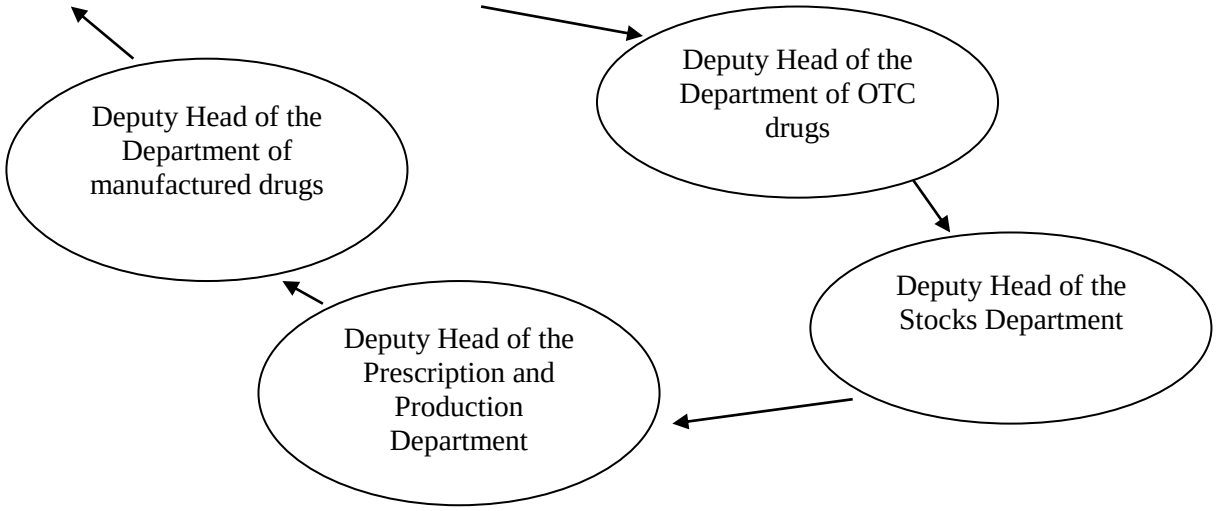


Fig. 20. Rotation of staff

Conclusion:

Task 7

The wholesale pharmaceutical company "PharmLife" has 950 clients, among them:

- 70 drugstores of type "A" (large drugstores with high distribution potential),
- 320 drugstores of type "B" (medium distribution potential);
- 600 drugstores of type "C" (drugstores with low distribution potential).

The planned amount of visits of the sales representative of the company in each of drugstores are 35, 15, 8 visits a year accordingly. One sales representative makes 9 visits per one working day; working week is 5 days; 8 weeks a year are necessary on holidays and days of temporary invalidity.

Define amount of sales representatives which are necessary for the pharmaceutical company at the set base of clients.

Conclusions:



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Analyze the stages of selecting a candidate for the position of a sales manager in a wholesale pharmaceutical company that sells drugs and medical products.

2. Describe a list of issues that may arise for the employer and job seeker during the interview.

3. Develop criteria for assessing the business and personal qualities of the applicant for the position of pharmacist in the pharmacy.

4. Develop criteria for assessing the motivation of an employee of a pharmaceutical organization to pursue a business career.

Conclusions to the class:																						

Topic 10. GROUP DYNAMICS AND MANAGEMENT IN THE PHARMACEUTICAL ENTERPRISES SYSTEM. MANAGEMENT OF CONFLICTS, STRESSES

Objective: To consolidate theoretical knowledge about the basic concepts of group dynamics, the reasons for the occurrence and significance of formal and informal groups in the system of pharmaceutical and pharmacy enterprises, the causes and consequences of conflicts, organizational changes and stress, to study the role of pharmaceutical ethics and deontology, and to acquire practical skills in developing a personnel management system, to increase the efficiency of the group's work and to determine the methods of getting out of a conflict situation.

Theoretical questions

1. Group dynamics in the system of pharmaceutical and pharmacy enterprises.
2. Formal and informal groups.
3.Factors affecting the effectiveness of the group.
4. Conflict management.
5.The concept of conflict and the reasons for its occurrence.
6. Types of conflicts and methods for managing them.



PRACTICAL AND SITUATION TASKS

Task 1

Compare these definitions in accordance with the characteristics presented in the table 30:

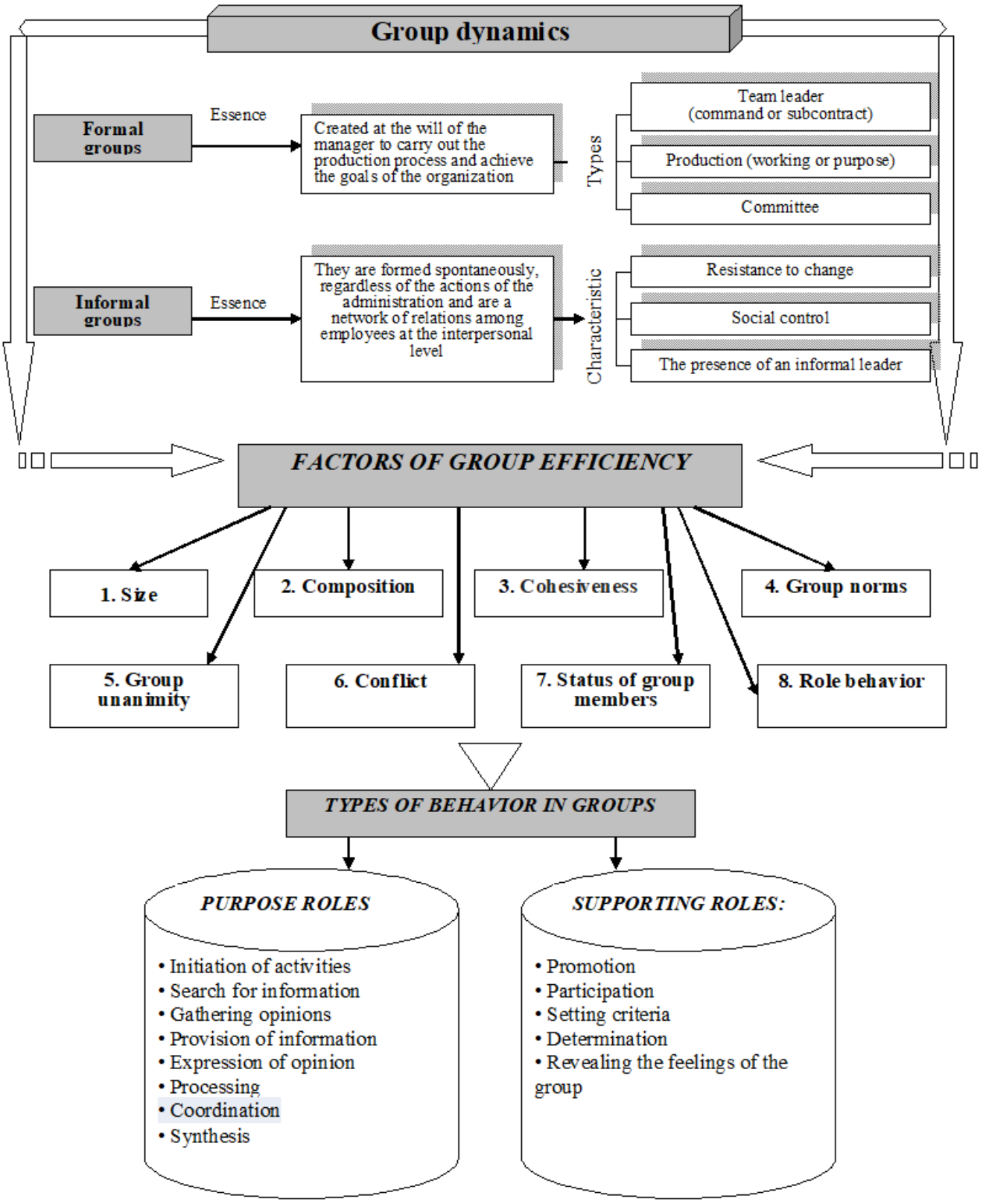


Fig.21.1. Structural and logical scheme of the theme «Group dynamics and management in the pharmaceutical enterprises system»

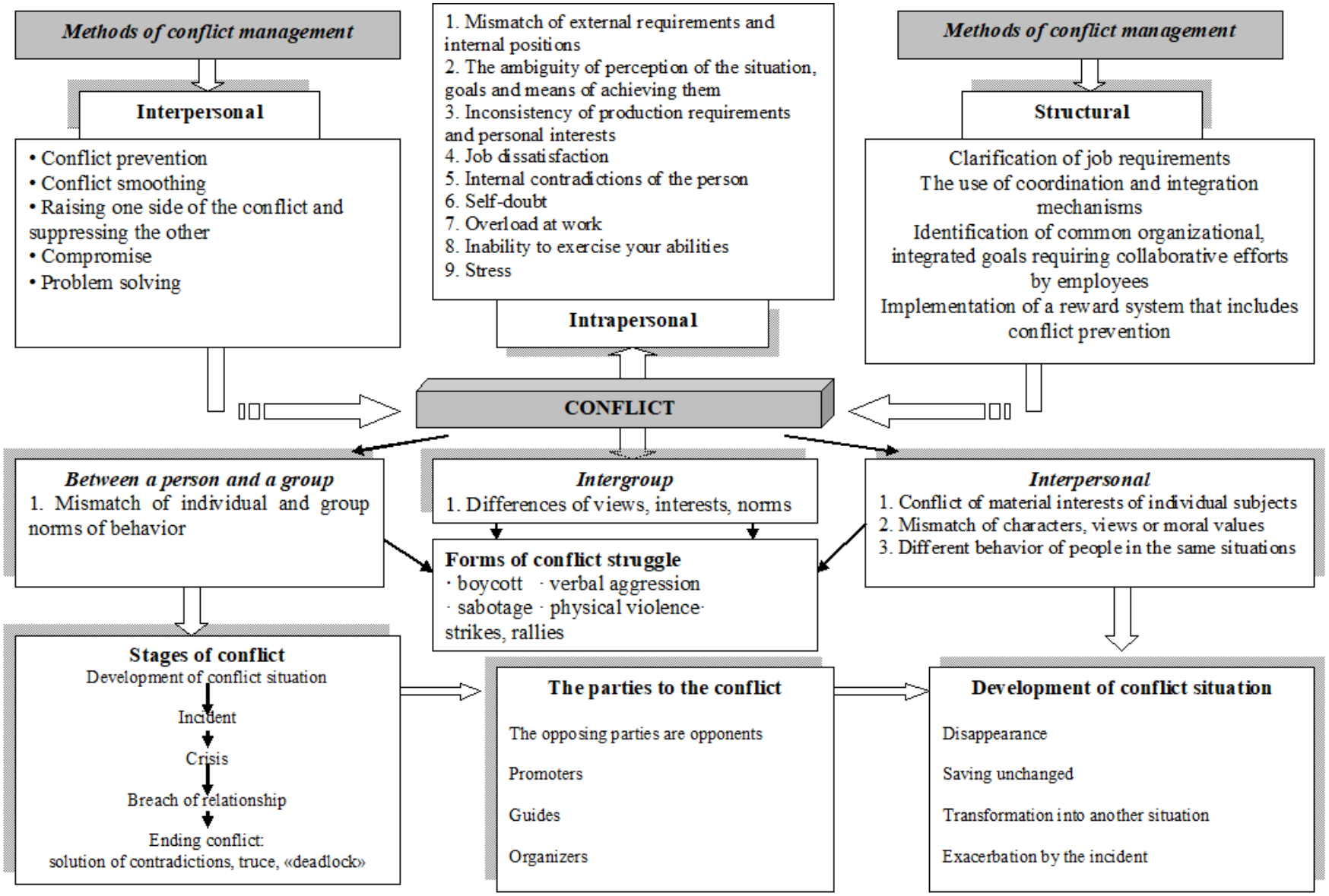


Fig.21.2. Structural and logical scheme of the theme «Management of conflicts, stresses»

Table 30

Characteristics and definitions of group dynamics and management in the pharmaceutical enterprises system

№	The characteristics	The definitions
1	groups are created by the will of the head to perform the business process and achieve the goals of the organization	
2	The group is composed of a director and his direct subordinates, who, in turn, can be the heads of departments. The official task of this group is to manage the company	
3	The group usually consists of individuals who work together to perform a specific task and solve important issues.	
4	A group within an organization with delegated authority to perform any task or set of tasks.	
5	Groups are a sense of belonging since a formal group is not always able to assist the implementation of this feeling, and often interferes.	

Task 2

Provide in the form of a scheme (Fig. 22) a list of factors that affect the effectiveness of the group. Explain the role of each factor.

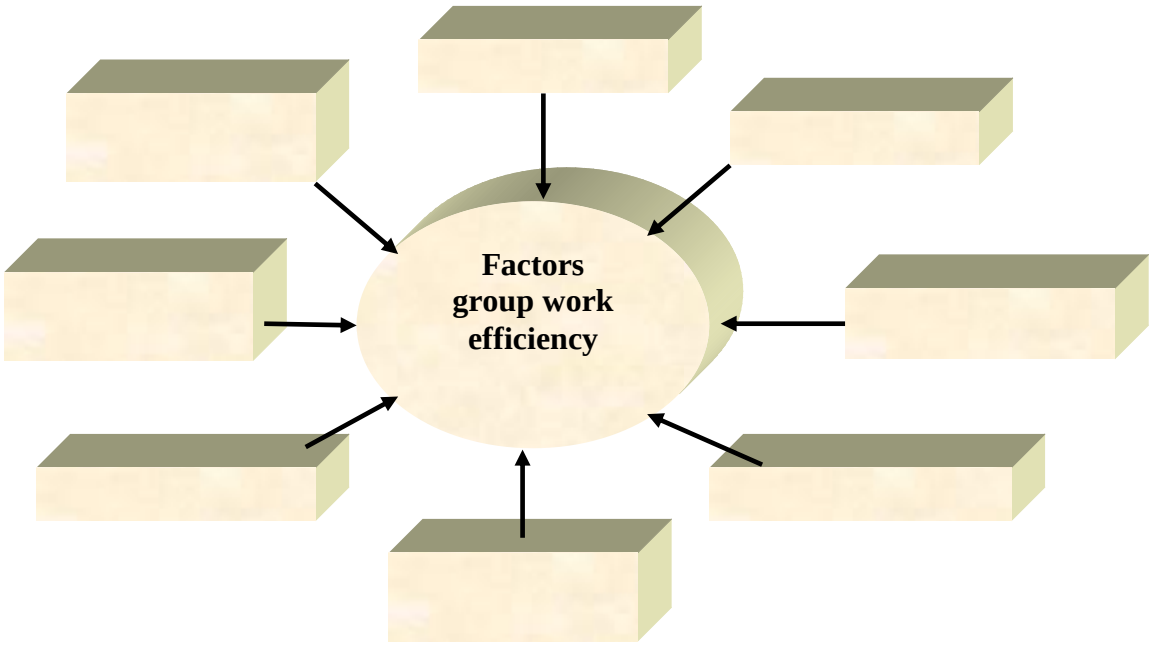


Fig. 22. Factors that affect the performance of the group

Task 3

Teambuilding training (team work)

1. Exercise "Dream".

The goal: the formation of a trust in the group, the awakening of interest in the topic of professional self-determination.

Each participant within three minutes is invited to write on the card, who he wanted to be in childhood and why. Then the anonymous cards are handed over to the presenter, who mixes them and again distributes them to the participants in an arbitrary order. Each participant must "get accustomed" to the image of an unknown author, read out what was written, suppose that his opinion changed, now that he has grown up. If it has changed, why? The other participants listen attentively, ask questions.

2. Exercise "We will know each other better."

Goal:

• motivate participants to work together.

Tools:

• sheets of paper;

• pens or pencils for participants.

Holding the game.

The coach asks the participants to pair up and interview each other, asking questions about what a person dreams of becoming, what he likes most in life, about his greatest achievements, hobbies, etc. Time for the interview – 7 minutes (for 3, 5 minutes for each participant in a pair).

After the end of the interview, each person from the couple represents his partner (tells about him) to the whole group by the following formula:

"Everybody knows that Andrei ..., but no one knows that he ..." – 5 facts.

Total time: 20 minutes.

3. Exercise "Know the drawing (do you know each other well?)"

Goal:

• help participants get to know each other more deeply;

• Create motivation for teamwork.

Toolkit: whiteboard; Painting tape; markers; paper.

Carrying out the game

The coach asks the participants the question: "How long have you been working together and do you know each other well?"

After the answers of the participants, the following instruction is given: "Draw, please, your portrait in this team, as you see yourself in it. Do not sign drawings.

After the completion of the work, the trainer collects the drawings in a common pack. Then he selects a picture from the pack, attaches it to the board (you can first start the drawing in a circle so that everyone looks at it closely) and conducts a discussion with the group on the following questions: • What kind of person is this? • Who can it be?

Participants guess the author of the picture.

After the group has learned who was the author of the drawing, the coach asks him to tell about himself something extra (at the request of the participant). Thus, in turn, the drawings of all the participants of the group are discussed.

4. Exercise "Chains"

Goal:

• motivate participants to work together;

• help relieve tension;

• give everyone a sense of responsibility to other team members;

• generate trust in each other

• Work to unify the team.

Carrying out the game

The game is played in several stages.

1. The coach asks the participants to pair up and stand in the back of the head to each other. Then the following task is given: "The participant who stands behind will control the movement of the front player (it is possible and verbally). Standing closes his eyes, trying in accordance with the team’s instructions to walk around the room for 2 minutes. The pace of movement (slower, faster, even faster) is changed by the coach’s command. The problem is not to collide with other moving pairs. After 2 minutes the participants in the pairs change roles and 2 more minutes continue the movement in a different order.

2. Participants are united in threes. They are given the same task, only now when the eye moves close the first two, so that only the third participant who controls the movement remains open.

3. The group chooses three leaders to perform the third stage.

The whole group lined up in a column one after another. Only the first participant's eyes are open, all the others close them. The task of the first participant will be to hold the entire column for a certain distance or, as in the first two stages, to drive the column slowly at first, and then faster and faster.

After the exercise, a group discussion is held.

Issues for discussion:

• What was easier when doing the exercise?

• What was the hardest part of the exercise?

• How did you feel in the role of the lead and the role of the slave?

• What role was more difficult and why?

• What was easier?

• Did you feel the confidence in the other members of the team?

Task 4

Perform exercises to study and evaluate the personality.

Exercise 1

Before you a sheet for evaluation. Do the following procedures (work on a separate sheet):

a) on each line of the differential, check the box depending on whether you consider yourself closer to the left or the right criterion, then connect all the points obtained and get your personal section:

		+2	+1	0	–1	–2	
1.	optimist						pessimist
2.	is credible						Mistrust
3.	explanatory						stupid
4.	tactful						tactless
5.	unconstrained						constrained
6.	independent						dependent
7.	self-assured						not sure about myself
8.	bold						indecisive
9.	comradely						closed

10.	active						passive
11.	sensitive						indifferent
12.	confiding						suspicious
13.	complaisant						unyielding
14.	altruist						egoist
15.	erudite						limited

b) ask your colleagues to rate you by the same procedure;

c) compare the two profiles, and you will receive information for reflection.

Exercise 2

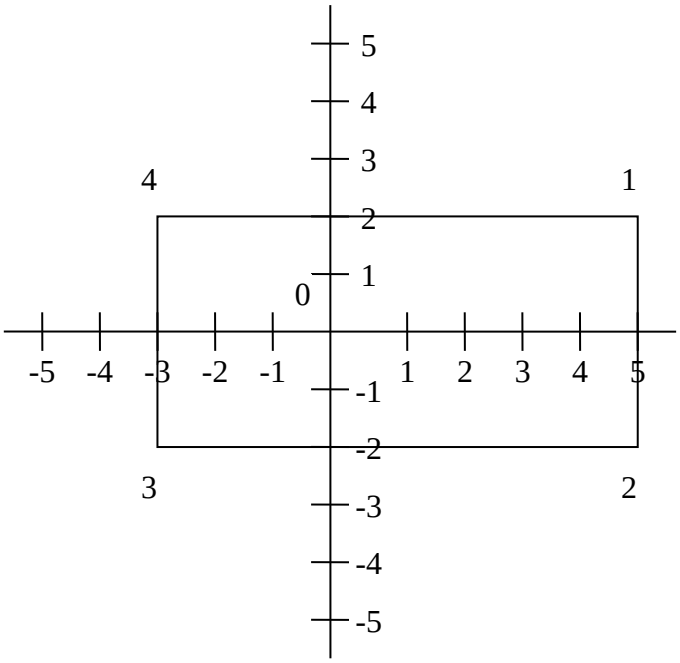
There are 12 statements before you. Carefully read each of them and decide if it applies to you personally. If applicable, put "yes", if not apply – put "no". Do not hesitate for a long time. The best answer is the one who comes to mind immediately (work on a separate sheet).

1. Do business without planning ahead.
2. It happens that you feel happy or unhappy for no apparent reason.
3. Feel happy when doing something that requires immediate action.
4. Your mood changes from bad to good for no apparent reason.
5. When you start new acquaintances, you are the first to take the initiative.
6. You are often in a bad mood.
7. You have a tendency to act quickly and decisively.
8. It happens that you try to focus on something, but you cannot.
9. You are a passionate person.
10. It often happens that in a conversation with others you are only physically present, but your thoughts are far away.
11. Feel uncomfortable when there is no possibility to communicate.
12. Sometimes full of energy, and sometimes very passive.

Data processing

Postpone the number of "yes" answers to all statements with odd numbers horizontally to the right, the answers "no" to the left. For statements with even numbers: the number of answers is "yes" – up, "no" – down. Draw the lines parallel to the axes through the received coordinates. The area of the received rectangle reflects your temperament. The location of the square by sector shows the priority of

temperament in your character: sector 1 – choleric, sector 2 – sanguine, sector 3 – phlegmatic, sector 4 – melancholic. Remember that pronounced characters are not so common!



Example of registration of test results

Conclusions:																					



ADDITIONAL INFORMATION

Temperament *- individual characteristics of behavior and activity, constantly repeated from situation to situation. Back in ancient times, the Greek physician Hippocrates assumed that all people can be divided into four types: choleric, sanguine, phlegmatic and melancholic.*

The ***choleric*** *is characterized by passion, emotionality. Choleric people are full of energy, energetic, but often they do not know how to calculate their strength, they quickly waste it, and then work with overstrain, leading themselves to nervous exhaustion. They give themselves to the business with exceptional passion, however, they are not balanced and are subject to mood swings.*

Sanguine *- a man alive, agile, quickly responds to surrounding events. Without visible efforts can switch his attention from one subject to another, he knows how to distribute attention. Sanguine easily "light up" a new thing, but also quickly "cool", often do not bring it to the end, they lack patience and strong-willed pressure to achieve the goal. Relatively easy to experience failure and trouble.*

Phlegmatic *- calm, slow, unflappable person, with steady aspirations and more or less constant moods. Serious in everything, even in leisure and entertainment. In his relations with his comrades, he is sociable. However, it can be slow. In appearance, phlegmatic is difficult to determine - he worries or is calm.*

A ***melancholic*** *is not talkative, not sociable, emotionally sensitive, and more often - a vulnerable person. It is difficult to enter into new acquaintances. Getting into a stressful situation, a melancholic fuss, feels distracted, sometimes locked in himself. It's easy to be vulnerable, deeply experiencing even minor failures and little troubles. They are people of honor, conscience and devoted to comrades.*

Exercise 3

25 statements are proposed below. Decide whether these statements apply to you. If relevant, answer "yes", if not apply "no" (work on a separate sheet).

1. I often have a headache.
2. When I work, I quickly get tired.
3. I can not concentrate on anything.
4. I'm worried about one thing.
5. When I do something, my hands are shaking.
6. I often worry.
7. I often have nightmares.
8. I sweat even in cold weather.
9. I feel hungry all the time.
10. I often feel bad.
11. Periods because of anxiety I lose sleep.
12. It's easy for me to lose my temper.
13. I'm more sensitive than others.
14. I often worry about something.
15. What a pity that I'm not as happy as the others.

16. I can easily cry.

17. When I have to wait, I'm nervous.

18. Periods I feel so happy that I cannot sit still.

19. I strongly pass before difficulties.

20. Sometimes I feel my disinterestedness.

21. I'm a shy person.

22. I believe that everything is difficult for me.

23. I'm always tense.

24. Sometimes I feel overwhelmed.

25. I shy away from work.

Evaluation of results.

If the amount of "yes" does not exceed 3 - your adaptation is high; if 3-10 is the average; more than 10 – low; 20-25 – consult a doctor.

Conclusions:

Task 5

Perform the test "Assessment of the psychological climate in the team" (Table 31). For each of the following items, on the left and on the right, determine the degree of expression of a statement by numbers from -3 to +3. It should be borne in mind that the estimates mean:

3 – the properties always appear;

2 – properties are manifested in most cases;

1 – properties are manifested, but not often.

Table 31

Test for the definition of psychological microclimate in the team

1.	In the team has the advantage of a cheerful atmosphere.	In the team has the advantage of a depressed mood.
2.	They have the advantage of goodwill in relationships, mutual sympathy.	Have the advantage of conflict in the relationship, aggressiveness, antipathy.
3.	The members of the team like to be together.	Members of the team express a negative attitude towards joint activities.
4.	The successes or failures of	Successes cause envy, failure –

	comrades are experienced together.	gloating.
5.	Members of the team respect the opinions of others.	Everyone is intolerant of the opinion of comrades
6.	One for all and all for one.	Each for himself.
7.	A sense of pride for each member of the team.	Members of the collective are indifferent to others.
8.	Every active, full of energy	Employees are inert, passive.
9.	Compatible business of all admire.	The collective cannot be raised in compatible cases.
10.	In the team, employees fairly treat each other.	The collective falls into privileged and outcasts.

To process the results, you must add up all the positive scores, then negative scores and subtract the smaller ones from the larger amount. Next, the result is divided by 10. Now we can judge whether the psychological climate favorable to the team (3, 2, 1) or unfavorable (1, 2, 3).

Conclusions:

Task 6

Compare the essence of behavior and interpersonal methods of conflict management: compromise, evasion, accommodation, compulsion, and collaboration (Table 32).

Table 32

The essence of behavior and interpersonal methods of conflict management

The essence of behavior	Interpersonal methods of conflict management
The desire to achieve one's own at the expense of another; It involves focusing only on one's interests, completely ignoring the interests of the partner	
Avoid responsibility for solutions; characterized by a lack of attention, both to their own interests and to the interest of the partner.	
Smoothening of disagreements at the expense of one's own interests; involves increased attention to the interests of the other, while their own interests recede into the background.	

Search for solutions through mutual concessions; represents the achievement of "half-hearted" benefits by each party.	
Find a solution that satisfies all participants; is a strategy that takes into account the interests of both sides.	

Task 7

The purpose of the presentation is to identify the customer's needs and their satisfaction. But very rarely the presentation, like any business conversation, does without objections from the client. Objections reflect the client's opposition in verbal form. It is important to remember that by bringing objections, the client shows his interest in your proposal.

In the right-hand column of Table 33, give the answer of the medical representative to the doctor's objection using one of the suggested methods.

Table 33

Characteristic of objections and answers to them

Objection of the client	Response to the objection
I have been prescribing the drug "X" for many years and I am confident in its effectiveness	
Your company is not known to any of our employees	
I was told that the effect of your drug "U" has no evidence base	
Your drug at a price surpasses all analogues	
I'm used to working only with original drugs	
I'm not familiar with the preparations of your company and do not want to take risks	
I'm not interested in this information	
Visits of medical representatives take too much time	
The drug has too many side effects	



ADDITIONAL INFORMATION

Consider several methods of working with objections and try to apply them in practice.

The method "neither fish nor meat"

1. Demonstrate understanding to the doubts and vibrations of the partner and express it in words.

2. Consider the problem from a different angle, bring new arguments, trying to gently change the partner's point of view. Create the conditions for him to acknowledge the error of his opinion and correct it! Refrain from direct contradictions! Instead, give an impetus to the emergence of alternative thoughts.

Example:

"Thank you for your visit, but it's very difficult to work with your company"

"I understand that you could face some problems in working with our employees. That is why we are ready to offer you special conditions for you. Are you interested in what we want to offer you?

Method "Yes, but ..."

It allows you not to directly contradict your partner, so as not to harden it and not turn the presentation into a quarrel. At the same time, one should not leave objections unanswered.

Psychologists recommend in this case to answer with the consent: "Yes, it's understandable", "Yes, I understand you", "Yes, you are right", while not only consent but also pauses are important, and then bring your argument in support of your point of view.

Example:

"Thank you for your visit, but it's very difficult to work with your company"

"Yes, you are right, but you will agree that the preparations of our firm are well known to specialists, and their effectiveness is beyond doubt. In addition, we are ready to change the methods of working with specialists of your level".

Task 8

There are many clients in a pharmacy every day. During a working day a pharmacist does not have time to rest (except for a lunch break). All of pharmacists

try quickly and professionally to execute the work. But one pharmacist spends more time for every clients and creates a queue. The second pharmacist works quickly and decides to rest, not inviting clients from the queue. Dissatisfacted colleague made him remark. Conflict appears.

To analyze situations. To describe the stages of development of conflict and offer the possible variants of their decision (Fig. 23).

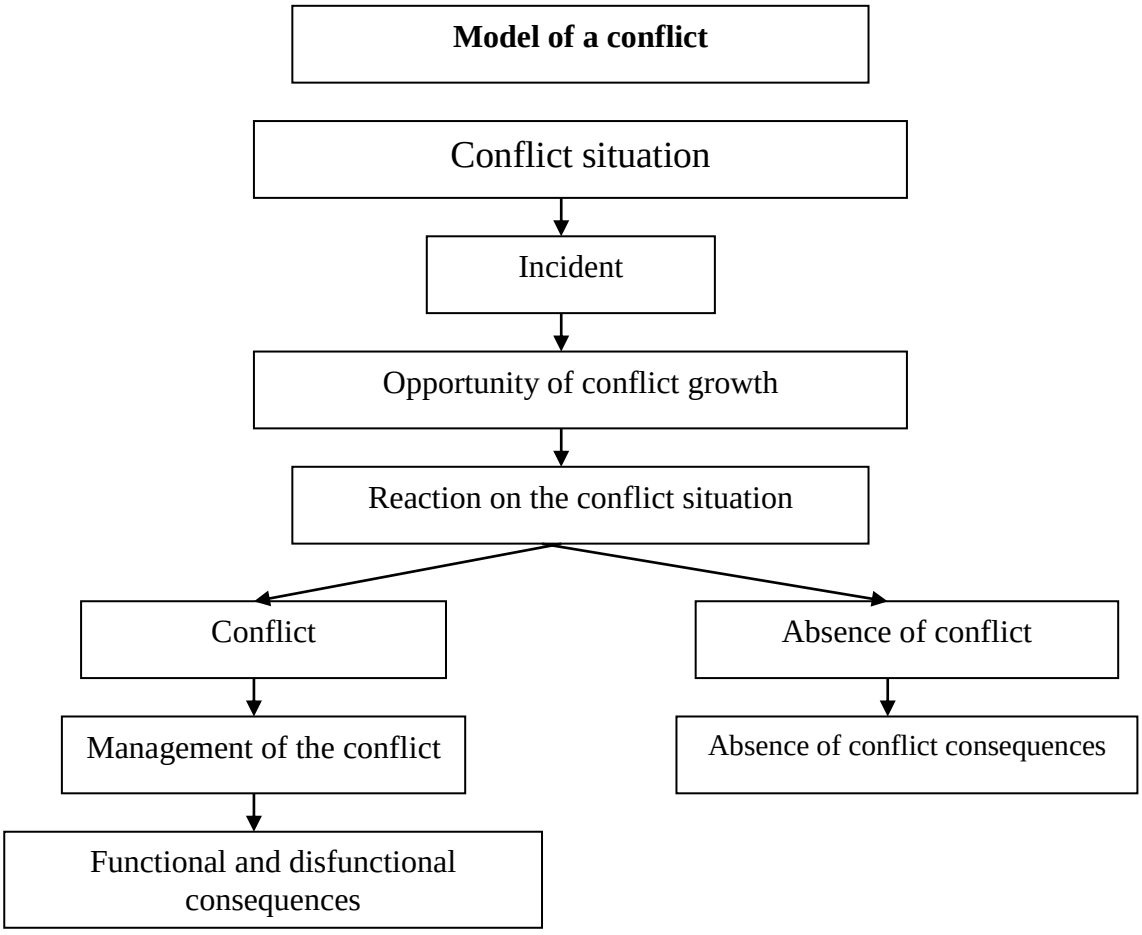


Fig. 23. The stages of development of conflict

Conclusion:



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. What is the difference between a team and a group?
2. What are the principles of building an effective team?
3. What are the constructive consequences of the conflicts?
4. What are the destructive consequences of conflicts?
5. Give examples of conflicts and methods that you use to resolve them? Are you always right?
6. Manners of behavior and ethical values of people as an element of conflict.
7. Methods of preventing conflict relations in work collectives.

Conclusions to the class :

Topic 11. LABOR RELATIONS IN THE MARKET CONDITIONS

Objective: To consolidate theoretical knowledge regarding the legal regulation of labor relations in the organization and acquire practical skills in implementing certain provisions of the Labor Code of the laws of different countries.

Theoretical questions

1. The Code of Laws of Ukraine on Labor (Labor Code).
2. Basic labor rights and duties of employees.
3. Collective agreement: the content, registration, control of the performance of obligations.
4. Employment contract. Contract. Grounds for termination of employment contract.
5. The work book.
6. Working time and rest time.
7. Labor discipline.
8. Protection of labor of employees of pharmaceutical enterprises.
9. Legal regulation of women's labor and youth labor.
10. Individual labor disputes.
11. Supervision and control of compliance with labor laws.
12. Compulsory state social insurance and pensions. Work experience, its importance, types, order of enrollment.
13. Labor relations abroad: collective agreement, obligations of employees and employers, types of employment contracts and disciplinary sanctions.

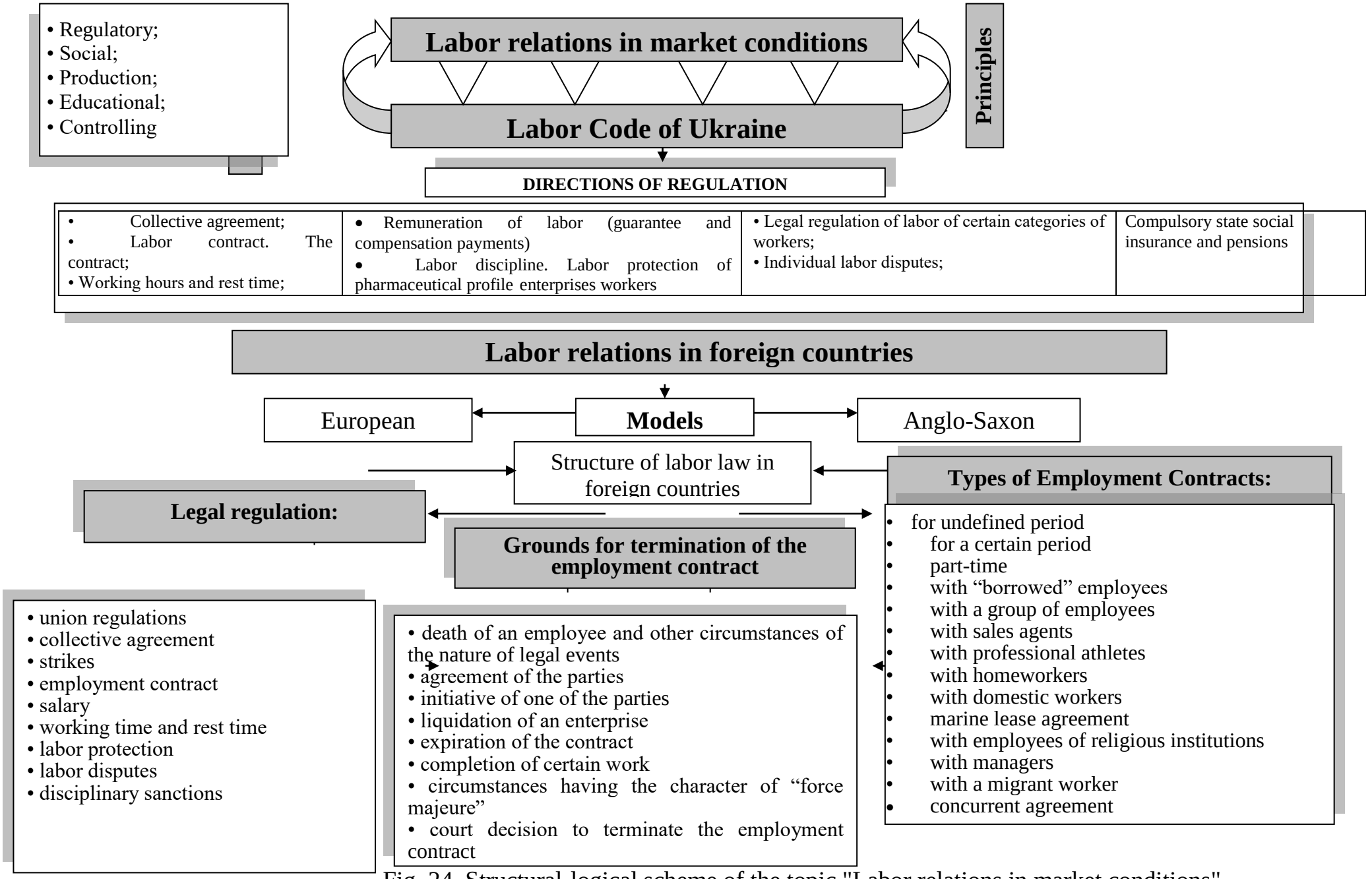


Fig. 24. Structural-logical scheme of the topic "Labor relations in market conditions"



PRACTICAL AND SITUATION TASKS

Task 1

Analyze the labour legislation of Ukraine

Labour contract

Between whom consists	Term of conclusion	Probation at the apply for a job			
		Term of probation			Whom a test is not set for
		for worker	for office workers		
			with approval of the labor union	without approval of the labor union	
Between an owner and worker	Permanent; On a certain term; In a time of execution of certain work	To 1 month	To 6 month	To 3 months	To the young specialists; To the persons which graduated army (urgent and alternative); Finishing college; To 18 years.

Working hours

Normal duration of working hours in a week	Reduction of working hours duration is depending				Period of time, which is considered «nightly»	To what category of persons	
	from age			from the harmful conditions of labour		work is disallow in a night-time	settled from their approval
	16-18	15-16	14-15				
40	36	24	24	36	$22^{00} – 6^{00}$	– persons till 18 years –pregnant; –the women who have children till 3th; –to the invalids	– the women who have children till 14 years; –the invalids (on medical testimonies)

Labor disputes

States which determine labour disputes	Commission in Labour Disputes			Term of appeal in a court
	Term of appeal for permission of labour dispute	Term of consideration of statement	Term of execution of decision of CLD	
Commission in Labour Disputes (CLD) Court	3 months	10 days	3 days	3 months

Rest-time

Break		Vacations					
Interval of work, after which must give an break	**Duration of break**	**Provision of vacation**		**Duration of vacation**		**Division of vacation**	
		for the first year of work	**for subsequent years**	**to the employees**	**the persons younger 18 years**	**basic part of vacation**	
						for adults	**the persons younger 18 years**
After 4 hours	No more than 2 hours	Through 6 months	Any time	24 days	a month	14 days	No less than 15 days

Labour of women

The types of works		**Vacations**					
is forbidden to the pregnant woman and women which have children till 3 years	**limitations for women which have children from 3 to 14 years and children of invalids**	**Redelivery**	**After delivery**	**After delivery with complications at childbirth**	**Post-natal at birth three and more children**	**Additional vacation on the care of child**	
						Age of child	**Age of child with the testimonies**
Work in a night-time, overtime, in holiday days, business trips	Overtime, business trips without their approval	70	56	70	70	3 years	6 years

Work of young people

Age from can apply for a job			**List of works which is forbidden for young people**	**Time of annual vacation**
As a rule	**exception (with the approval of parents)**	**in a free time (with the approval of parents)**		
From 18 years	From 15 years	From 14 years	– night-time; – heavy and harmful works, including dangerous conditions of labour	At any time of years to expiration 6 months of continuous work

Task 2

Fill in the diagram shown in Fig. 25. Put the definitions: collective agreement and labour agreement.

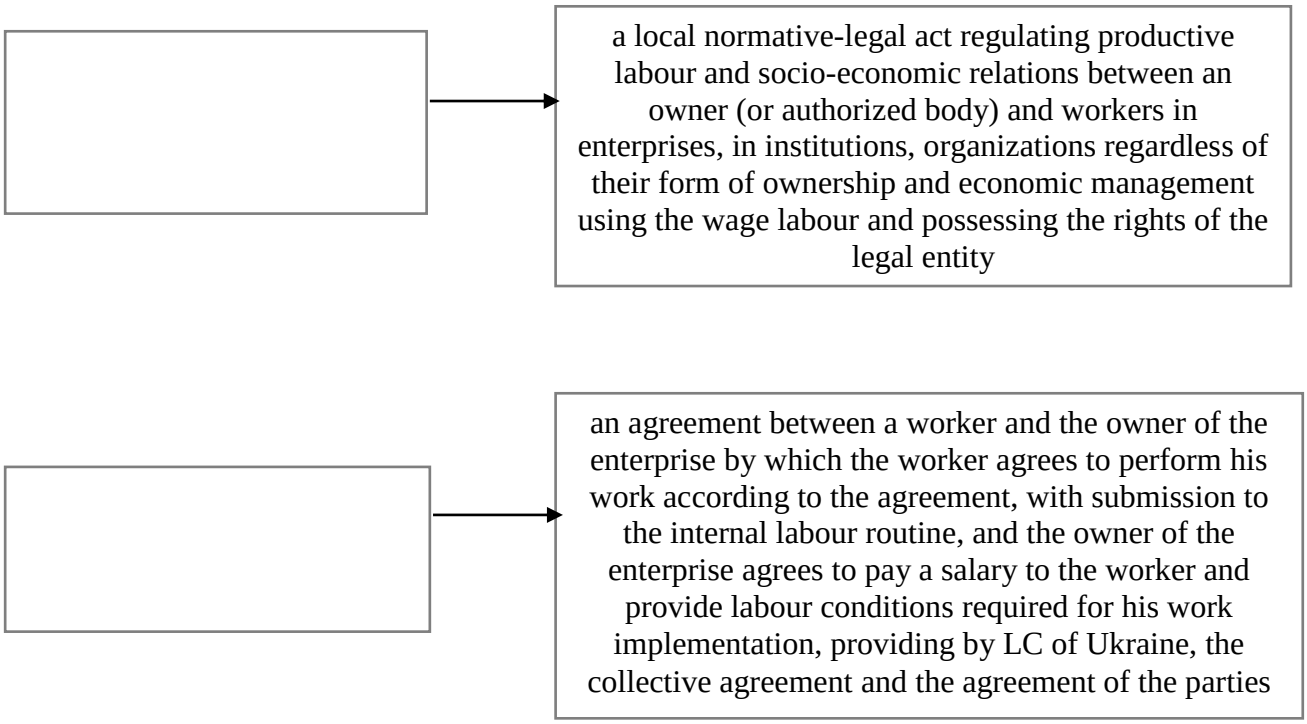


Fig. 25. Scheme of the definitions: collective agreement and labour agreement

Task 3

Compare duration working hours per week according to law and according to collective agreement in different countries. Find duration working hours per week in your country according to law and according to collective agreement and fill in last line.

Country	According to law	According to collective agreements
Australia	35-40	35-40
Austria	40	38-38,5
Belgium	40	36-38
United Kingdom	—	37-39
Greece	48	37,5-40
Denmark	—	37
Ireland	48	38-40
Spain	40	38-40
Italy	48	40
Canada	40	35-40
Luxembourg	40	40
Netherlands	48	38
New Zealand	40	40

Norway	40	37,5
Portugal	48	35-44
USA	40	35-40
Finland	40	37,5-40
West Germany	48	37,5
France	39	35-39
Switzerland	45	41,6-42,3
Sweden	40	35-40
Japan	44	40-48
Ukraine	40	36-40



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Codes of labor laws of different countries.

2. Principles of successful employment The powers of the general meeting of labor collectives (conferences) at work

3. General principles of the material interest of the work collective in the results of economic activity

4. Benefits for employees who combine work with training.

5. The procedure for considering disputes over the establishment or change of working conditions

6. Peculiarities of the legal regulation of women's labor

7. Protection of labor of employees of pharmaceutical enterprises.

Conclusions to the class:

Topic 12. ESTIMATION OF MANAGEMENT AND ORGANIZATION'S EFFICIENCY

Objective: To fix theoretical knowledge about approaches, mechanisms and components of evaluation of the effectiveness of the activity and management of the pharmaceutical organization and acquire practical skills in the analysis of indicators of solvency, business activity, profitability of the company.

Theoretical questions

1. Assessment of the organization: criteria of economic efficiency.
2. Approaches to the study of efficiency of the company.
3. Indicators of solvency of an enterprise: absolute liquidity, intermediate coverage, current liquidity.
4. Business activity, indicators of profitability of economic activity.
5. Efficiency of management: approaches and mechanisms, components of effective management, corporate culture.

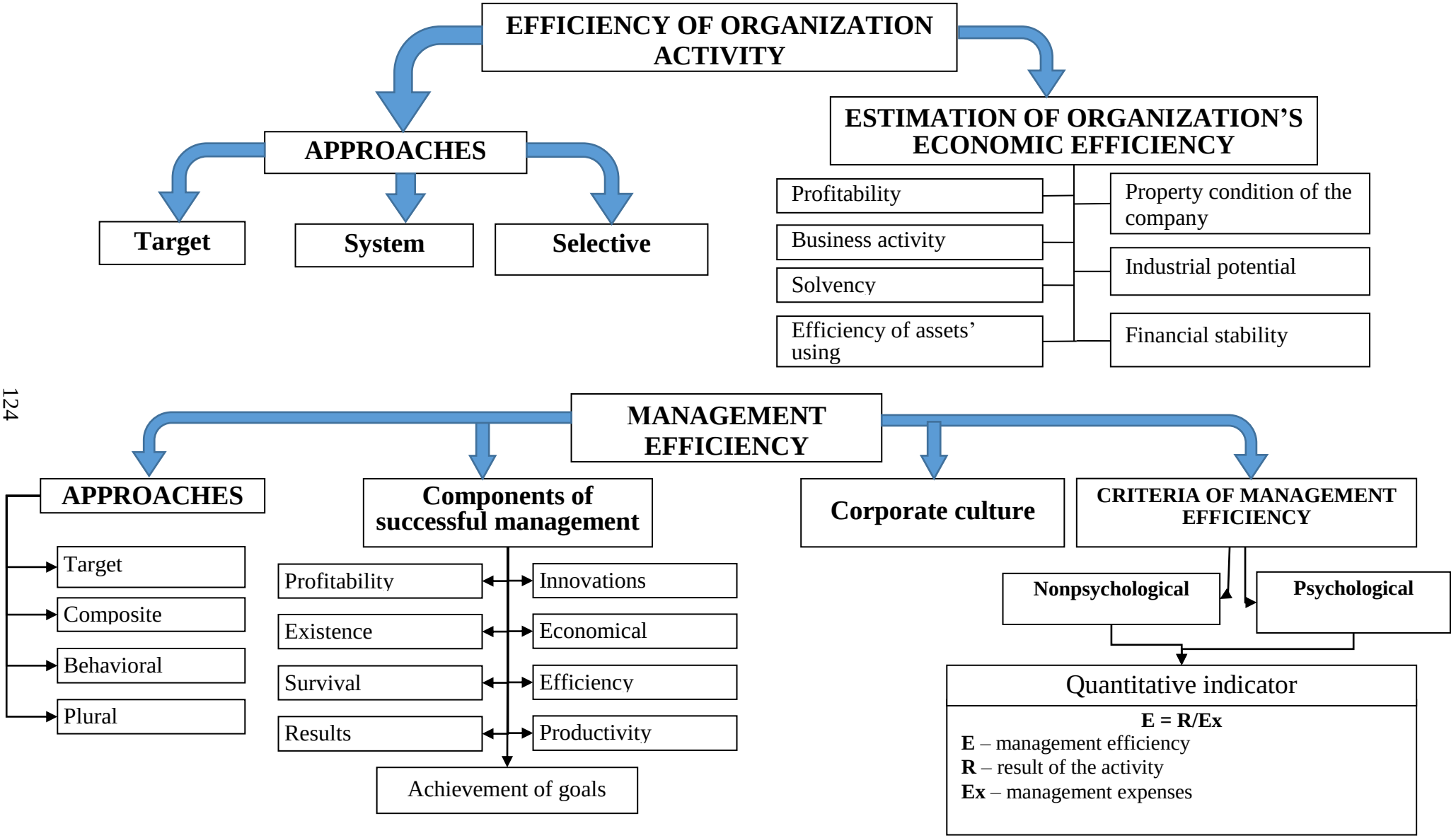


Fig. 26. Structural-logical scheme of the topic «Estimation of management and organization's efficiency»



PRACTICAL AND SITUATION TASKS

Task 1

Give the definition of main theoretical terms of efficiency of management.

Composite approach	is connected with management on purposes
Behavioral approach	is connected with a analysis of the periods and the reasons for temporary reduction of product consumption
Target approach	is estimated as a corresponding result - purpose ratio or result - expenses ratio
Plural approach	assumes complex planning of productivity (plans, purposes, budget)
Efficiency	is based on use of methods of management and leadership (involving workers in decision-making, corporate culture, effect of informal groups, management in stress situations)

Task 2

The owner of the pharmacy decided to conduct an analysis of the effectiveness on the inventory turnover indicator. The amount of sale in wholesale prices for the quarter is 325534 $, and the average commodity stocks - 43332 $.

Calculate the inventory turnover ratio and the period of turnover in days. Make the appropriate conclusions.

Conclusion:



ADDITIONAL INFORMATION

1. The Inventory Turnover Ratio (ITR) is calculated by the formula:

$$ITR = \frac{S}{I_a},$$

S – sale volume;

I_a – average inventory.

2. The turnover period in days (TP) is calculated by the formula:

$$TP = \frac{P}{ITR},$$

P – period in days.

Task 3

Determine whether it will be advisable to conclude agreement of medicines supply with the company "PharmLife" if its financial indicators this year are: Absolute liquid assets – 350000$, Current Liabilities – 725000$, and Accounts receivable (for goods and services) – 490000$.

Conclusion:



ADDITIONAL INFORMATION

The main indicators of the company's solvency are the absolute liquid ratio (optimal value is 0.2-0.25) and the coefficient of intermediate coverage (the optimal value is from 1 to 0.7).

1. The absolute liquid ratio is calculated by the formula:

$$Absolute\ liquid\ ratio = \frac{Absolute_liquid_assets}{Current_liabilities}$$

2. Intermediate coverage ratio (CIR) is calculated by the formula:

$$CIR = \frac{Absolute_liquid_assets + Accounts_receivable}{Current_liabilities}$$

Task 4

Sales volume of the pharmaceutical enterprise in the previous is 14.35 million $. The cost of management personnel is 470000$. In the current year the enterprise has carried out measures to improve management efficiency. For this purpose, new software was purchased with the cost of 110000$, 5 heads of departments were sent

to refresher courses worth 2000$/person; the access of management personnel to closed analytical networks was established, the annual payment for which was 7000$. The total compensation fund for management personnel this year was 520000$. Calculate the effectiveness of management in the previous and current years, if in the current year sales volume is 22.65 million $. Determine what is share from sales volume of cost for increasing the effectiveness of management of the company during the analyzed period.

Conclusion:



ADDITIONAL INFORMATION

The effectiveness of management is calculated by the formula:

$$Effectiveness_of_management = \frac{Sale_volume}{Management_Costs}$$

Task 5

Consider and distribute the Key Performance Indicators (KPI) into groups:

F - Financial Performance Indicators

C - Indicators of work with clients

B - Performance Indicators of Internal Business Processes

D - Indicators of the effectiveness of training personnel and development of the company.

☐ costs for training and retraining of personnel, $;

☐ level of labor productivity growth, %;

☐ number of complaints, cases;

☐ the degree of use of information bases;

☐ sales growth, %;

☐ number of clients;

☐ average decision time, minutes;

☐ expenses for research and development, $;

☐ number of lost purchases, %;

☐ profitability of sales, %;

- market share, %
- average purchase price, $;
- sales of OTC medicines, $;
- sales of imported medicines, $;
- degree of implementation of management accounting, %;
- number of rationalization proposals per employee;
- staff motivation index;
- average customer service time, minutes;
- administrative costs per employee, $/person;
- inventory turnover, days and number;
- staff turnover



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Approaches to assessing management effectiveness of pharmacies and wholesale pharmaceutical companies.
2. Using Key Performance Indicators (KPI) on the example of a pharmacy.
3. Characteristics of the components of effective management by the example of a particular pharmaceutical organization.

Conclusions to the class :																							

THEMATIC MODULE 3
BASES OF THE PHARMACEUTICAL MARKETING. PROCESS OF MANAGEMENT BY THE PHARMACEUTICAL MARKETING

Topic 13. FUNDAMENTALS OF PHARMACEUTICAL MARKETING

Objective: To form theoretical knowledge of the basic concepts of marketing, its principles and functions, marketing activity of pharmaceutical manufacturing enterprises, wholesale and retail companies of the market. To get practical abilities on determining of marketing mix components, kinds of marketing, market types, the analysis of the marketing environment of the pharmaceutical enterprises.

Theoretical questions

1. Value of marketing in modern conditions.
2. Definition and the basic components of marketing.
3. Features of pharmaceutical marketing.
4. Stages of evolutionary development of marketing.
5. Basic elements of marketing mix: product, price, place, promotion.
6. Marketing principles.
7. Marketing functions: analytical, production, distribution, management and control.
8. Kinds, subjects and problems of pharmaceutical marketing.
9. The market as object of marketing: concept, conditions, criteria of classification, an infrastructure, a conjuncture.
10. Market basic elements.
11. A condition, structure and tendencies of the pharmaceutical market.
12. Social and economic aspects of the pharmaceutical market.
13. A general characteristic of the world pharmaceutical market.

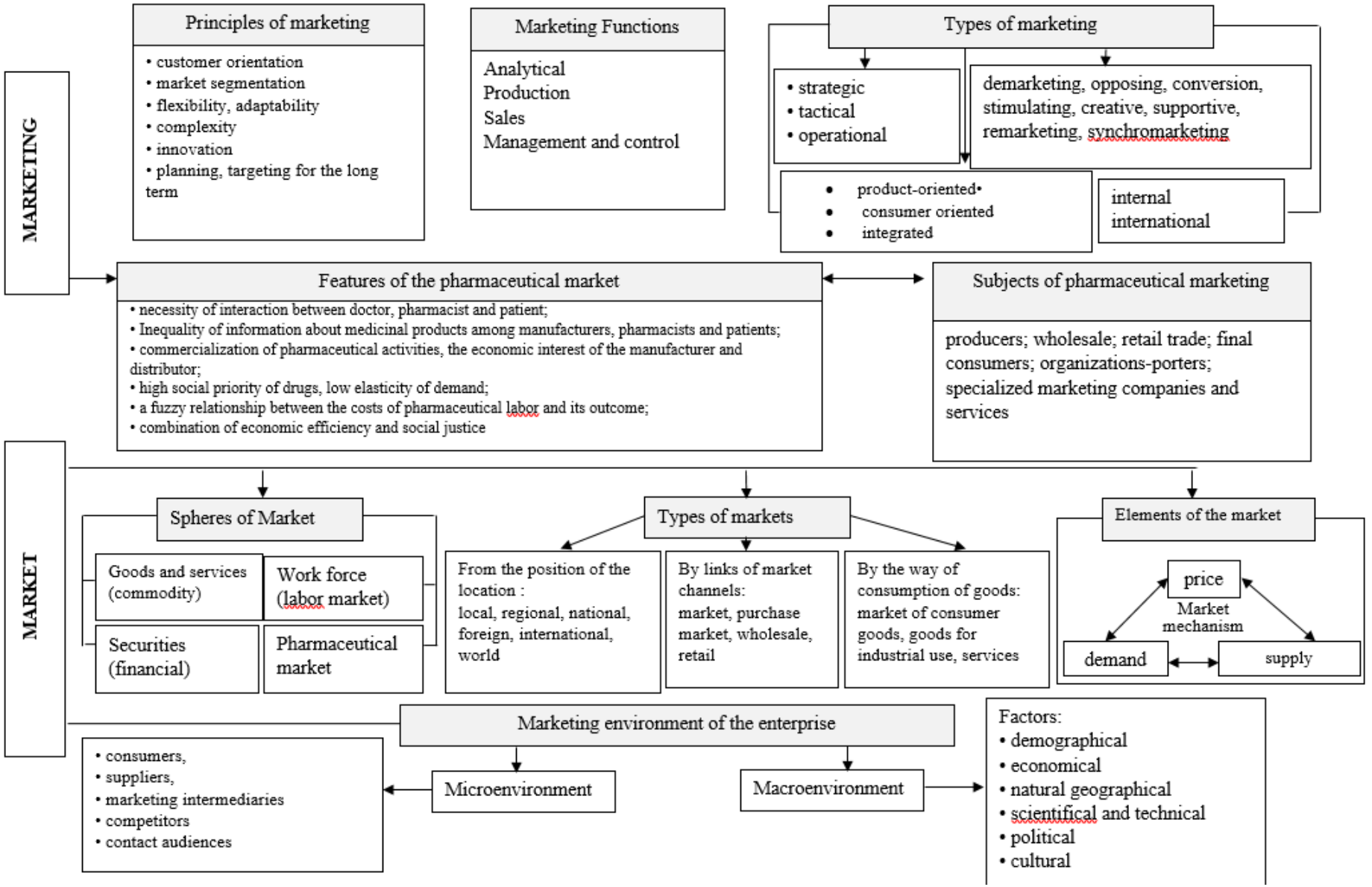


Fig. 27. Structured-logical scheme of the topic «Fundamental rules in marketing»



PRACTICAL AND SITUATION TASKS

Task 1

True-False Questions

Questions	+ or -
1. According to the theory, marketing means "selling" or "advertising".	
2. Actually making goods or performing services is called marketing.	
3. Marketing plays an essential role in creating customer satisfaction.	
4. Production is a more important economic activity than marketing.	
5. Marketing provides time, place, and possession utility.	
6. Only market-directed societies need an economic system.	
7. In a market-directed economy, government planners decide what and how much is to be produced and distributed by whom, when, to whom, and why.	
8. Marketing takes place whenever a person needs something of value.	
9. The term marketing comes from the word market – which' is a group of potential customers with similar needs who are willing to exchange something of value with sellers offering various ways of satisfying those needs.	
10. Intermediaries specialize in trade and production.	
11. The "universal functions of marketing" consist only of buying, selling, transporting, and storing.	

Task 2

Among the given characteristics of wholesale pharmaceutical firm choose what concern separate elements of marketing mix. Fill the tab. 34.

Table 34

Marketing mix of wholesale company

Characteristics of wholesale company	Product	Price	Place	Promotion
More than 70 operating direct contracts (including foreign) on				

Characteristics of wholesale company	Product	Price	Place	Promotion
distribution of medicinal products and products of medical equipment				
11 regional warehouses				
retail network is located in four areas of Ukraine and totals 30 retail points				
full automation of the administrative and warehouse account of all structural divisions				
assortment of medicinal products and products of medical equipment is 8100 positions more than 300 manufacturers				
own staff of medical representatives, who have been promoted over 15 positions on the pharmaceutical market of Ukraine				
the allocated division of state budgetary purchases				
own motor-vehicle pool of the company consists of 42 cargo and 33 cars that allows to deliver production within day in any point of Ukraine				
flexible system of discounts depending on size of batch of goods				
own web-page in Internet, regular updated information on the company, contact phones and the price-list				
differentiation of the prices of commodity assortment				
broker service: 4 customs brokers who are carrying out all complex of services on registration of cargoes, about 150 customs registrations a month				
participation in the international pharmaceutical exhibitions, medical conferences and scientific symposiums in Ukraine and the countries of the near abroad				

Task 3

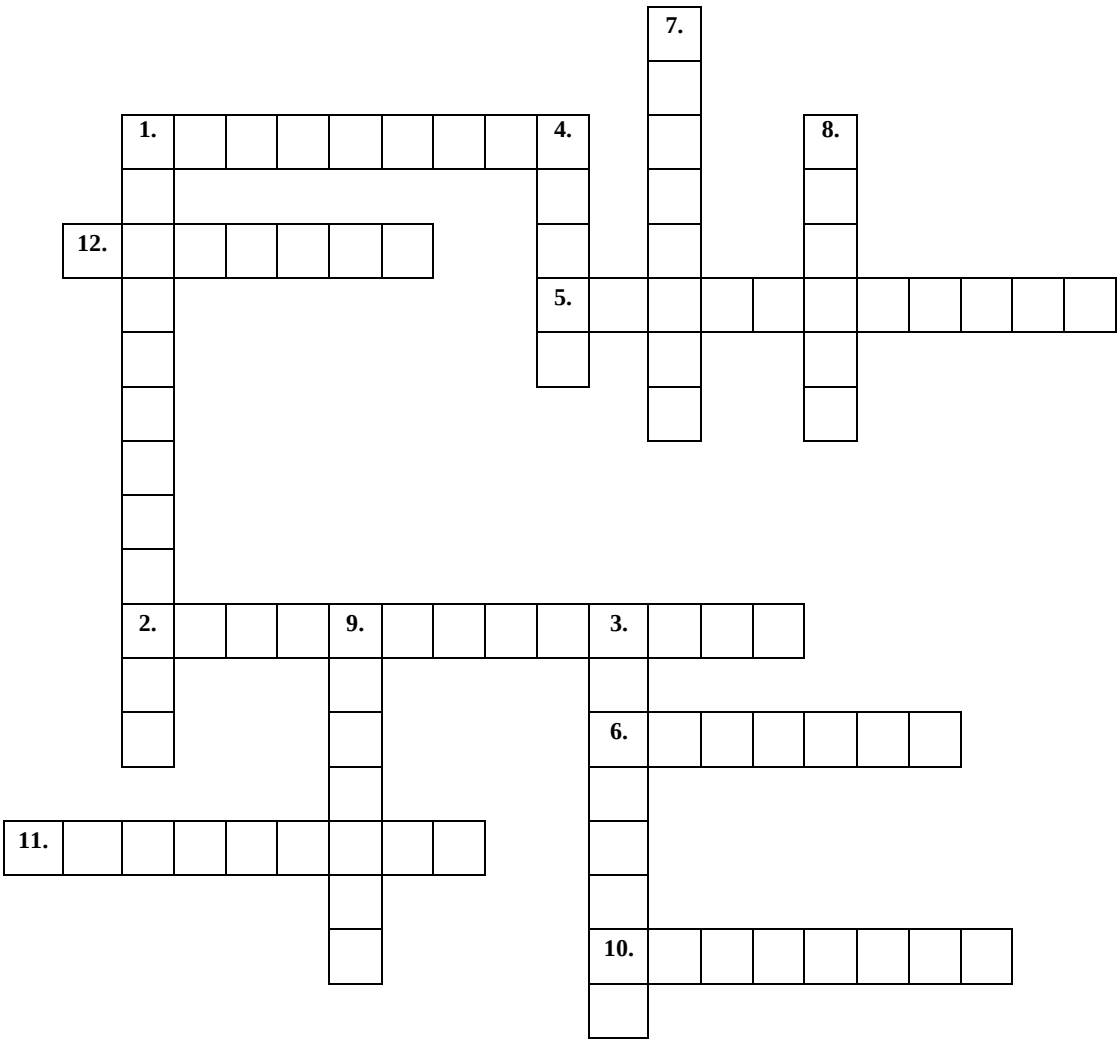
Complete the crossword using the basic concepts of topic.

Horizontally:

1. The term is defined as “satisfying needs and wants through an exchange process”.
2. One of the subjects of the pharmaceutical market.
5. Kind of marketing focused on demand.
6. At the market the commodity assortment is limited, the competition is absent, and the buyer is in full dependence on the seller.
10. All company planning and operations according to marketing concept should be … – oriented.
11. What and how markets are informed of the firm’s product, place, price (4P’s element).
12. Component of marketing mix.

Vertically:

1. Controllable variables of marketing.
3. Function of marketing.
4. The marketing focused on the … is used if the activity of the enterprise is aimed on the creation of new goods or improvement of what is issued.
7. At the … market the buyer himself decides when to buy it and it determines what goods to make.
8. The term is defined as “People or organizations with wants to satisfy, money to spend, and the willingness to spend it”.
9. Market, according to classification of markets from positions of the economic space or depending on scale.



Task 4

Main direction of marketing influence on demand reflect the following kinds of marketing: demand-reducing, demand-maintaining, developing, stimulating, remarketing, conversion. Pick up a kind of marketing corresponding to the characteristic and to fill in table.

Table 35

Kinds of marketing

Kind of Marketing	Condition of demand	The characteristic of demand
	The majority of people count the given goods as harmful, on the market demand is negative on the product	It is necessary to create demand, the majority of segments refuse about the product

	Absence of demand	Demand on the market is absent, it is necessary to create it
	The "Latent" demand (demand on the nonexistent goods)	The main task - transformation of a the potential demand in real.
	Falling demand	It is necessary to use in case of reduction of demand depending on a phase of product life cycle
	"High-grade" demand	Is recommended to be used, when demand corresponds to opportunities of manufacturers. It should be stabilized
	"Irrational" demand	Is applied, if demand for the separate goods irrational, it should be come to naught.

Task 5

Carry out the analysis of the world pharmaceutical market. Present results in the tab. 36.

Table 36

Analysis of pharmaceutical market

Criteria of estimation of the world market	Characteristic, indicators
Market volume	
Market growth	
Market growth of territories	
Most emerging markets	
Investment priorities	
The factors influencing the market	
Rating of the companies (a top 5)	

Task 6

Carry out the comparative analysis of activity of leaders-manufacturers of medicinal products of the world (table 37) and domestic pharmaceutical markets. Results present in the table 38.

Table 37

Activity of leaders-manufacturers of medicinal products of the world

Pharmaceutical company	Novartis	Pfizer	Roche	Sanofi	Johnson & Johnson /
Geography of the markets	More 140 countries	More 150 countries	More 150 countries	More 100 countries	More 175 countries
Staff	120 thousand people	87 thousand people	200 thousand people	100 thousand people	119 thousand people
Company divisions	Novartis Pharma Novartis Consumer Health Sandoz Novartis Vaccines and Diagnostics Alcon (eye care) —	✓ Pfizer Oncology ✓ Emerging Markets - emerging markets in Europe, Latin America, Africa, Middle East, Asia; ✓ Established Products - drugs that have lost their patent protection; ✓ Primary Care; ✓ Specialty Care	F. Hoffmann-La Roche, Chugai (Japan), Genentech i Foundation Medicine (USA)	Sanofi Pasteur; Genzyme – innovative biotechnology company; Chattem – production nonprescription drugs; Merial – production of veterinary drugs ; Zentiva – production of generics.	230 affiliated companies
Sales volume	58 billion dollars	49,1 billion dollars	48,1 billion dollars	43 billion dollars	32,3 billion dollars
Net profit	10,7 billion dollars	9,14 billion dollars	9,056 billion dollars	7,39 billion dollars	7,43 billion dollars
The basic grocery portfolio (groups)	immunology oncology, transplantology, cardiology, dermatology, neurology, psychiatry, endocrinology enteral nutrition, baby food and	antibacterial drugs, vaccines, gynecology, gastroenterology, cardiology, ophthalmology, oncology, nicotine addiction, psychoneurology, antifungal drugs, rheumatology,	Oncology, Virology and Transplantology diagnostic equipment	cardiovascular diseases, thrombosis, oncology, diabetes, diseases of the central nervous system, vaccines, generic drugs (Zentiva)	• Consumer Health Care (consumer products); • Medical Devices & Diagnostics (products for hospitals, medical products and equipment); • Pharmaceuticals (pharmaceutical

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	accessories, energy and youth drinks, products and services for correction and vision protection, products for the protection of the health of domestic animals, as well as for the health and raising the productivity of farm animals	transplantology, urology, endocrinology			products).
Preparations brands	Sandimmun, Sandostatin, Coartem, Voltaren Emulgel, For the nose, Lamizil, Tavegil, Teraflu, Fennistil and others.	Lyrica, Liprimar, Diflucan, Vfend, Repack, Viagra, etc.	Avastin Herceptin, Phedret Kadsila Extreme	Lantus, Clexan, Amaril, Bronchikum, Zodac, Libksin, Maalox, No-Shpa, Sofradex, Festal, Essentsiale and others.	Vivitorol, Pariet, Intsivo, Gino-Nevaryl, Orangul, Invochan and others.

Table 38

Analyses of domestic manufactures activity

Pharmaceutical company					
Geography of the markets					
Staff					
Company divisions					
Sales volume					
Net profit					
The basic grocery portfolio (groups)					
Preparations brands					



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Features of marketing in pharmacy. Evolution of marketing concept.
2. Chronology of occurrence and marketing development.
3. The basic problems of marketing in the conditions of globalization of economic processes.
4. The concept "4P" and its further development.
5. Marketing functions of the pharmaceutical organizations.
6. Interrelation of demand and marketing kinds.
7. Subjects of pharmaceutical marketing (on an example of the concrete regional pharmaceutical market)
8. Subjects and objects of the pharmaceutical market.
9. Market elements (demand, supply, the price).
10. Characteristic signs, functioning and a condition of the modern pharmaceutical market.
11. Social and economic features of the pharmaceutical market.
12. Contemporary tendencies of the world pharmaceutical market.
13. The characteristic of the pharmaceutical market of Ukraine.

Conclusions to the class :

Topic 14. MANAGEMENT BY THE PHARMACEUTICAL MARKETING

Objective: Fix theoretical knowledge of the general directions of marketing management of the pharmaceutical enterprise, basic concepts of industrial-commercial activity of the enterprises and features of the concept of socially-ethical marketing in pharmacy. To get practical abilities on working out of structure of marketing service of the pharmaceutical enterprise.

Theoretical questions

1. Management of pharmaceutical marketing.
2. Planning of marketing activity of the enterprise. The marketing plan: essence, kinds, sections.
3. Marketing Concepts: manufacture perfection, perfection of the goods, an intensification of the commercial efforts, the traditional marketing concept (marketing management), socially-ethic marketing. The concept of social-ethical marketing in pharmacy.
4. Organizational structure of marketing department. Models of marketing department.
5. Stages of the organization of marketing department.
6. Problems and functions of pharmaceutical marketing department.



PRACTICAL AND SITUATION TASKS

Task 1

Discuss components of marketing plan for small pharmacy business (tab. 39).

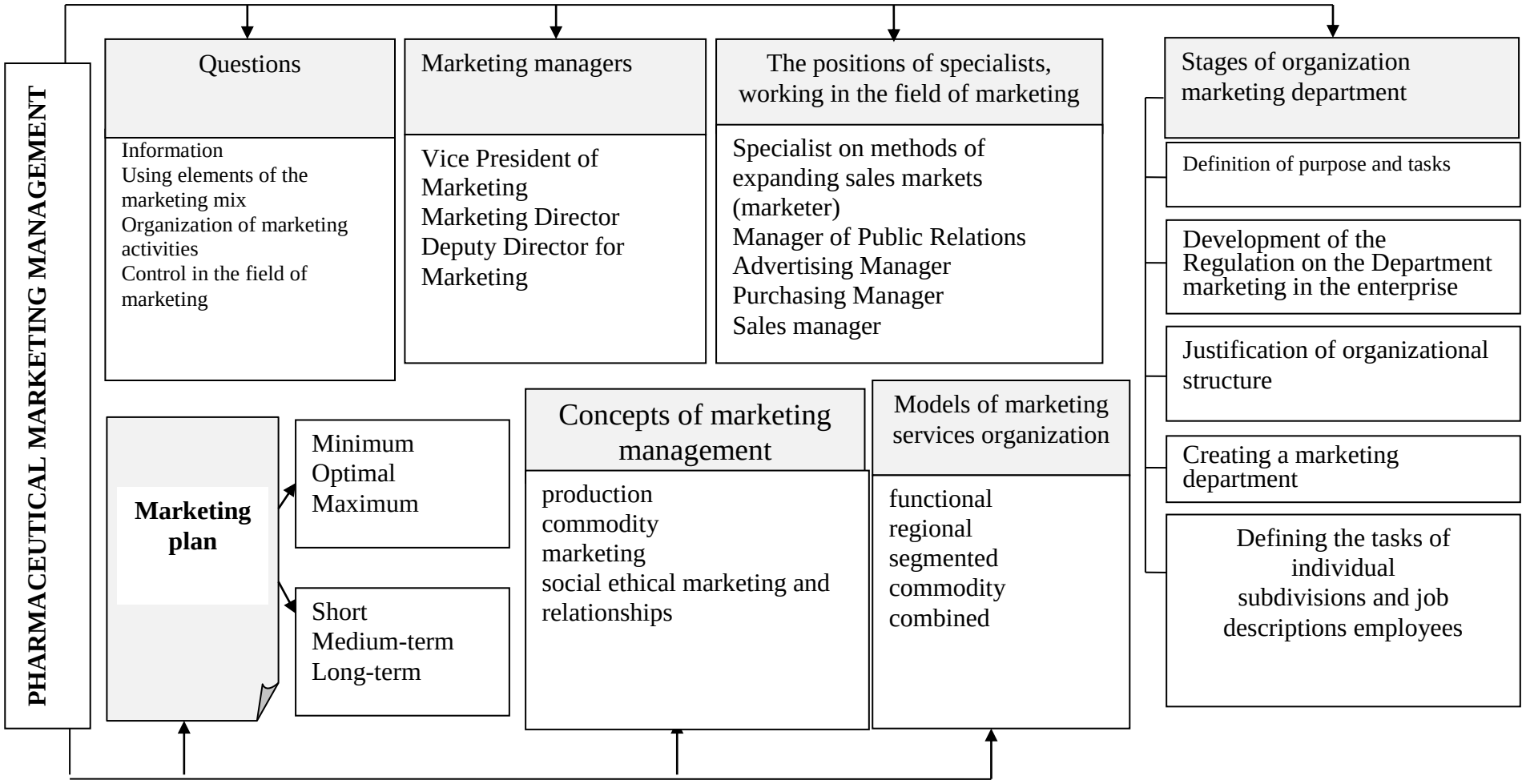


Fig. 28. Structured-logical scheme of the topic «Management by pharmaceutical marketing»

Table 39

Components of marketing plan

Marketing plan content	Question for discussion for pharmacy business
Title Page **Executive Summary**	The main theses of the proposed plan. The annotation should be made after reading it to you could clearly understand the main direction of the plan
Situational Analysis: Macroenvironment • Economic State • Legal State • Governmental State • Technological State • Ecological State • Sociocultural State	Computer program for marketing in Pharmacy What is happening now in the economy -current economic situation and prospects for its development, the economic downturn or rise, level of inflation The minimum wage for marketing workers on pharmaceutical market (medical representative, regional management, product manager, business unit manager, marketing director, marketer of pharmacy chain…) Existing rules and restrictions, which are required for the development of a marketing plan: What are the restrictions on advertising, trade, pricing? What laws in the field of environmental protection should be taken into account?
Situational Analysis: Microenvironment : • Market situation • Consumers • Competitors	Market trends Competition Market size, share Statistic of disease Characteristics of the target segments Consumer needs, loyalty Trends in consumer behavior (which attracts customers, their preferences, the idea of what the product should be) Who is a regular and potential buyer? What do these buyers want? How do they make a purchase decision? Where do they make purchases? When do they do it? Who are competitors (obvious, not obvious)? What are their "marketing mix" programs and how successful they are? What can competitors do in response to the actions of your firm? How strong are the competitors?
Analyses of market place • External threats • External opportunities • Internal strengths • Internal weaknesses	Education, experience and overall competence of employees Production system Cost structure, pricing policies and financial ratios Changes in the law Changing consumer preferences Customer service Online business opportunity Critical success factors in the industry
Marketing Strategy Product Price Place Promotion	**Product:** variety, quality, design, features, brand name, packaging, services **Price:** list price, discounts, allowance, payment period, credit terms **Place:** channels, coverage, assortments, locations, inventory, transportation, logistics **Promotion:** advertising, personal selling, sales promotion, public relations
Implementation	Personnel requirements

	Assigning responsibilities Giving incentives Training on selling methods Financial requirements Management information systems requirements Monitoring results and benchmarks
Financial Summary	Projected profit and loss Projected cash flow Risks
Control	Performance indicator Feedback Mechanisms

Task 2

Make SWOT-analysis of activity of wholesale pharmaceutical firm "East-farm". Read the situation that describes conditions of activity and give answers on such questions:

1. What strengths of the enterprise provide to it advantage over competitors?
2. What weakness of enterprise's work should be located?
3. What opportunities can promote increase of sales volume and profit?
4. What negative tendencies and environment factors can lower indicators of activity of the enterprise?

Result issue in the form of a SWOT-analysis matrix.

The wholesale pharmaceutical firm works on Ukrainian market about 15 years. It is one of leading firms of East Ukraine that is engaged in complex service of the enterprises and the organizations medical and a pharmaceutical industry. The basic directions of activity are: deliveries of medical products, sales of pharmaceutical raw materials, industrial analytical and the labware. By estimations of manufacturers and drugstores the company is the best distributor of Ukraine.

The company has wide, deep and diversify assortment of domestic and foreign medical products and products of medical appointment. Direct contracts, including exclusive, with foreign manufacturers on production distribution have been operate. The company has strong positions in the Kharkov, Sumy, Poltava and Kiev areas.

The company provides high level of service, flexible systems of discounts and privileges for the custom, a convenient way of delivery of goods, progress payments. Own staff of medical representatives carries out promotion of goods.

Global problem of the company is search of new clients and retention of old clients by qualitative services of drugstores, clinical and prophylactic institutions.

The company works over expansion of a commodity market of medical products, improvement of servicing system, introduction of new progressive forms of sales, increase of processing and performance orders speed. Possibilities of participation in tender and receptions of contracts have been considered.

In all structural divisions of the company the administrative and warehouse account is automated. Electronic means of communications (e-mail, web-page where the information about company, sales promotion actions regularly renews, price-lists has been placed, on-line free legal consultation and contacts to consumers have been provided. The company gives consult services in registration of medical products in Ukraine.

The considerable part of workers of the company is unsatisfied working conditions, through what high turnover of staff have been observed, the attention of development of corporate culture is insufficiently paid.

Market share in other regions of Ukraine has been decreased. Competitors strengthen the market positions, introduce new methods and work forms, that why a threat of change of the suppliers by the clients have been appear. The problems of company are seasonal fluctuation of demand for medical products, instability of a financial condition of the customers, untimely payment for goods a certain part of drugstores.

Decreasing of demographic indicators in the country, reduction of solvency of the population, high customs charge influence on the firm. In a recession condition the majority of drugstores has reduced commodity stocks, has reduced the order on expensive import preparations. The state regulation of the prices for a lot of preparations, instability of currency exchange, increase of the prices for import limit firm’s possibilities to carry out effective price policy.

For strengthening of the market positions the company plans to concentrate effort to long-term relations with clients, to introduce CRM-systems (customer relationship management system) for the purpose of adjustment of individual work with each client, to apply different kinds and methods of logistic, to strengthen the market positions in other regions of Ukraine by creation of branches, to give more attention of development of corporate culture, to expand assortment of new domestic generic. For an estimation of efficiency of marketing activity, the company plans use of modern methods and models, benchmarking providing for the analysis of competitors activity and improvement of enterprise’s management systems.

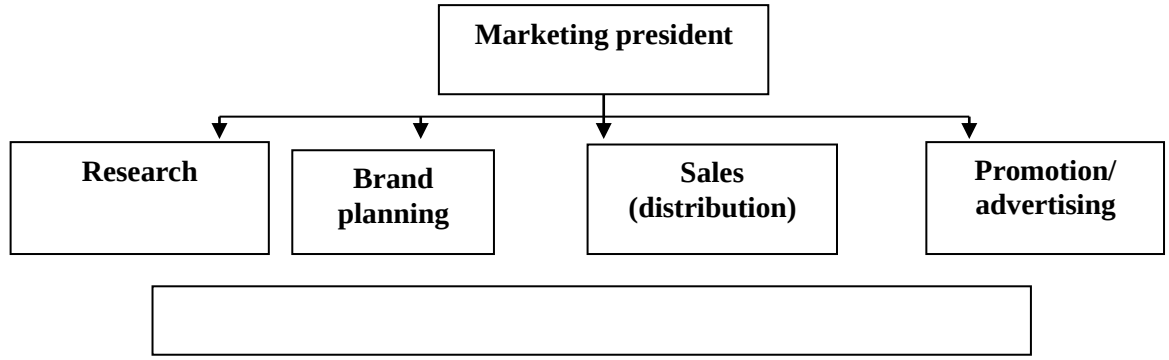
Table 40

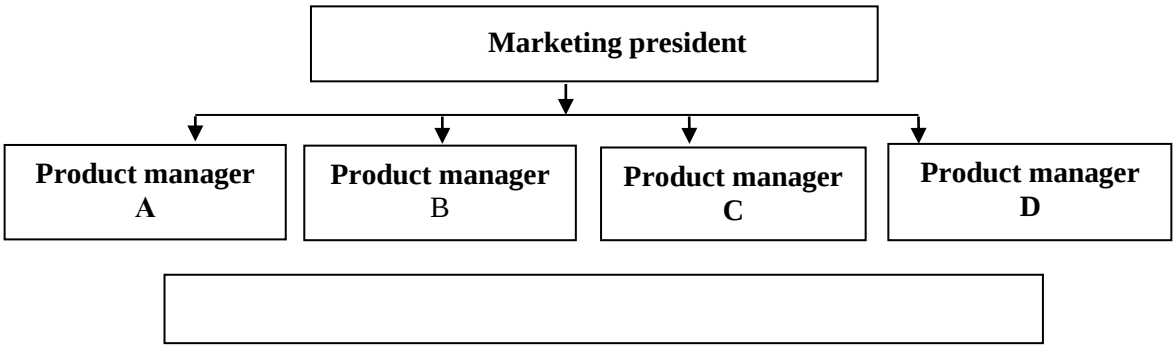
SWOT analyses matrix

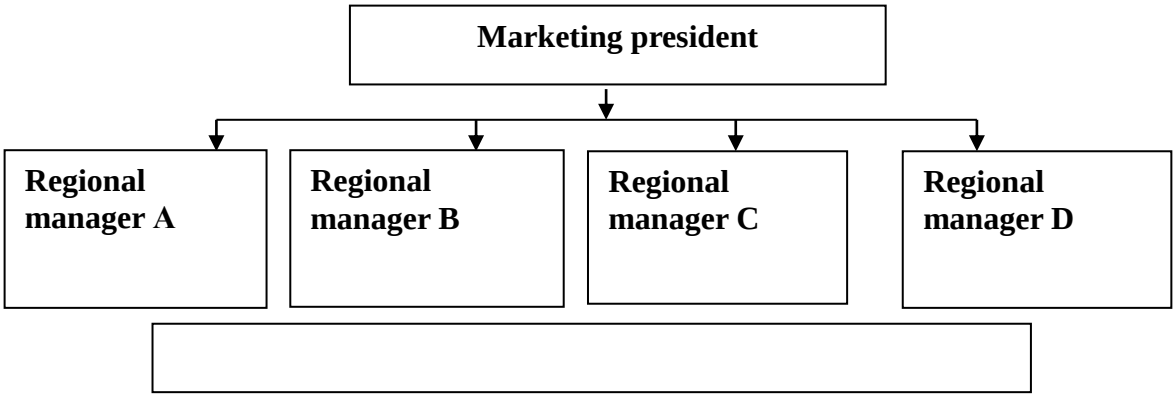
INTERNAL	**STRENGTHS**	**WEAKNESS**
EXTERNAL	**OPPORTUNITIES**	**THREATS**

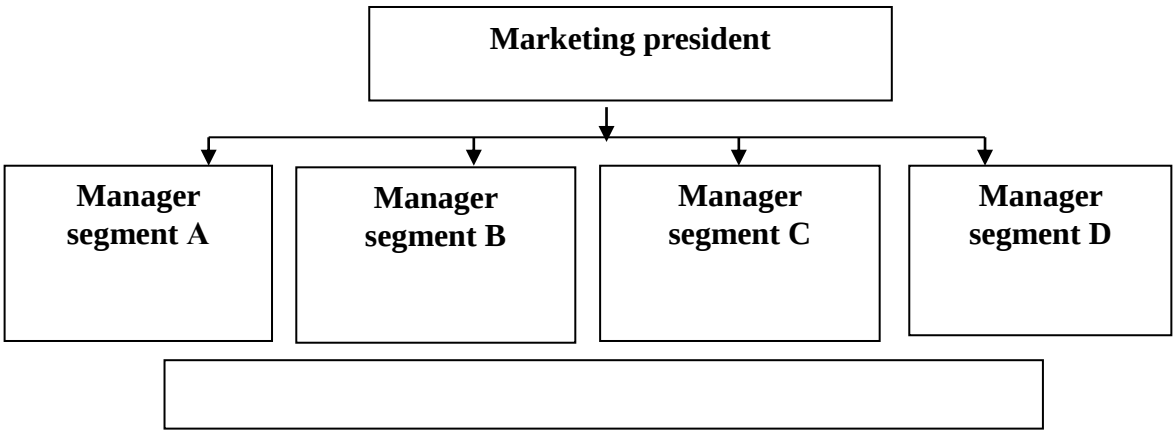
Task 3

Determine the model of marketing department in the enterprise and give the characteristic.









Task 4

Develop and present schematically structure of marketing department which most of all would correspond to concrete features of work of the pharmaceutical enterprise. The company has wide assortment of medical products (over 70 names) in various medicinal forms which can be grouped on such basic directions: preparations of cardiovascular action, drugs for diabetes, OTC drugs, veterinary drugs.

Task 5

Determine characteristic of the main functions of marketing department

Functions of marketing department	**Strategy development**	**Market Research**	**Product Development**	**Communications**	**Sales Support**
prepares presentations					
develop discounts program					
increase share in a specific market sector					
identify market opportunities					
develop new products or improve					

existing ones					
write press releases					
develop e-mail marketing programs					
plans to launch the product					
open a new channel of distribution					
plan advertising campaigns					
understand competitors' strengths and weaknesses					
formation of pricing strategy					
consumer needs and attitudes analyses					
create promotional content for the company website					
organizing exhibitions, seminars, sales conferences					
planning of marketing efforts					



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Marketing management of pharmaceutical organization.
2. The process of marketing planning.
3. Marketing strategic planning.
4. Models for making strategic marketing decisions
5. Marketing strategies.
6. Marketing tactical planning.
7. The connection between the concept of social and ethical marketing and the social orientation of the pharmaceutical market.
8. Organization of marketing management in pharmacy business.
9. Creation of marketing departments of the pharmaceutical enterprise.

10. Goals and objectives of the marketing service of a pharmaceutical manufacturing enterprise.
11. Goals and objectives of the marketing service of a wholesale pharmaceutical company, a wholesale and retail association

Conclusions to the class :																							

Topic 15. MARKETING RESEARCH AND INFORMATION SUPPORT OF MARKETING IN PHARMACY

Objective: Consolidate theoretical knowledge about directions, planning and organizing of marketing research, marketing information systems, types and methods of collecting pharmaceutical commercial information. Acquire practical skills in organizing marketing research, collecting, organizing and processing marketing information, developing a questionnaire.

Theoretical questions

1. Purpose, objects and methods of marketing research.
2. The main directions of marketing research. Factors of macro- and microenvironment.
3. Methods of research in marketing.
4. Stages of marketing research.
5. Importance of pharmaceutical marketing information.
6. Directions of information marketing activities in the pharmaceutical sector.
7. General requirements for marketing information.
8. Principles of the formation of marketing information at pharmaceutical enterprises.
9. Sources and structure of marketing information in the enterprise.
10. Marketing information system (MIS), structure and principles of functioning.
11. Features of pharmaceutical information marketing systems. Subsystem of decision support, CRM-system.
12. Methods of analyzing marketing information.

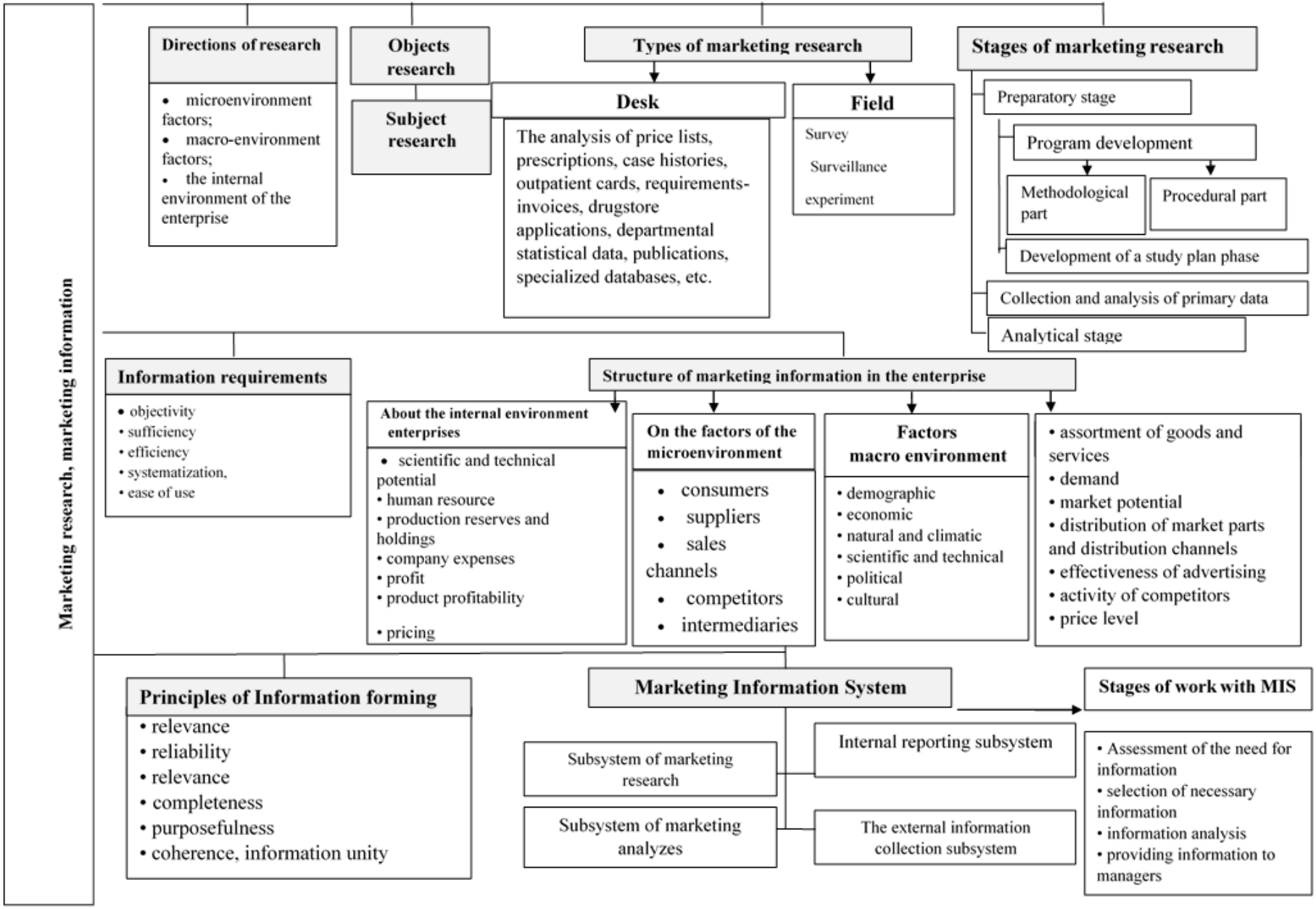


Fig.29. Structured-logical scheme of the topic
"Marketing research and information support of marketing in pharmacy"



PRACTICAL AND SITUATION TASKS

Task 1

There are two types of research: desk research and field research and important to understand the difference between them. Desk research is usually easier and almost invariably much cheaper. It may not of course provide researcher with precisely what you need and, therefore, you may have to resort to field research. Divide following examples into two types of research (tab. 41).

Table 41

Types of research

Example of research	Desk research	Field research
street interviewing		
press clippings		
Internet trawls		
focus groups		
trade information		
written questionnaires		
sector and published surveys		
telephone research		
product tests		
public library searches		
face to face interviewing		
books and other publications		
consumer panels		
statistic data		

Task 2

There are several types of questionnaire and each is designed to explore different aspects or elicit different responses. Some of the more common include:

- Buying propensity
- Rating scale 1 – 5
- Importance

- Bipolar
- Dichotomous
- Likert
- Multiple choice
- Qualitative

These can be used in any combination as long as the questionnaire is not too long and it is focused.

Match the type of questionnaire with those given with examples, write the answer in the space provided the first column of the table. After each type of question please give your own example about the pharmaceutical business.

Table 42

Types of questionnaire

Type	Examples of questionnaire
	This is a fairly typical basic type of question, not too intrusive and merely asks you to answer yes or no. As such it cannot assess the degree of feelings in between the poles: *Do you have allergic reactions?* Yes (No)
	This is a question offering three or more answers – and allows a greater breadth of response. *What medications do you have in your medicine chest? –* circle those applicable: (Antitussives) Antipyretic Antiulcer Antifungal Anti-malarial (Vitamins)

<table>
<tr><th>Type</th><th>Examples of questionnaire</th></tr>
<tr><td></td><td></td></tr>
<tr><td></td><td>In this type of question the respondent is asked to rate the importance of an issue to them on a scale of 1 to 5

The absence of drug side effects is:

<table><tr><td>1
extremely
important</td><td>(2)
very
important</td><td>3
somewhat
important</td><td>4
not very
important</td><td>5
not at all
important</td></tr></table></td></tr>
<tr><td></td><td></td></tr>
<tr><td></td><td>The question asks for a response to be marked between two opposite ends of the scale:
How would you describe the local pharmacy:

<table><tr><td></td><td>-2</td><td>-1</td><td>0</td><td>+1</td><td>+2</td><td></td></tr><tr><td>Convenient</td><td>x</td><td></td><td></td><td></td><td></td><td>inconvenient</td></tr><tr><td>Friendly</td><td></td><td></td><td>x</td><td></td><td></td><td>unfriendly</td></tr><tr><td>Service oriented</td><td></td><td>x</td><td></td><td></td><td></td><td>unhelpful</td></tr><tr><td>Efficient</td><td></td><td></td><td></td><td>x</td><td></td><td>inefficient</td></tr></table></td></tr>
<tr><td></td><td></td></tr>
<tr><td></td><td>This question examines how strongly the respondent agrees with a statement and can help assess the feelings of customers towards issues</td></tr>
</table>

<table>
<tr><th>Type</th><th>Examples of questionnaire</th></tr>
<tr><td></td><td>At the network of pharmacies generally give better service than pharmacy?
<table><tr><td>strongly agree</td><td>agree</td><td>neither agree nor disagree</td><td>disagree</td><td>strongly disagree</td></tr><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr></table></td></tr>
<tr><td></td><td></td></tr>
<tr><td></td><td>This question type rates the replies in terms of a scale from e.g. poor to first class. As with all these types of questions it is sometimes necessary to have an even number of boxes (e.g. 4) to avoid the middle of the road response commonly taken by those trying to avoid making a stand.
How would you rate the assortment of medication from your local pharmacy?
<table><tr><td>Very wide</td><td>Wide</td><td>Fair</td><td>Poor</td><td>Very Poor</td></tr><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr></table></td></tr>
<tr><td></td><td></td></tr>
<tr><td></td><td>This type of question is trying to elicit a customer’s future intentions by asking whether they might buy a product and can help assess the needs and likely take up of a new product if developed. Care needs to be taken with these questions as they may reflect wants rather than needs!
If a pharmacy was standard in a filling station would you be more likely to buy medication?
<table><tr><td>definitely</td><td>probably</td><td>unsure</td><td>probably not</td><td>definitely not</td></tr><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr></table></td></tr>
<tr><td></td><td></td></tr>
<tr><td></td><td>Questions can allow more freedom for answers but are much</td></tr>
</table>

Type	Examples of questionnaire
	harder to analyze as each respondent will use your own words. Often the question will be couched along the lines of: Describe your opinion about local pharmacy. _____ _____ _____ _____

Task 3

The owner of pharmacy wants to make a forecast of consumption of seasonal medicinal product in order to determine the volumes of purchase. What data is needed for this study. What resources can be used:

- Internal Desk Research
- External Desk Research:
    - Online Desk Research.
    - Government published data
    - Customer desk research
- National statistical offices.
- Google Scholar:
- Business Source Premier:
- Twitter:
- Journals
- Company information (such as annual reports, sales reports, and invoices);
- Chamber of commerce reports and data;
- Trend and industry reports;
- Municipal or state/provincial information;
- Data bases;
- Archives;
- Photographs;

- Diaries or personal journals;
- Newspapers or books from the period that you are researching.

Task 4

Evaluate sources of information on the criteria proposed in the table:

	Online Databases and Market Data	Company Data	Government Statistics	Market Research Reports	**Social networks**	Trade And Industry Bodies
Number of sources						
Availability: open access language cost						
Reliability						
Adequacy						

Which sources can be used to find the following information:

- Rating of wholesale companies
- Producer market share
- Market share of individual goods
- Customer feedback on the product
- Information about manufacturers and wholesale intermediaries in the country
- Morbidity of the population
- Advertising activity of companies
- Sales volumes of pharmacy products



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Problems of marketing research.
2. Features of marketing research in domestic and international pharmaceutical markets.
3. Necessity of carrying out of marketing research of selftreatment tendency.

4. Observation and its role in conducting market research.

5. Examples of unfair competition in the domestic pharmaceutical market.

6. Analysis of the current state and development trends of the marketing research market in Ukraine and other countries.

7. Marketing research and their importance in the practical activities of pharmaceutical companies.

8. Ethical aspects of the organization and conduct of marketing research.

9. Ways to organize marketing research in Ukraine and abroad.

10. Market analysis of Ukrainian and foreign research pharmaceutical companies, their purpose.

11. Problems and prospects for conducting market research in the Internet.

12. Principles of building a system of marketing information and databases.

13. Principles of the formation of marketing information by pharmaceutical enterprises.

14. Current trends in obtaining marketing information.

15. Problems and prospects for the development of pharmaceutical information.

16. Comparative analysis of methods of marketing research.

17. Research of the marketing environment of the pharmacy enterprise.

18. Marketing research of the internal environment of a pharmacy (pharmaceutical) enterprise.

Conclusions to the class :

Topic 16. STUDY OF THE MARKET OF DRUGS

Objective: To consolidate theoretical knowledge about general principles of studying the market of medicines. Acquire practical skills in the application of techniques for determining the need for medicines and the use of quantitative characteristics of the market.

Theoretical questions

1. Study of the market of medicines. The importance of market research.
2. The content and focus of a comprehensive market research.
3. Quantitative characteristics of the market: conjuncture, capacity, market share, market saturation, the dynamics of consumption of goods.
4. Segmentation of the market: meaning, concept, criteria, basic methods. Requirements for market segments. The peculiarity of the segmentation of consumers of medicines.
5. Target market, "market window" and "market niche".
6. Consumer research and typology of drug consumption. Factors affecting consumer behavior.
7. Characteristics of the concepts "need", "demand", "consumption". Study of drug consumption.
8. Retail audit, its essence and purpose.
9. Methods for determining the need for medicines.
10. Study of supply and demand of goods. Types of demand: negative, absent, hidden, declining, irregular, full, excessive, irrational.
11. Demand for medicines: realized, unsatisfied, emerging.



PRACTICAL AND SITUATION TASKS

Task 1

Fill the following definitions: market share, capacity of the real market, capacity of the potential market, capacity of the commodity market.

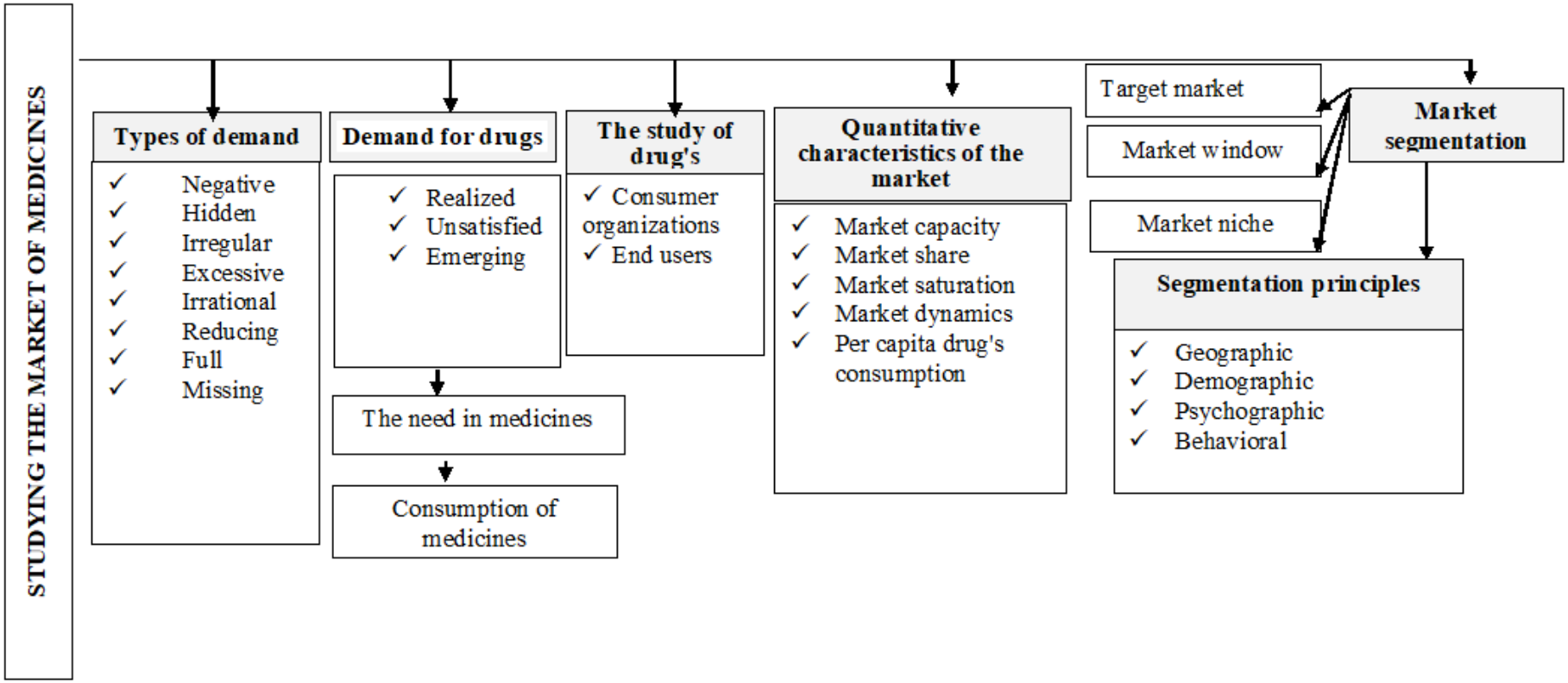


Fig. 30. Structural-logical scheme of the topic « Study of the market of drugs»

	understand as possible sales volume of goods (concrete production of the enterprise) at the given level and a parity of prices
	possible sales volume of goods to the buyers, requiring them and showing interest to the
	possible sale volume of goods to the buyers, needing them, showing interest to the certain goods and having possibility to get it
	a relative density of goods of firm in the general capacity of the given commodity market, expressed in percentage

Determine the capacity of the regional producer and buyer's market (based on purchasing power) using the example of Sedalgin 0.5 №20 tablets per year, if:

Number of inhabitants of the region	– 1,6 million people
Production of tablets by the company "C"	– 1,4 mln. pac.
Production of tablets by the company "B"	– 0,8 mln. pac.
Arrivals of a preparation from other regions	– 0,4 mln. pac.
Deliveries of the drug to other regions	– 1,9 mln. pac.
Commodity stocks	– 0,2 mln. pac.
Purchasing power of the population (per 1 inhabitant)	– 0,4 pac. a year

Establish type of the given regional market by results of calculations.



ADDITIONAL INFORMATION

The capacity of the regional producer market is determined by the formula:

C = P + I − E + Cs

where E is the market capacity;

P – the volume of production of the product (medicinal product);

I – import (importation from other regions);

E –export (export to other regions);

Cs – commodity stocks.

The capacity of a regional buyer's market is determined by the formula:

C = N x P_p

where N – number of inhabitants of the region;

P_p – *the purchasing power of the population.*

Conclusions:

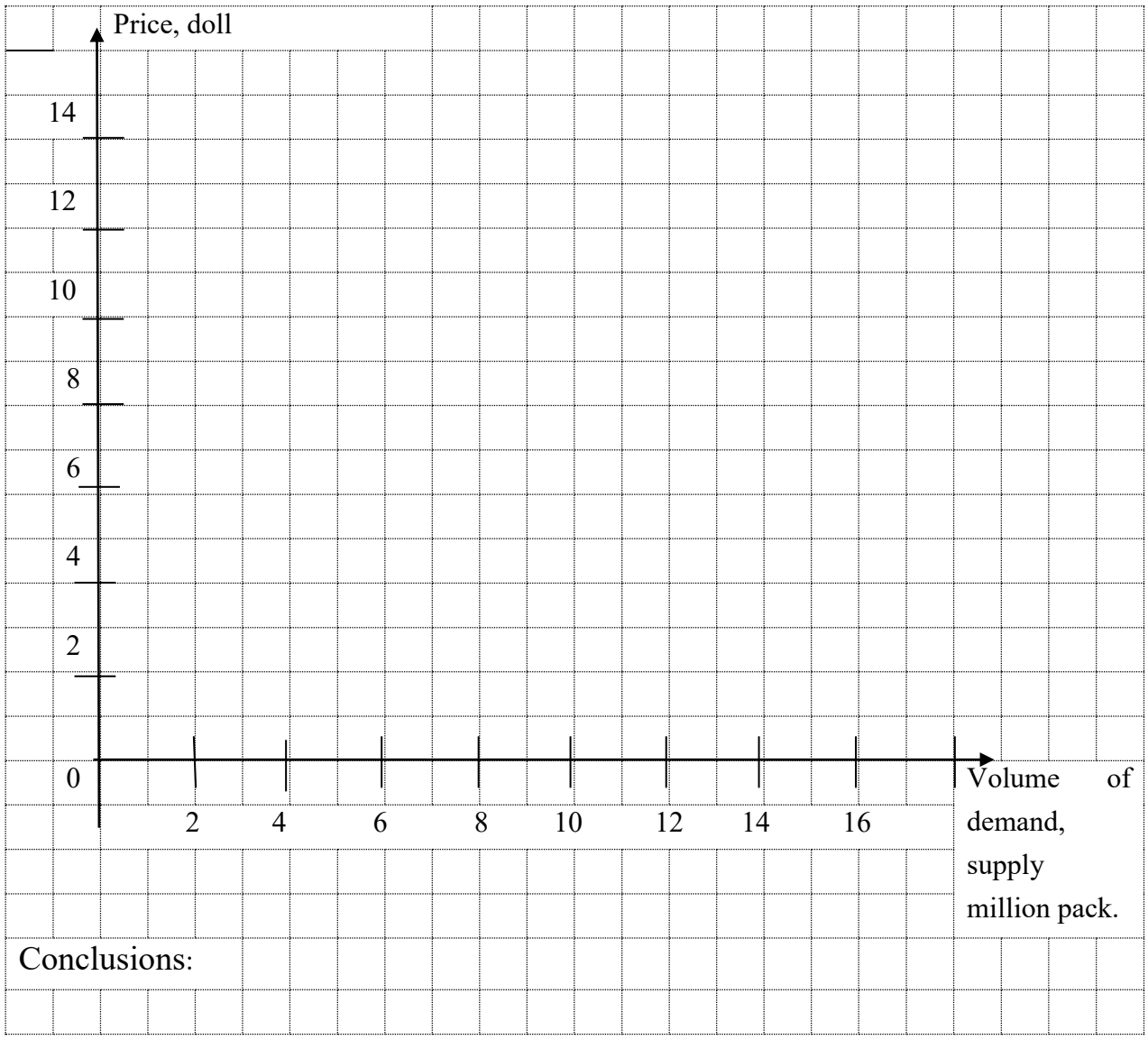
Task 3

Analyze the data in table 43, demonstrating the level of prices, supply and demand for medicine A in the regional pharmaceutical market. Construct the supply and demand curves from the table and determine the equilibrium price of the drug on the regional pharmaceutical market.

Table 43

Initial data

The price for 1 pack., doll.	Volume of demand for the year, mln	Volume of demand for the year, mln
14	2	16
12	6	13
8	10	8
5	14	5
4	16	2



Task 4

Fill in the diagram shown in Fig. 31 the following concepts: the target market; market window; market niche. Give examples of the market window in the field of drug provision of the population.

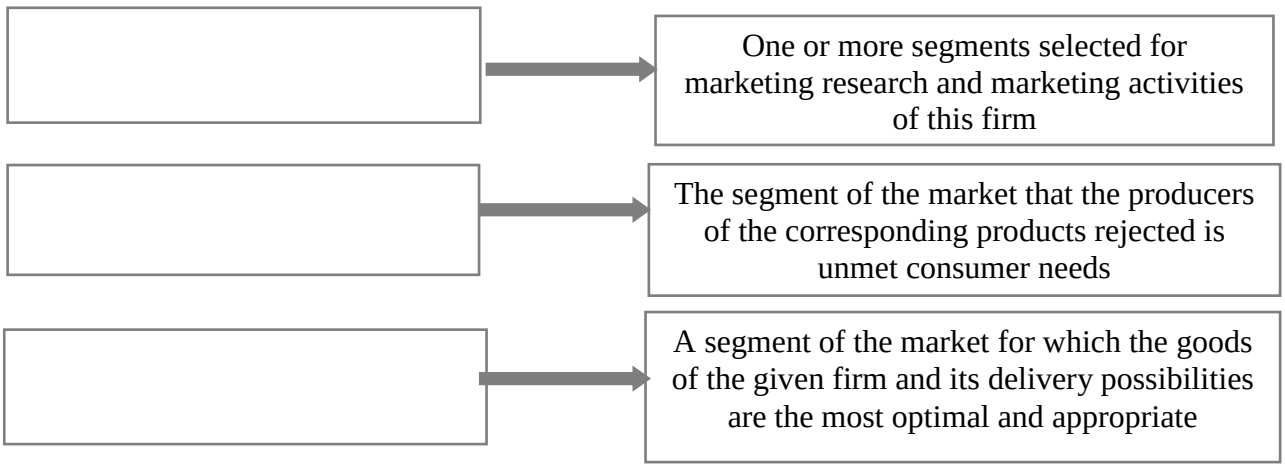


Fig. 31. Scheme of the characteristics of the concepts "target market", "market window" and "market niche"

Task 5

Determine the need for a dermo-venereal dispensary in terbinafine, a specific preparation for the treatment of mycoses of four nosological forms: 1 – candidiasis of the skin; 2 – trichophytosis of smooth skin; 3 – foot dermatophytosis; 4 – onychomycosis. The norms of drug consumption for the course of treatment of one patient (N) for different forms of diseases are on average: N1 – 6 g; N2 – 7 g; N3 – 11 g; N4 – 23 g. The expected number of patients with these nosological forms is: the first form - 20 people, the second – 100 people, the third – 300 people, the fourth – 10 people. All patients undergo one course of treatment. Terbinafine is produced in tablets of 0.25 № 10.

Conclusions:

Task 6

Calculate the region's need for the next year in a medicinal product of a wide range of action – cefixime 0.2 №10 – based on the rate of increase in its consumption, if the actual consumption of this drug, provided that the full satisfaction of demand for recent years was respectively: 12 thousand packs, 14 thousand packs, 14,5 thousand packs, 15,5 thousand packs. Make a conclusion about the trend of demand for a drug in this region.

Conclusions:

Task 7

Calculate the region's need for promedol if the region's population is 2,5 million people. The norm of consumption of promedol per 1000 people is 5,0 g.

Conclusions:

Task 8

Analyze the data of the retail audit of the pharmaceutical market concerning the group of medicines for lipid-lowering action (table 44).

Table 44

Market share of medicines for lipid-lowering action

Name of medicinal product	Market share *(r)*, %
Vazilip, KRKA (Slovenia), tab. 10 mg, 20 mg, 40 mg No. 14, № 28	62,35
Zokor®, Merck & Co (USA), tab. 10 mg, 20 mg No. 28; 40 mg № 14	10,17
Vabadin, Berlin-Chemie / Menarini Group (Germany), tab. 10 mg, 20 mg, 40 mg № 28	7,80
Simvatin®, OJSC "Megacom" (Ukraine), tab. 10 mg, 20 mg № 30	5,90
Simgal, Teva (Israel), tab. 10 mg, 20 mg, 40 mg № 28	4,19
Simvakor®-Darnitsa, Darnitsa (Ukraine), table 10mg №20	3,91
Soest, USV Limited (India), tab. 10 mg, 20 mg No. 20, №50	2,39
Simvaghexal, Sandoz (Switzerland), tab. 10 mg, 20 mg №30	1,66
Vazostat-Zdorovye, "Zdorovie" (Ukraine) tab. 10 mg, 20 mg №30	1,34
Simvastatin Alkaloid®, Alkaloid (Macedonia), tab. 10 mg №30	0,14
Simvastatin, JSC "Vitamins" (Ukraine), tab. 20 mg №30	0,08
Simvastatin-Apo, Apotex (Canada), tab. 10 mg, 20 mg, 40 mg № 28	0,05
Simvasandoz, Sandoz (Switzerland), tab. 30 mg №30	0,008
Simvilimit, Grindeks (Latvia), tab. 20 mg №30	0,004
Simvale, Gedeon Richter (Hungary), tab. 10 mg, 20 mg № 28	0,003

Determine the level of monopolization in the market for simvastatin drugs and draw a conclusion about the situation that has developed in this segment of the market.



ADDITIONAL INFORMATION

Among the indicators characterizing the level of monopolization of the market, the largest distribution was the Herfindahl-Hirschman Index (HHI), the sum of the squares of the market share of firms operating on the market:

$$HHI = \sum_{i=1}^{n} r_i^2$$

where r – market share of the i-th firm in the product segment of the market, %;

n – the total number of firms on the market.

The index can take values from 0 (complete decentralization of production) to 10,000 (absolute monopoly). It is empirically established that if the value of the index is 1000 or less, the market is unmonopolized (normal for competition), and 1800 or more is monopolized (uncompetitive). Monopolies are known to be able to maintain a high level of prices in all phases of the economic cycle, restraining the release of goods during the period of demand reduction.

Conclusions:

Task 9

Market share is one of the most common indicators characterizing the position of the enterprise and its medicines in a certain segment or the market as a whole. Imagine that you are a marketer of the pharmaceutical enterprise «Pharma Start». Using the data given in table 45, calculate the market share of the drug Trikludtan in terms of both natural and value indicators of sales in the market segment, market share relative to the three main competitors, market share of the leader.

Table 45

The results of market research of trimetasidine

Name of the drug	**Volume of sales**	
	Number of packages, pcs.	The amount, thousand dollars
Preductal®, Servier (France), tab. 20 mg No. 60; tab. 35mg №60	378 514	42 355,05
Tricuktan, Pharma Start (Ukraine), tab. 20 mg № 30 №60, №90; Table. with modif. free. 35mg № 20 №60	143 145	5 559,58
Trimetazidine-Ratiofarm, Ratiopharm (Germany), Table. 20 mg, No. 30, No. 60	103 286	4 545,55
Energoton-Darnitsa, Darnitsa, Ukraine, tab. 20 mg №60	36 673	1 247,72
Kardazin-Zdorovye, "Zdorovie" (Ukraine), tab. 20 mg №60	23 369	762,31

Name of the drug	Volume of sales	
	Number of packages, pcs.	The amount, thousand dollars
Trikard, "Kiev Vitamin Plant" (Ukraine), table 20mg № 30	12 113	292,83
Trimectal, Norton (Canada), tab. 20 mg №60	8 353	403,69
Trimetazidine-Astropharm, Astrafarm (Ukraine), tab. 20 mg №60	4 539	109,9
Cardital, Genom Biotech (India), tab. 20 mg №60	3 843	149,84
Metazidin, Polfa (Poland), tab. 20 mg №60	3 614	177,62
Cardimax, USV Limited (India), tab. 20 mg №30; tab.pr.60 mg №30	2 531	72,84
Karkudtal, "Technologist" (Ukraine), tab. 20 mg №30, №60	533	12,05
Trimet, Torrent (India), tab. 20 mg №30	48	1,36
Total	720 561	55 690,34



ADDITIONAL INFORMATION

The market share by natural indicators *of sales is calculated as the ratio of the number of goods sold by the firm and the total sales of goods in this market.*

The market share by value indicators *is calculated as the ratio of sales of goods of a certain firm to the total market capacity in monetary terms.*

The relative market share *is defined as the ratio of the firm's market share to the market share of its competitors or its three main competitors.*

The market share in relation to the leader *is calculated as the ratio of the absolute market share of the firm and the market share of the main competitor.*

Conclusions:



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Segmentation of consumers of drugs on the example of a specific pharmacotherapeutic group.
2. Comparative analysis of methods for forecasting sales of drugs in a pharmacy.
3. Research principles of the formation of consumer loyalty to medicines (pharmacies, TM).
4. Determination of the capacity of the pharmaceutical market and its segments by the example of a specific medicinal product (medicinal cosmetics).
5. Analysis of factors affecting the pharmaceutical market.
6. Research of the pharmaceutical market.
7. The analysis of the price conjuncture of medicinal products (on the example of a specific pharmacotherapeutic group).
8. Study of the behavior of consumers of pharmaceutical products.
9. Analysis of factors of external influence on the behavior of consumers of medicines.
10. Analysis of factors of internal influence on the behavior of consumers of medicines.
11. An estimation of consumer preferences in the pharmaceutical market (on an example of the concrete goods).
12. Analysis of ways to motivate consumers in the market of medicines.
13. Analysis of factors that form the loyalty of consumers of medicines.
14. Studying the reaction of consumers to TV advertising of pharmaceutical products.

15. Determination of the level of satisfaction of consumers of medicines.

16. Evaluation of the quality of customer service of a pharmacy.

17. Analysis of the decision-making process by the end user about the choice of medicines.

18. Monitoring of TV advertising of medicines.

19. Study of the influence of advertising on the consumer choice of a pharmaceutical product.

Conclusions to the class :

Topic 17. PRODUCT IN THE SYSTEM OF MARKETING. ASSORTMENT POLICY OF PHARMACEUTICAL ENTERPRISES AND PHARMACIES

Objective: To consolidate theoretical knowledge of the product as an integral part of the marketing complex, consumer value and competitiveness of the pharmaceutical product, targeted marketing activities in relation to the positioning of the product on the market, assortment policy of the pharmaceutical and pharmaceutical companies. To acquire practical skills to determine the competitiveness of the product, its positioning on the market, analysis of the range of pharmacies, the definition of stages and types of life cycle of the pharmaceutical product.

Theoretical questions

1. Marketing concept of the product.
2. Classification of products. Classification of medicines and medical products.
3. Consumer value of products. Consumer properties of medicinal products.
4. Product life cycle. Stages of the product life cycle and their characteristics. Marketing activity at the stages of the product life cycle.
5. Positioning of products. Criteria for positioning medicines.
6. Competitiveness of a product and a medicinal product.
7. Assortment policy of pharmacies and pharmaceutical companies. Components and principles of assortment policy.
8. Product range, its main characteristics. Product nomenclature.
9. Directions of the analysis of the product range.
10. Formation of commodity assortment of production and trading enterprises. Features of the formation of a range of pharmaceutical products of pharmaceutical companies.

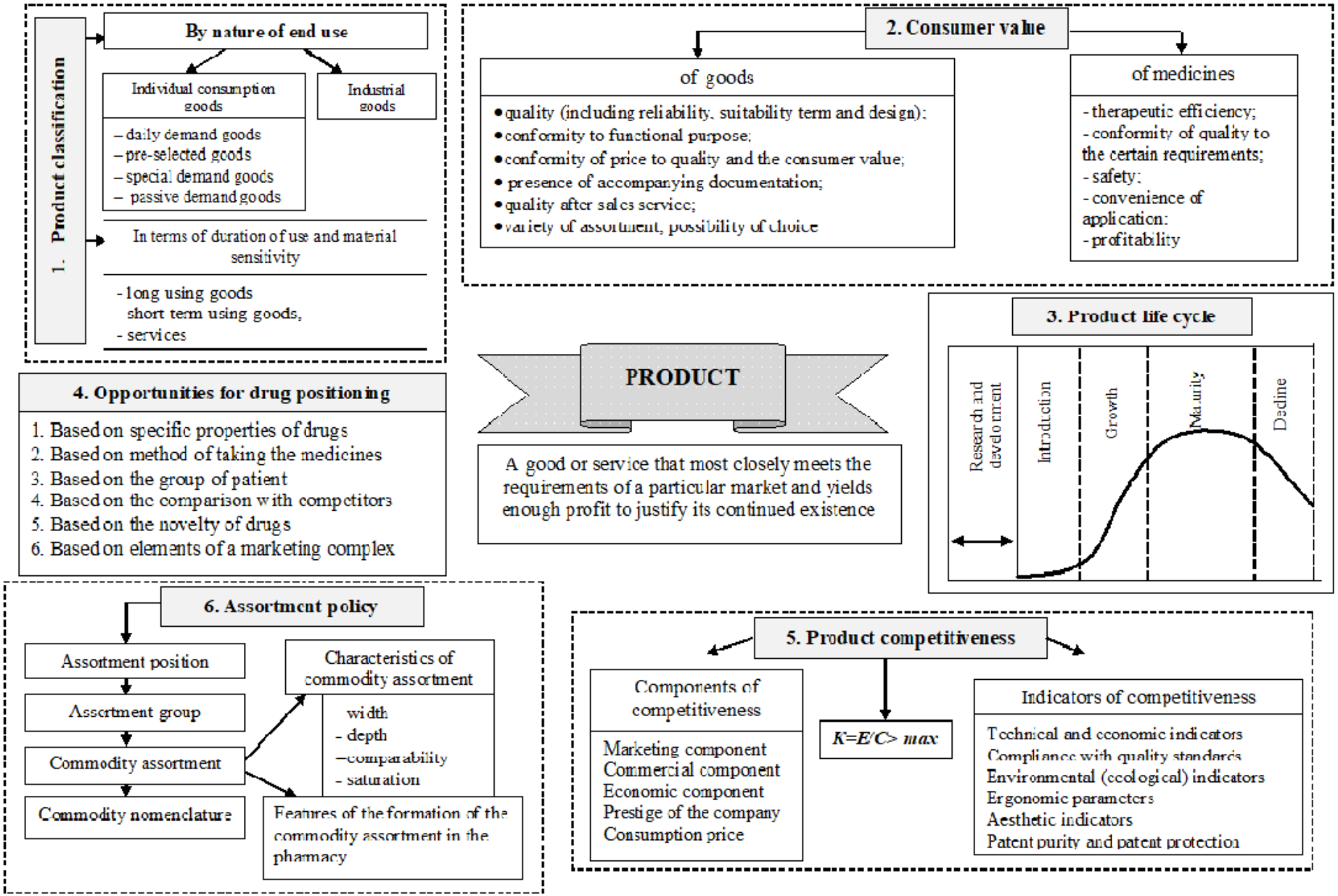


Fig. 32. Structural and logical scheme of the topic «Product in the system of marketing. Assortment policy of pharmaceutical enterprises and pharmacies»



PRACTICAL AND SITUATION TASKS

Task 1

Give the definition of main theoretical terms of the topic.

Product	A marketing strategy that aims to make a brand occupy a distinct position, relative to competing brands, in the mind of the customer
Product life cycle	The collection of goods or services that a business provides to consumers
Positioning	A good or service that most closely meets the requirements of a particular market and yields enough profit to justify its continued existence
Product assortment	Tracking a specific product or service through the successive stages of its life cycle. The stages in the average product life cycle include development, introduction, growth, maturity and decline.

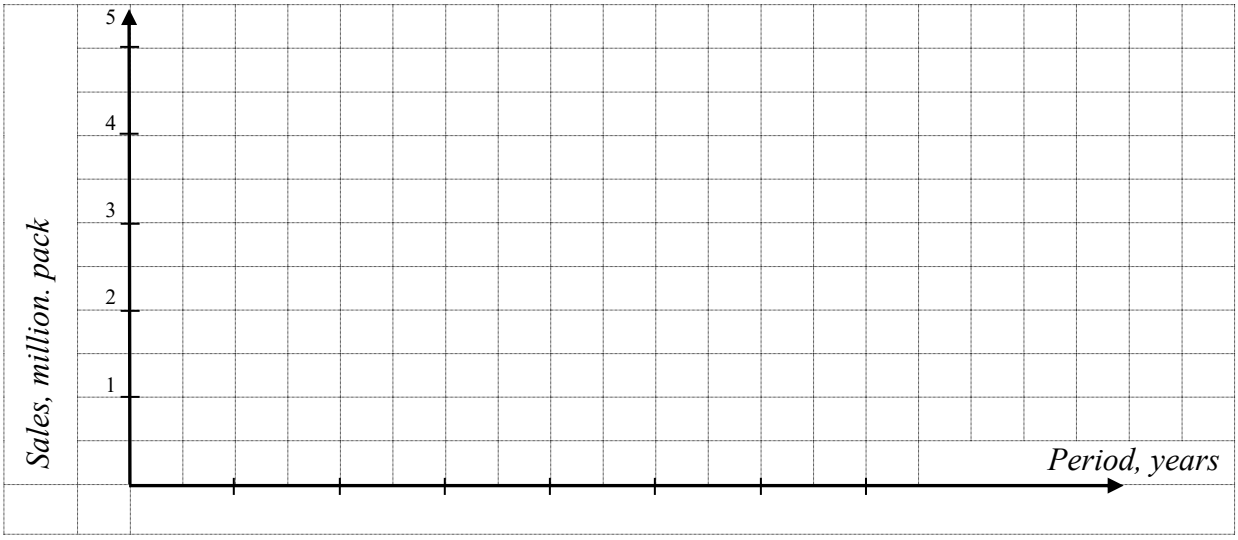
Task 2

Using data on the sales volumes of a drug A and a drug B during the last seven years, define and characterize the stage of their product life cycle (in the seventh year).

The sales volume of the drug A at the market for last 7 years were (in millions of packages): 0.7; 2.2; 3.5; 4.0; 4.2; 4.2; 4.3;

The sales volume of the drug B at the market for last 7 years were (in millions of packages): 0.3; 0.5; 0.9; 1.2; 1.5; 1.9; 2.5.

Specify the main objectives of marketing for a drug A and a drug B in accordance with the stage of their lifecycle, the value of elements of the marketing complex, the preferred types of consumers and the financial goals of the producing companies.



Characteristics of the stage of a product lifecycle	Drug A	Drug B
Stage of the product life cycle		
The main tasks of marketing		
Importance of elements of the marketing mix		
Types of consumers		
Financial goals of the manufacturing companies		

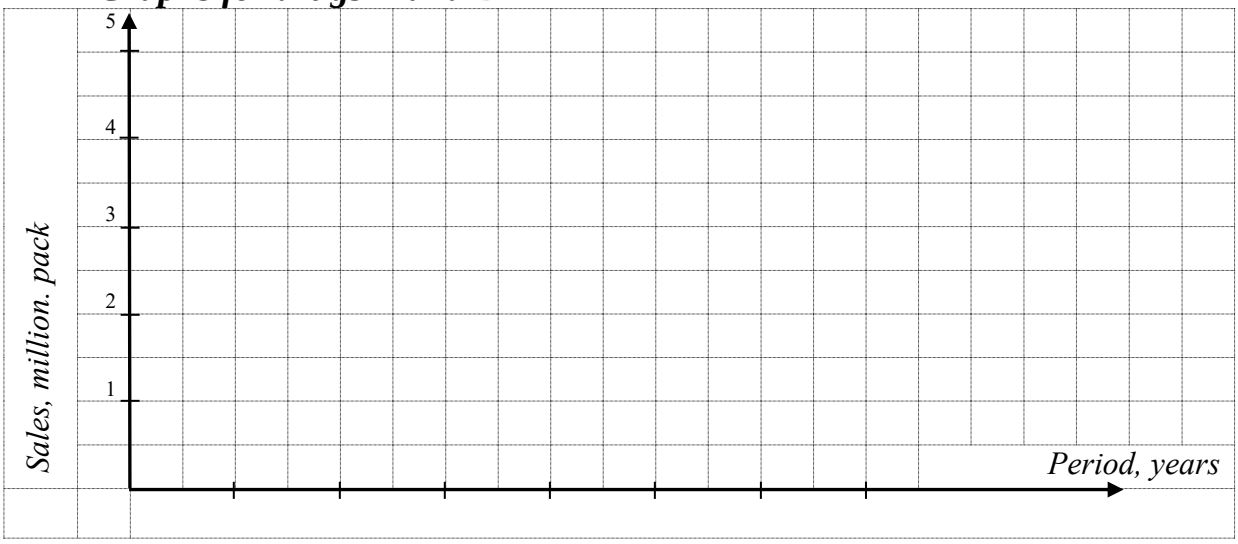
Task 3

Build graphs of the product life cycle for drugs A, B, C and D, if their sale volumes at the market in recent years (in millions of packages) were:

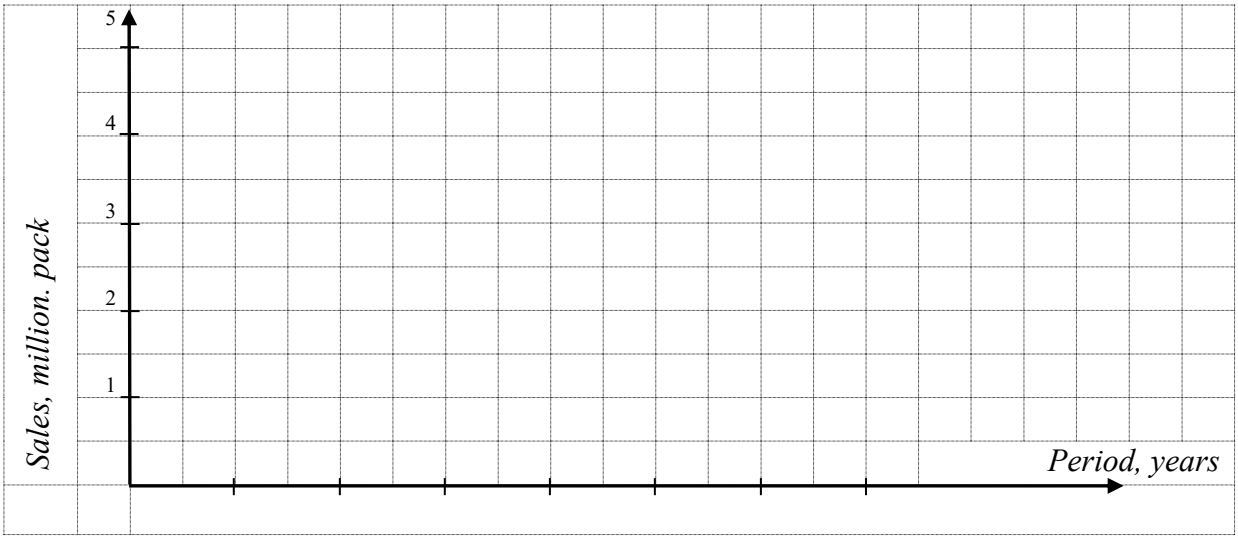
- a drug A: 0.5; 3.7; 3.5; 1.4; 1.1; 4.2; 2.0; 3.9; 4.1; 1.9;
- a drug B: 0.2; 1.3; 0.5; 0.3; 0.1; 0.05;
- a drug C: 1.3; 2.0; 2.1; 2.8; 2.8; 3.5; 3.6;
- a drug D: 0.5; 4.2; 1.0; 0.5.

Determine the types of life cycle of these drugs. Give examples of situations in the pharmaceutical market in which such types of life cycles are possible.

Graphs for drugs A and B



Graphs for drugs A and B



Task 4

Positioning is the process of creating a separate place for a pharmaceutical product in the market and in the minds of target audiences, which should lead to the understanding or advantage of a pharmaceutical product and allocate it among competitors.

Positioning statements in the form of key messages should be reflected in the marketing communications of pharmaceutical companies and should be communicated to their target audiences.

Suggest and justify for which target audiences (physicians, pharmacists or end users) the following statements from the positioning of drugs can be used:

- controlled release of the active substance;
- prestige of the manufacturer

- convenient dosage mode (once a day);
- the highest level of evidence base;
- original production technology;
- fundamentally new molecule of the active substance;
- the ability to use while driving (absence of sedation);
- original combination of active substances;
- proven bioequivalence with the original drug;

Suggest ways of positioning for some pharmaceutical products:

• third-generation antihistamine drug;

• vitamin and mineral complex;

• baby nappies.

Task 5

The pharmaceutical company has developed a new drug with technological, pharmacotherapeutic and economic characteristics given in table 46. The new drug should be more competitive than drug A that already exists at the market.

Calculate individual competitiveness indicators (q_i), technological and economic group competitiveness indicators (I_t and I_e) and integral competitiveness indicator (K_i) for a new drug versus drug A.

Make conclusions about the expediency of its production.



ADDITIONAL INFORMATION

Individual competitiveness indicators (q_i):

$$q_i = \frac{P_i}{P_{100}},$$

P_i – parameter of a new drug;

P_{100} – a similar parameter of a drug A.

Group competitiveness indicators (I_t and I_e):

$$I = \sum_{i=1}^{n} q_s \alpha_i$$

α_i – the weight of the parameter.

Integral competitiveness indicator (K_i)

$$K_i = \frac{I_t}{I_e}.$$

Table 46

Technological, pharmacotherapeutic and economic characteristics of drug A and new drug

Characteristics (parameters)	**New drug**	**Drug A**	**Weight of the parameter, a_i**	**q_i**	**I**	**K_i**
Technological and pharmacotherapeutic characteristics						
Number of dosage types	2	1	0.15		I_t=	
Number of types of dosage forms	3	2	0.18			K =
Therapeutic efficiency, points	9.8	7.0	0.25			
Safety, points	7.8	6.5	0.22			
Pharmacokinetics and pharmacodynamics, points	8.0	5.0	0.20			
Economic characteristics, dollars						
The price for a pack	30.0	14.0	0.4		I_e=	
The cost of the course of treatment	30.0	42.0	0.6			

Conclusions:



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Features of drugs as products and their consumer properties.
2. Specificity of the life cycle of a drug and its management.
3. Features of the marketing activity of pharmaceutical companies depending on the stage of the life cycle of the drug.
4. Analysis of approaches to positioning drugs for different target audiences.
5. Analysis of approaches to the evaluation of the competitiveness of medicines.
6. Competitiveness of pharmaceutical products and the main directions of its increase.
7. Analysis of factors influencing on the formation of the range of pharmacy.

8. Methods of analysis and evaluation of the product range of pharmacies and pharmaceutical companies.

9. Components of pharmaceutical assortment policy management.

Conclusions to the class **:**

Topic 18. PRODUCT AND INNOVATION POLICY OF PHARMACEUTICAL ENTERPRISES

Objectives: To consolidate theoretical knowledge about marketing strategy and tactics, commodity and innovation policy of pharmaceutical enterprises. To acquire practical skills in the analysis and planning of commodity policy and innovation activity of pharmaceutical companies.

Theoretical questions

1. General concepts of product policy, its task. Directions of realization of product policy of pharmaceutical enterprises.
2. Marketing strategy and tactics of enterprises. The main models for making strategic decisions.
3. Basic market coverage strategies.
4. Product brand. Trademark, its role in creation the image of the enterprise.
5. The brand Packaging of pharmaceutical product: main types, functions. Corporate identity, its elements. Marking Bar coding.
6. Innovative policy of pharmaceutical companies.
7. New product in the marketing system. The process of developing a new product.
8. Original (innovative) medicines. Generic drugs, their benefits.
9. Stages of the development of a new medicinal product.



PRACTICAL AND SITUATION TASKS

Task 1

Using the Ansoff matrix, determine the growth strategy options for the pharmaceutical company and designate them in the fig. 33.

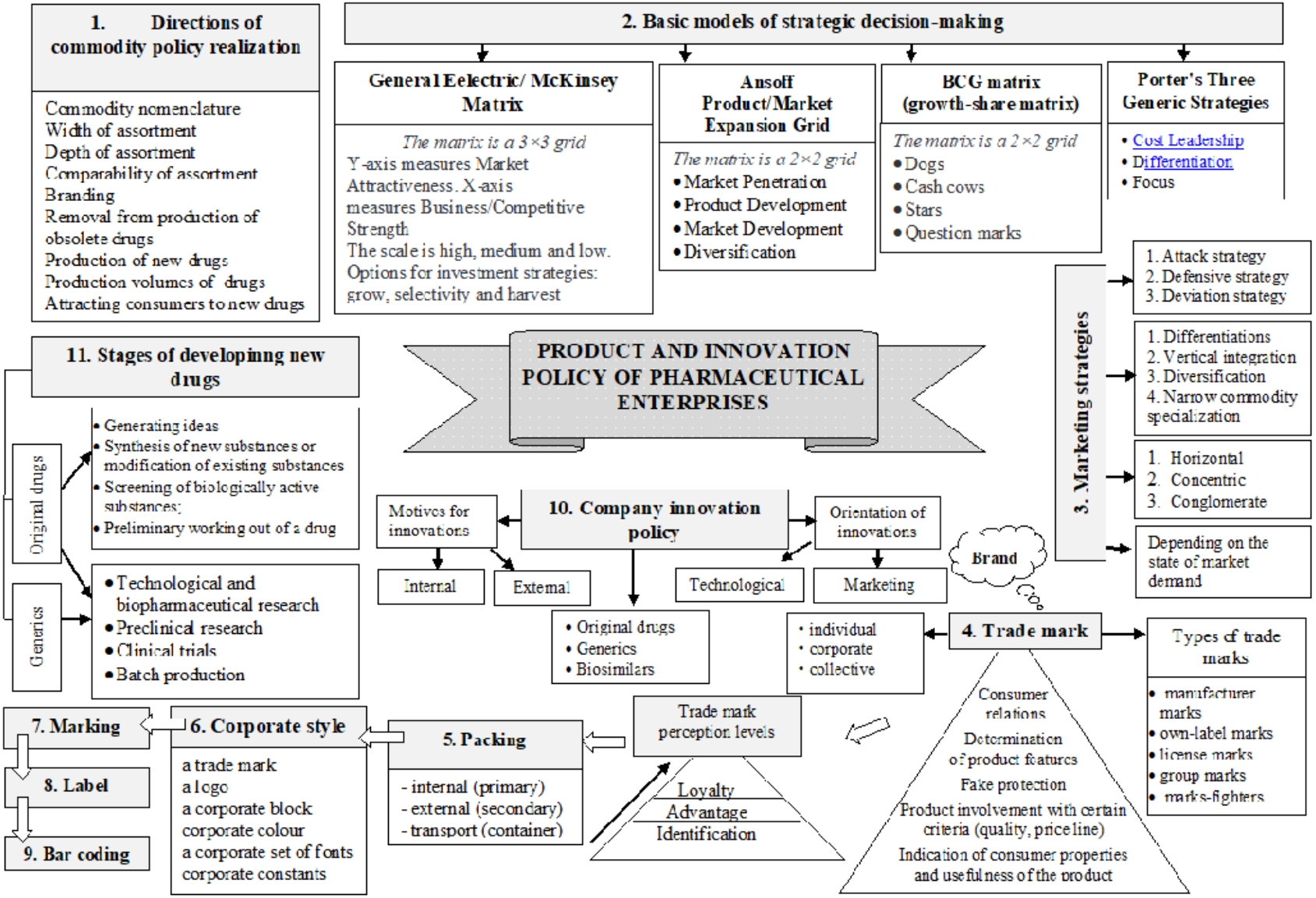


Fig. 34. Structural and logical scheme of the topic «Product and innovation policy of pharmaceutical enterprises»



ADDITIONAL INFORMATION

The Ansoff matrix presents the products and markets available to an organization (markets are customers and products to be sold to those customers)

Ansoff matrix suggests that a business attempts to grow depend on whether it markets new or existing products in new or existing markets.

The Ansoff matrix entails four possible product/market combinations: market penetration, product development, market development and diversification.

Consider a pharmaceutical company offering a statin within its portfolio; the company can grow by one of the four strategies to grow:

Market Penetration (Increase usage of current product by current segment):

- 40% of patients will receive new medical prescriptions.
- 55% of patients will be switchers.
- 5% of volume will be market widening due to increased compliance.

Market Development (Company is entering a new therapeutic segment with current product):

- Cholesterol testing vouchers.
- Pre-30-years-old patients (pending pediatric safety studies).

Product Development (New product is introduced in a current therapeutic class)

- Possible treatment of atherosclerosis.

Diversification (New product is introduced into a new therapeutic segment)

- Potential partnership with another company to test combinations with ezetemibe.

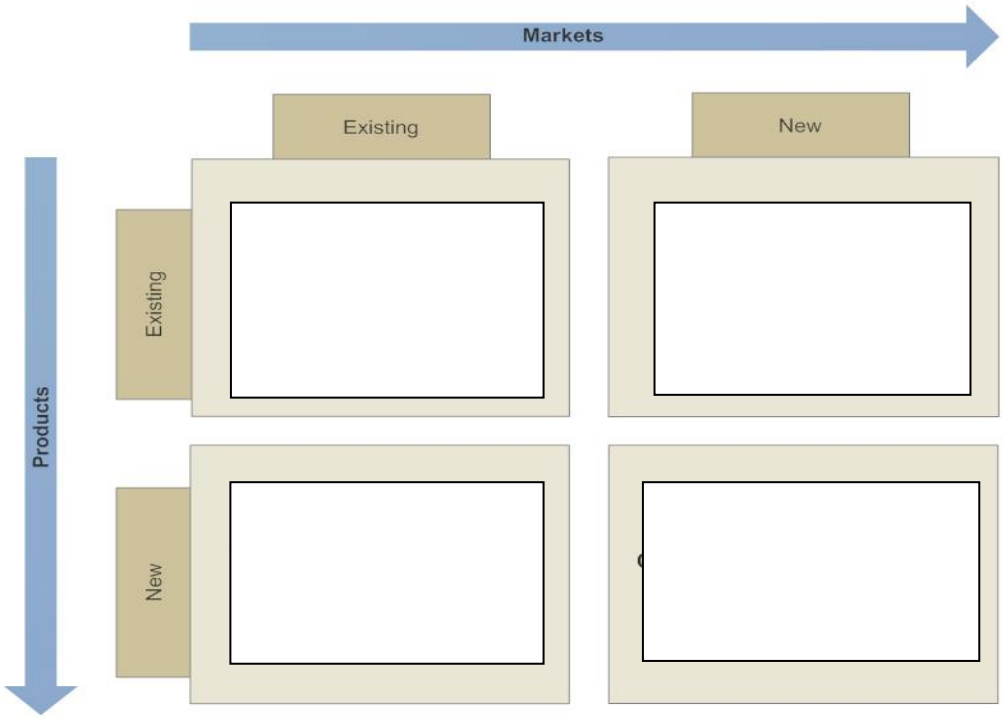


Fig. 33. Options for the pharmaceutical company according to the Ansoff matrix.

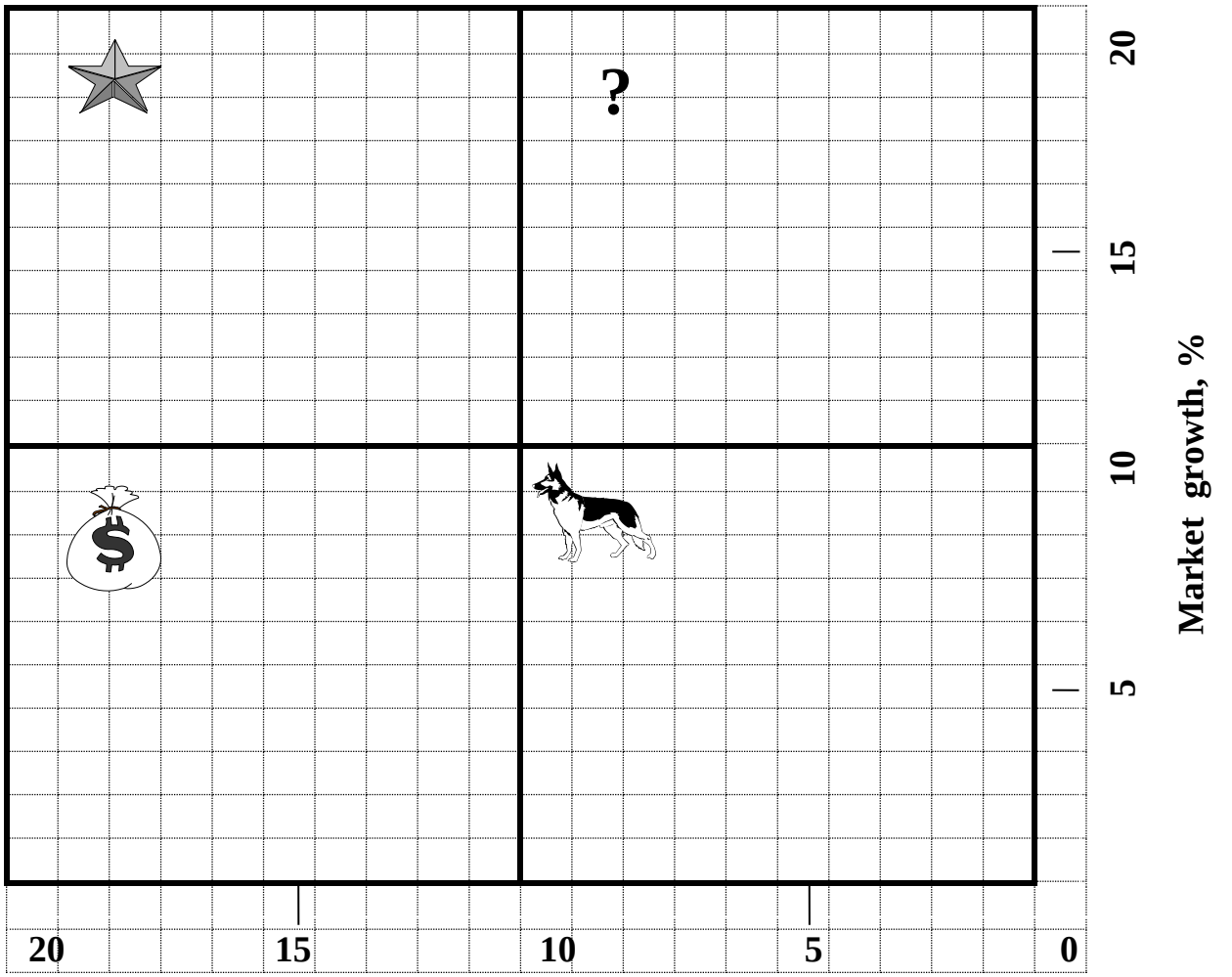
Task 2

A marketing department of the manufacturing pharmaceutical company considers possibility of updating of a product portfolio of the company. Using Boston Consulting Group (BCG) matrix, offer possible variants of strategy for drugs based of marketing data of the company (table 47).

Table 47

Data of marketing activity of the industrial pharmaceutical enterprise

Drug	Market share, %	Market growth, %	Sales volume, million dollars
A	1,0	13,0	0,3
B	5,0	2,0	1,5
C	18,0	12,0	5,4
D	2,0	1,0	0,6
E	3,0	10,0	0,9
F	4,0	5,0	1,2



Task 3

Get acquainted with the stages of development of new medicines (Table 48) and give answers to the questions.

Questions for discussion:

1. How long is the process of developing a new drug?

2. Which stage does involve the largest number of patients?

3. The effectiveness of which stage can be described by the words "one out of ten thousand"?

4. Which pharmaceutical company has the largest expenditure on research and development?

Table 48

The contemporary pharmaceutical research and development process

R&D Stage	Main Activities	Success Rate	Time
Research & Discovery	Drawing on basic exploratory research to identify targets, initial	Less than 1 %	4-6 years

	research on new compounds is carried out in the laboratory (high throughput screening, lead identification and optimization) to select the most promising compounds.		
Preclinical development	Selected compounds are studied in animals under Good Laboratory Practice for toxicity and safety; in parallel, specific analytical methods are developed for further development.	70 %	1 year
Clinical trials. Phase I	Successful compounds are then tested in humans in 3 phases of clinical trials: • Phase I – safety and tolerability in healthy volunteers • Phase II – safety, efficacy and bioequivalence studies in small groups of patients • Phase III – large trials with different populations to demonstrate proof of efficacy, safety and value	50 %	1-1.5 years
Clinical trials. Phase II		N.A.	1-2 years
Clinical trials. Phase III		50 %	2-3 years
Registration	If the results of clinical trials are satisfactory in terms of quality, efficacy and safety, a regulatory dossier is presented to the regulatory authorities for approval.	90 %	1-2 years
Phase IV	Postmarketing studies involving thousands of patients are initiated after the launch of the medicine, to identify any previously unforeseen side effects.		Several years

Task 4

According to the description given above, define the terms related to the innovative activity of pharmaceutical companies (an original drug, a biosimilar, an "authorized generic", a generic drug, branded generic, non-proprietary generic name drugs).

	a medication that has exactly the same active ingredient as the brand-name drug and yields the same therapeutic effect. It is the same in dosing, safety, strength, quality, the way it works, the way it is taken, and the way it should be used. These drugs do not need to contain the

	same inactive ingredients as the brand name product. They are usually much less expensive than brand name drugs once they reach the market.
	is made and sold by the company that developed it, and that company has the patent rights to the medicine
	is a name for the active ingredient in the medicine that is biologically active and that has a particular effect on the on the structure or function of the body.
	generic drug that has a brand name
	is an exact copy of the brand name version authorized by the original patent holder of the drug product. It is a prescription drug that is produced by a brand company under a New Drug Application and marketed as a generic under a private label. It is identical to the branded product in appearance (shape, color, markings) and unlike a generic, it has exactly the same inactive ingredients.
	a biological product that is "highly similar" to a licensed reference biological and which has no clinically meaningful differences between the biological product and the original branded product in terms of safety, purity, and potency of the product

Task 5

Give answer on true or false questions concerning original and generic drugs.

Generics are less expensive because they are lower in quality	
Generics are less expensive because the drug manufacturer does not have to duplicate the original clinical trials for effectiveness and safety, which lowers the cost to bring the drug to market.	
In the United States, trademark laws allow generic drugs to look exactly like the brand name drug.	
A generic drug can only be marketed after the brand-name drug's patent has expired, which may take up to 2 years after the patent holder's drug is first filed with the U.S.	
The generic drug must have the same active ingredients as original drug	
Colors, flavors, and certain other inactive ingredients of generic drug may be different but the effectiveness of the drug remains the same	
when a generic drug is first approved and marketed, costs may remain high (although less than the brand name drug) for 6 months because the FDA will give the first generic manufacturer a "180-day exclusivity period"	
Because it takes years and huge investment to create a medicine from scratch, the original pharmaceutical manufacturers are ensured of a return on their investment through patent rights on the product.	
The FDA (U.S. Food and Drug Administration) does not require that generic drugs be as safe and effective as brand-name drugs.	



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Commodity policy: concept, tasks, directions of implementation in pharmacy.
2. Practical application of modern models of making strategic decisions.
3. Value and role of the brand in the system of forming the image of the company.
4. Approaches to the development of a trademark of a pharmaceutical company.
5. Formation of the brand of the pharmaceutical manufacturing enterprise.
6. Branding on the consumer market of pharmaceuticals.
7. Marketing function of pharmaceutical packaging.
8. Modern principles of formation of the corporate style of pharmaceutical enterprises.
9. Directions of optimization of innovative policy of pharmaceutical enterprises.
10. Technological and marketing orientation of innovations in pharmacy.
11. New product in the concept of marketing and its properties.
12. Sources of ideas on the creation of new pharmaceutical products.
13. The process of developing a new product: the nature and stages.
14. Approaches to the assessment of the competitiveness of the original and generic drug manufacturers.

***Conclusions to the class*:**

MODULE 2. MARKETING IN PHARMACY

THEMATIC MODULE 4
PRICE AND SALE POLICIES IN THE SYSTEM OF PHARMACEUTICAL MARKETING

Topic 19. PRICE, PRICING, PRICE POLICY OF PHARMACEUTICAL ENTERPRISES

Objective: To consolidate theoretical knowledge about the price as a component of the marketing mix and pricing policy of pharmaceutical companies. To acquire practical skills in price formation and application of pricing methods, analysis of price policy of pharmaceutical enterprises, determination of elasticity of demand for medicines and medical products.

Theoretical questions

1. Theoretical foundations of market pricing. Characteristics of the price from the position of marketing.
2. The main functions of the price.
3. Classification of prices.
4. Pricing factors. Types of markets. Pricing and non-price competition.
5. Laws of supply and demand. Price elasticity of supply and demand. Factors influencing the elasticity of demand for medicines. Factors affecting the value of the product offer. Market equilibrium.
6. Price policy of the enterprise.
7. Pricing strategies.
8. Stages of the pricing process. Methods of pricing.
9. Methods of direct and indirect state regulation of prices.
10. Specifics of state regulation of prices for medicines and medical products.

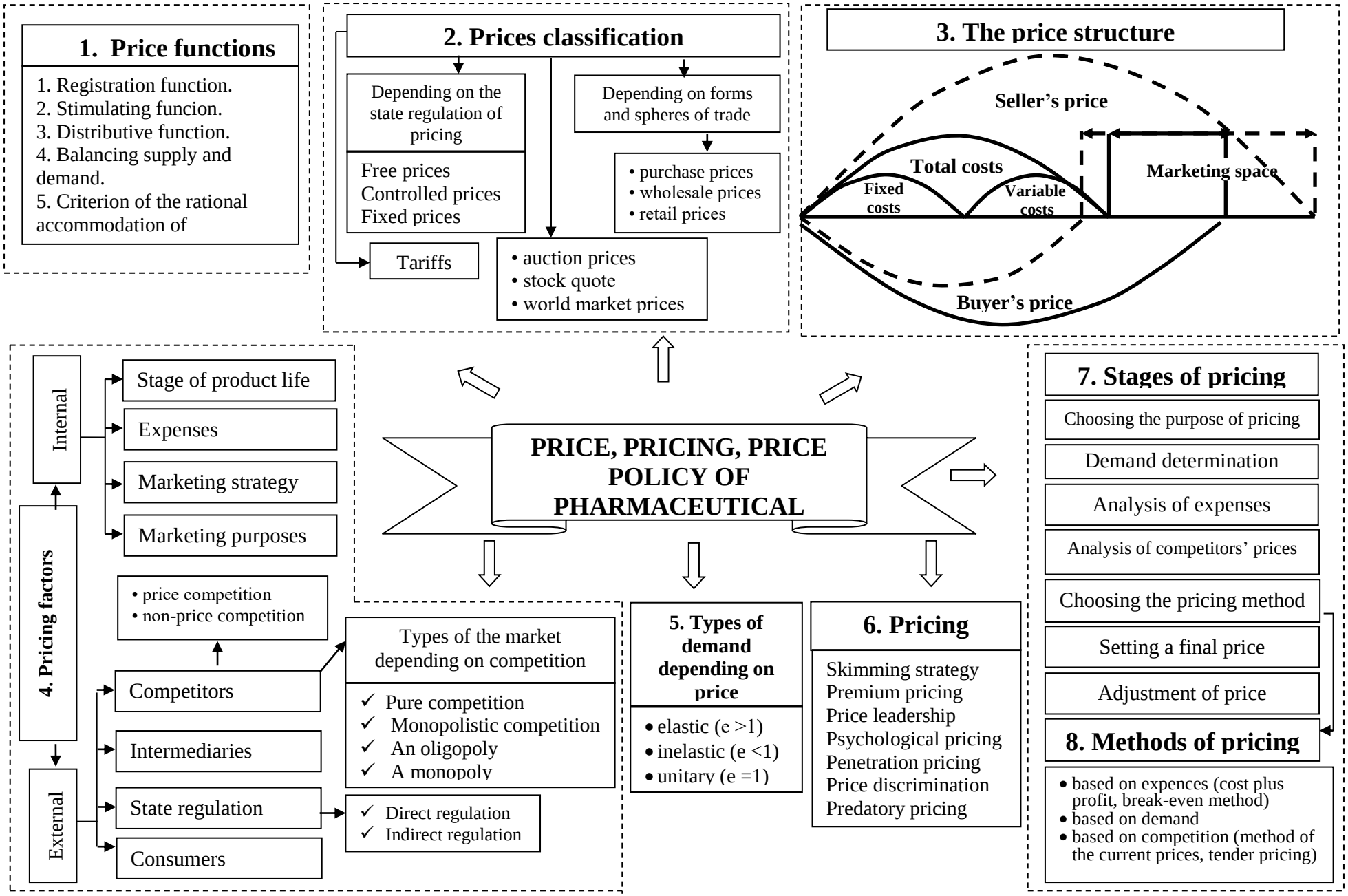


Fig. 35. Structural and logical scheme of the topic «Price, pricing, price policy of pharmaceutical enterprises»



PRACTICAL AND SITUATION TASKS

Task 1

Choose the name of the pricing strategy in accordance with its description. Use such pricing strategies:

Skimming strategy

Premium pricing

Price leadership

Psychological pricing

Penetration pricing

Price discrimination

Predatory pricing (aggressive pricing or "undercutting")

	Pricing designed to have a positive psychological impact. For example, selling a product at $3.95 or $3.99, rather than $4.00. A minor distinction in pricing can make a big difference in sales. The company that succeeds in finding psychological price points can improve sales and maximize revenue.
	Setting the price low with the goals of attracting customers and gaining market share. The price will be raised later once this market share is gained
	This practice is connected with artificially high price in order to encourage favorable perceptions among buyers, based solely on the price. The practice is intended to exploit the (not necessarily justifiable) tendency for buyers to assume that expensive items enjoy an exceptional reputation, are more reliable or desirable, or represent exceptional quality and distinction. Moreover, a high price may portray the meaning of better quality in the eyes of the consumer.
	It is the practice of setting a different price for the same product in different segments to the market. For example, this can be for different classes, such as ages, or for different opening times.
	An observation made of oligopolistic business behavior in which one company, usually the dominant competitor among several, leads

	the way in determining prices, the others soon following. The context is a state of limited competition, in which a market is shared by a small number of producers or sellers.
	It is usually employed to reimburse the cost of investment of the original research into the product. This strategy is often used to target "early adopters" of a product or service. Early adopters generally have a relatively lower price-sensitivity—this can be attributed to: their need for the product outweighing their need to economize.
	Companies often have the goal to place restrictions or a barrier for other new businesses from entering the applicable market. It is an unethical act which contradicts anti–trust law, attempting to establish within the market a monopoly by the imposing Company.
	The international company has developed an original medicine with patent protection. The company is a monopolist at the market, demand on a medicine considerably exceeds the supply, fast reaction of competitors is impossible.
	The pharmaceutical manufacturer just begins to produce a generic medicine with significant numbers of analogues at the market. Demand is elastic, the low price is unattractive for competitors. The firm aspires to win demand of consumers and a considerable market share.

Task 2

Calculate **Breakeven Point** (in units) for a new medical product providing a covering of all expenses for its development and manufacture. Draw the graph of break-even. Thus to take into account, that the price per unit of a new medical is 12 dol., fixed costs are 15,000 dol., and variable costs are 48,000 dol., the expecting volume of manufacture is 8,000 units.



ADDITIONAL INFORMATION

A company's **Breakeven Point** (a critical point of sales volume) –is the point at which its sales exactly cover its expenses.

- **Fixed costs (FC):** Costs that are independent of sales volume, such as research and development and rent.
- **Variable costs (VC):** Costs that are dependent on sales volume, such as the cost of manufacturing the product (substances and auxiliaries, packing material).

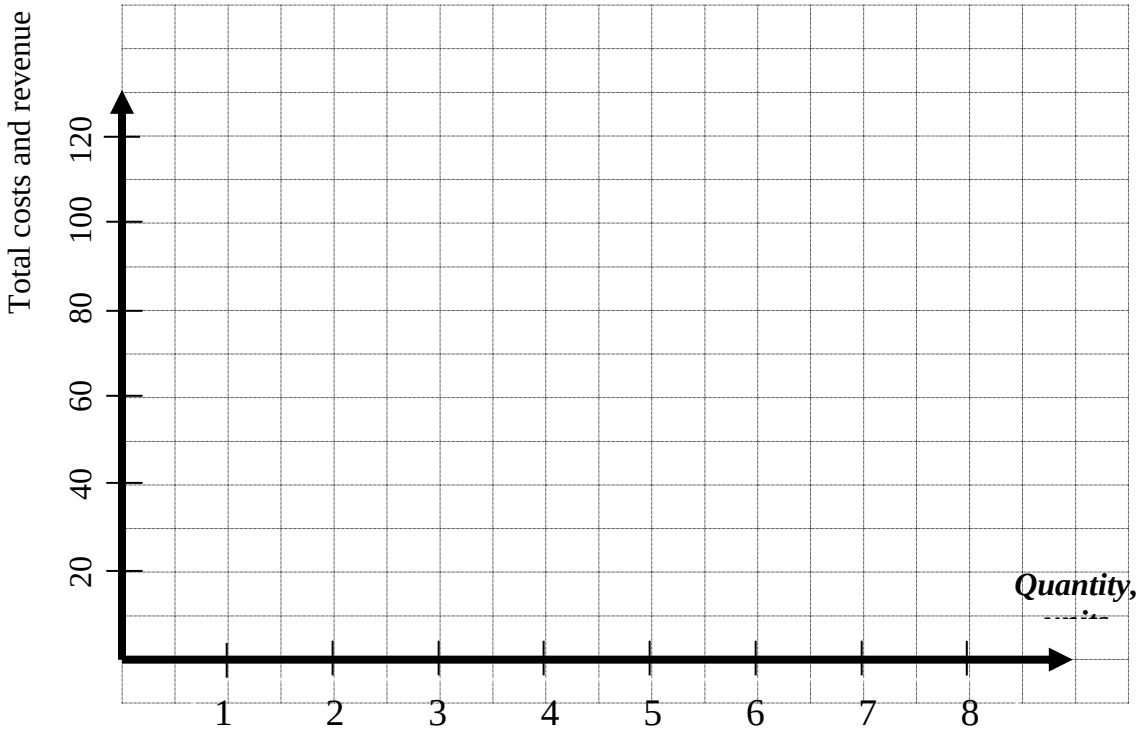
$$Breakeven\,Point = \frac{FC}{P_{per\ unit} - VC_{per\ unit}}, \text{ where}$$

Breakeven Point – is a critical point of sales volume;

$P_{per\ unit}$. – is the price of sales per unit of product, dol.;

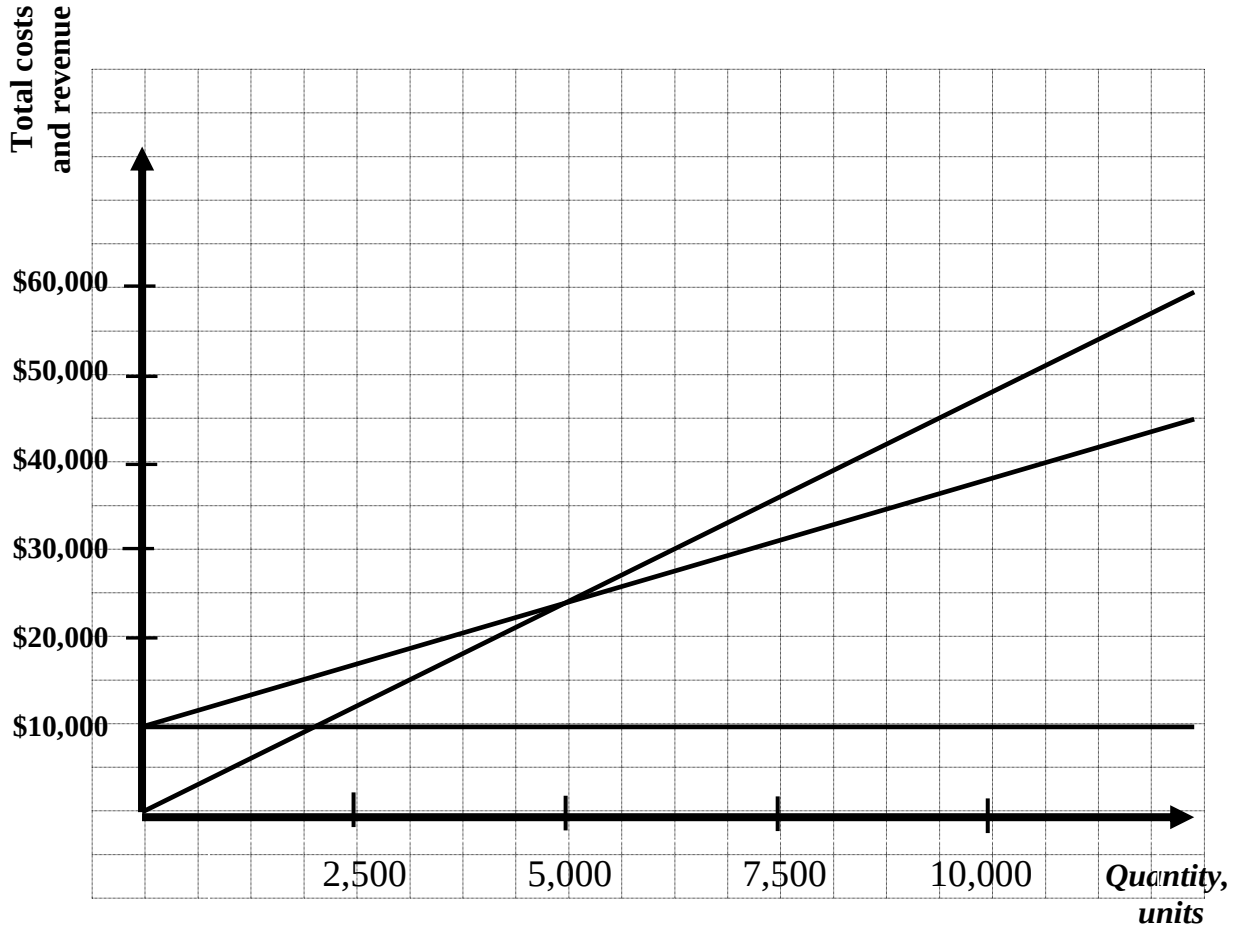
VC – are variable costs per unit of product, dol.;

FC – are the fixed costs



Task 3

Understanding the Breakeven Point is important for every business because it tells business owners and managers how much sales are needed to cover all fixed as well as variable expenses of the business or the sales volume after which the business will start generating profit. Study the break-even chart and fill in the blanks. Make the calculations where are required.



Name of the indicator	Value
Fixed costs	
Variable costs	
Total costs	
Price per unit	
Break-even point	
Revenue	
Profit	

Task 4

Calculate the minimally allowable price for a new medical product to cover production and selling costs, if the possible volume of production is 550,600 units, variable costs per a unit is $0.90 and fixed costs is $39,646.

Then calculate the price for a new medical product if the enterprise plans to make a profit $63,000.



ADDITIONAL INFORMATION

Minimally allowable price for a product *(P_{min})* is defined by the formula:

$$P_{\min} = \frac{FC + VC_{per\,unit} \cdot N}{N},$$

where P_{min} – minimally allowable price for a product.;

FC – fixed costs;

$VC_{per\,unit.}$ – variable costs per 1 unit of production;

N – number of units of a product.

Target price for a product *(P_t)* is defined by the formula:

$$P_t = \frac{FC + VC_{per\,unit} \cdot N + P}{N},$$

where P – the planned (desired) profit, dol.

Task 5

Using the data in the table 49, calculate coefficient of price elasticity of demand for pharmacy goods and identify the character of price elasticity (inelastic, elastic or unitary).

By using a graph, construct and analyze forecast curves of demand and supply. The supply of a Glutargin during the analyzed period was at the price 57.00 UAH – 11 packs; 60.00UAH. – 13 packs; 62.00UAH – 14 packs.

Determine a point of market balance (market equilibrium).

Describe the situation at the market if the price is higher than equilibrium or if the price is below equilibrium.

Table 49

The name of production	Price, UAH	Demand, units	Coefficient of price elasticity of demand	Character of price elasticity
Preductal MR, tab. 35mg №60	162,00	63		
	168,00	61		
Glutargin, tab.0,25 mg № 30	57,00	15		
	60,00	13		
	62,00	12		
Hot-water bottle	39,00	26		
	50,66	20		



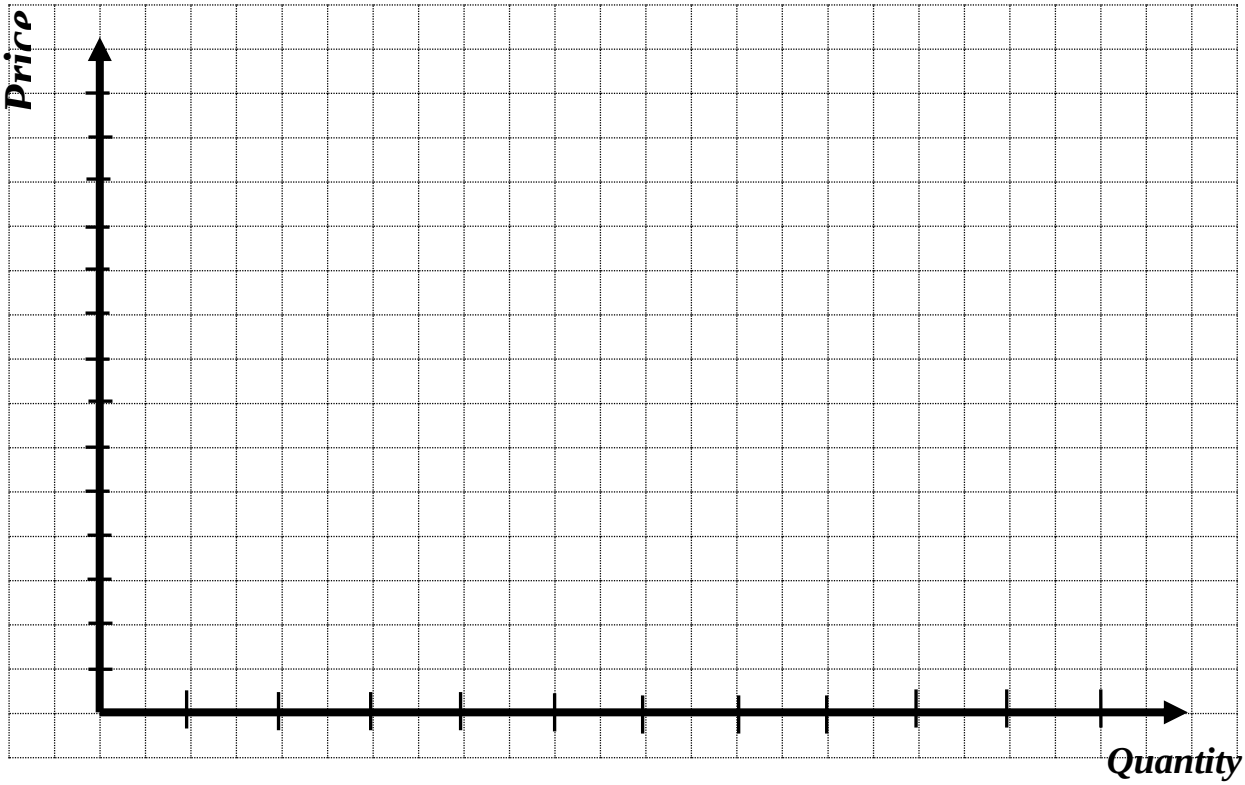
ADDITIONAL INFORMATION

$$e = \frac{D_2 - D_1}{D_1 + D_2} \div \frac{P_2 - P_1}{P_2 + P_1}$$

where e – coefficient of price elasticity of demand;

D_1, D_2 – demand at the previous price and the new price**;**

P_1, P_2 – the previous price and the new prices.



Task 6

A pharmacy network sale 12,000 pac. of medicine at the price 88.00 dol. Determine, whether it is favorable for the pharmacy network to increase sales volume by price reduction on 5.00 dol., if the coefficient of elasticity is -1.5 and the purpose of pricing is:

a) growth of sales of medicinal product in natural terms;

b) increase in profits.

Task 7

A wholesale pharmaceutical company buys a drug for a price of 17.00 UAH per packaging and sells at a price of 23.00 UAH. Weekly sales are up to 300 units. The marketing service recommends a one-week price reduction of 10%.

Calculate how many packaging of the drug pharmaceutical company needs to sell to save income at the previous level.



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Legal regulation of price setting for medicinal products.
2. Features of the pricing task of pharmaceutical companies. Methods of pricing with a focus on competition.
3. Basic price management tools.
4. The essence of the method of tender pricing.
5. Pricing-oriented pricing methods.
6. Features of price determination for new products, in particular for new drugs.

Conclusions to the class :

Topic 20. DISTRIBUTION ACTIVITY OF PHARMACEUTICAL ENTERPRISES

Objective: To consolidate theoretical knowledge and acquire practical skills of distribution activity of pharmaceutical companies, organization of sales channels, use of methods and systems of distribution of pharmaceutical products, pharmaceutical logistics. To acquire practical skills in the organization of the pharmaceutical distribution system, analysis of their functions and directions of activity, features of wholesale and retail trade in pharmacy.

Theoretical questions

1. Concept of commodity distribution (sales). Distribution policy of enterprises. Reasons for the existence and development of distribution activity, its tasks.

2. Channels of commodity distribution (sales), their functions. Structure of distribution channels.

3. Approaches to the selection of the number of intermediaries at each level of the distribution channel: intensive, exclusive, selective distribution.

4. Types of intermediaries. Advantages of cooperation of manufacturers of goods with intermediaries. Reasons for the use of mediators on the pharmaceutical market.

5. Managing sales channels. Principles of selection of resellers. Efficiency of distribution channels.

6. Types of conflicts in distribution channels: vertical, horizontal, multichannel. Ways to resolve conflicts in commodity distribution channels.

7. Methods and systems of distribution. Distribution system of medicines in Ukraine.

8. Vertical marketing systems: corporate (integrated), contract, managed. Horizontal marketing systems, multichannel marketing systems.

9. Wholesaling: functions, forms. Features of wholesaling in pharmacy. Good Distribution Practice (GDP). Activities of pharmaceutical warehouses, their functions, organizational structure.

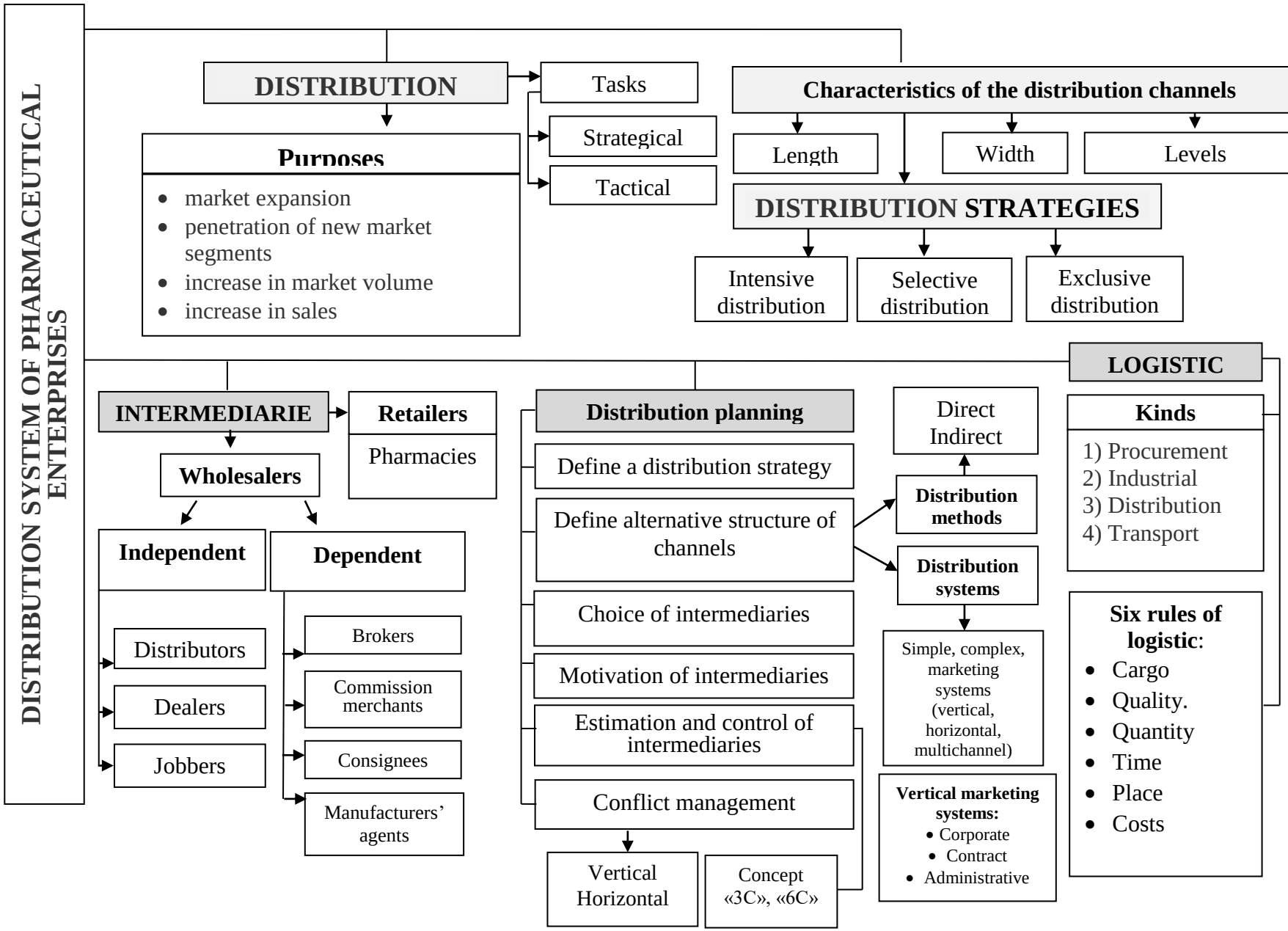


Fig. 36. Structural and logical scheme of the topic «Distribution activity of pharmaceutical enterprises»

10. Retailing, its functions. Features of retailing of medicines. Requirements to pharmacies as medicines retailers.

11. Concepts, types and rules of logistics. Functions and principles of logistics. Features of the logistic approach in pharmacy.



PRACTICAL AND SITUATION TASKS

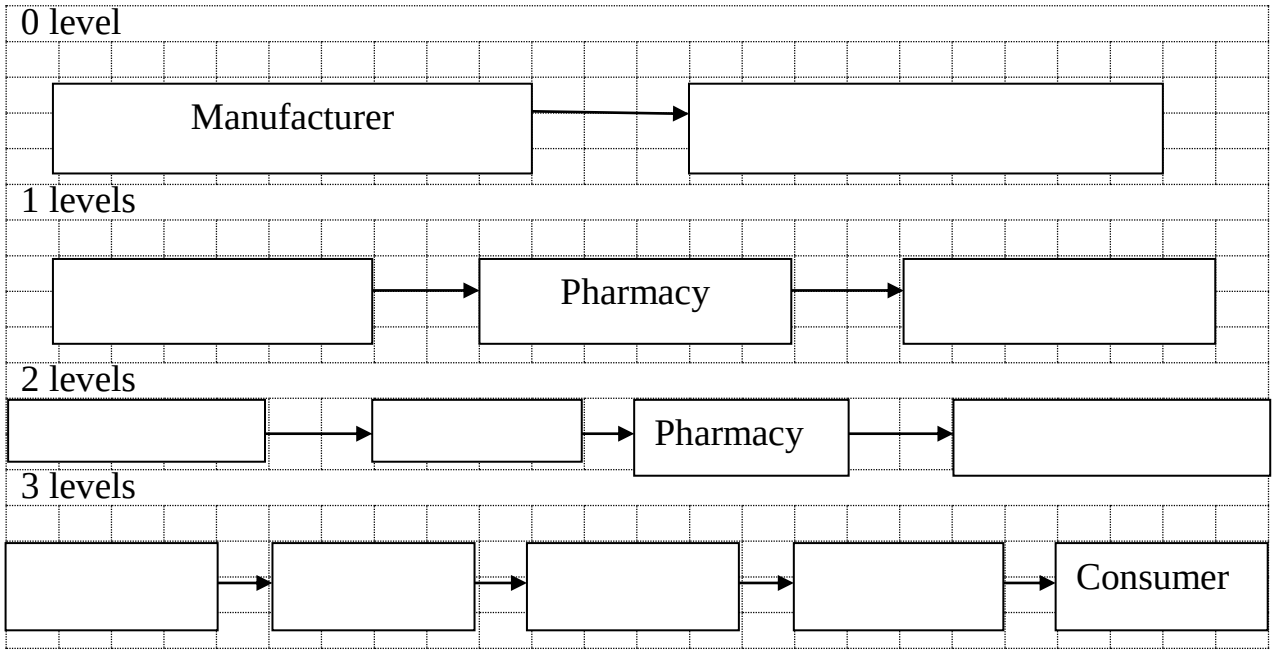
Task 1

Give the definition of main theoretical terms of distribution.

Distribution	process of managing the movement and storage of raw materials, components and finished products from the moment of payment by the supplier to moment of receiving the money for delivery of finished product to the customer.
Dealer	is an independent intermediary specializing in the sale of durable goods in need of considerable after sales service
Logistics	is when a limited number of wholesalers and retailers are granted the exclusive right to sell the goods within the firm's sales territories
Exclusive distribution	is activity of company to plan, organize and control the physical movement of materials and finished products from their place of manufacture to point of use in order to meet consumer needs and to obtain firm profits

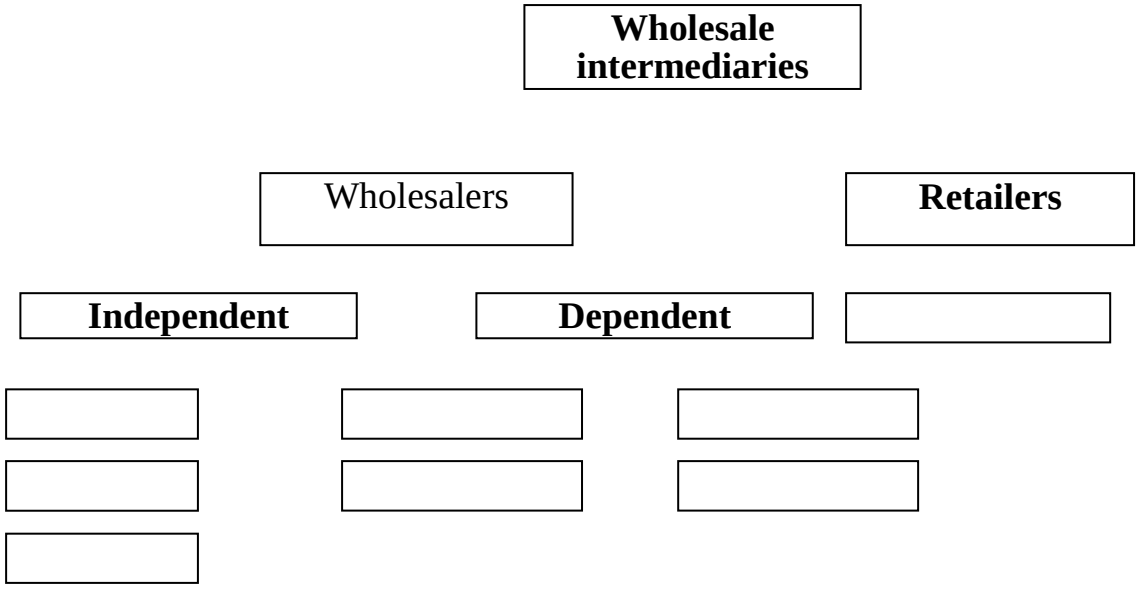
Task 2

Based on knowledge of the levels of traditional distribution channels, organization of medicinal provision of the population, develop and present in the form of a scheme variants of distribution channels for pharmaceutical products.



Task 3

On the pharmaceutical market in different countries operate different intermediaries: Pharmacies, Distributors, Brokers, Jobber, Selling agent, Manufacturers' agents, Dealer, Commission merchants. Arrange the middlemen in the scheme and draw the connection.



Task 4

Determine the appropriate method of distribution for several pharmaceutical products: Glucotrol (used in diabetes), Atelvia (osteoporosis), Tylenol (antipyretic), Minocycline (antibiotic), Delsym (antitussive), Pravachol (to lower the risk of

stroke), Nizoral (antifungal), Zeffix (for treatment of HIV), Xenical (weight loss), Sodium chloride (to supply water and electrolytes), Vandetanib (cancer). Fill in the appropriate column and offer your variants of drugs for which can be used different methods of distribution.

Intensive Distribution	Selective Distribution	Exclusive Distribution

Task 5

Calculate number of transactions in the distribution channel of the pharmaceutical products, wholesale intermediaries carried out without and with wholesale intermediaries. Establish efficiency of functioning of the distribution channel. Consider, that 14 thousand drugstores, 200 manufacturers of pharmaceutical production participate in first of considered situations in the distribution channel; process of purchases is carried out according to scheme: each drugstore orders the goods in 20 largest manufacturers once a week, at the following 30 – 1 time in 2 weeks, at the following 50 – once a month, at remained 100 – 1 time a quarter. In the second situation participants of the distribution channel are 40 large wholesalers; they also carry out process of purchase of goods at software producers to the same scheme; delivery of production to drugstores spend on the basis of 260 transactions a year.

Conclusion:

Task 6

Analyze the sales structure of medicines used in ophthalmology. Using the ABC-analysis, determine the medicines that are the most promising for production and sale. As a criterion for ABC analysis, use the specific gravity of medicines in the total sales, given in Table. 50. The results are presented in tab.51. Draw a graph of the ABC analysis on which you define the boundaries of groups A, B, and C.



ADDITIONAL INFORMATION

ABC-analysis is analysis of a range of items that have different levels of significance and should be handled or controlled differently. It is a form of Pareto analysis in which the items (such as activities, customers, documents, inventory items,

sales territories) are grouped into three categories (A, B, and C) in order of their estimated importance. 'A' items are very important, 'B' items are important, 'C' items are marginally important.

The ABC analysis of medicines is based on the assertion that an insignificant share of the assortment of medicines constitutes a significant share of the company's sales volume.

When analyzing the sale of products, it is expedient to distribute all the goods into three groups:

• group A - 15-20% of the company's assortment are for about 80% of the company's total sales.

• group B - 30% of the general assortment are for about 10-15% of the sales volume.

• group C - products are for more than 50% of the total number of items and approximately 5-10% of sales.

When plotting the ABC-analysis graph:

X-axis - the number of products

Y-axis - the cumulative share of the sales of goods.

Table 50

The share of ophthalmic anti-infective medicine sales in the total sales volume of pharmacotherapeutic group

№	Name of the medicine	Sales volume, $	Share in sales volume, %
1.	Iquix	16593,08	
2.	Natacyn	81236,96	
3.	Tobrex	13827,57	
4.	Polytrim	560707,90	
5.	Cyloxan	10024,99	
6.	Viroptic	22815,49	
7.	Moxeza	54273,20	
8.	Zymar	171461,80	
9.	Besivance	24543,93	
10.	Zirgan	15556,01	
11.	Azasite	726638,70	
12.	AK-Poly-Bac	19704,28	
13.	Bleph-10	21778,42	
14.	Cloroptic	132744,70	
15.	Dendrid	42865,46	

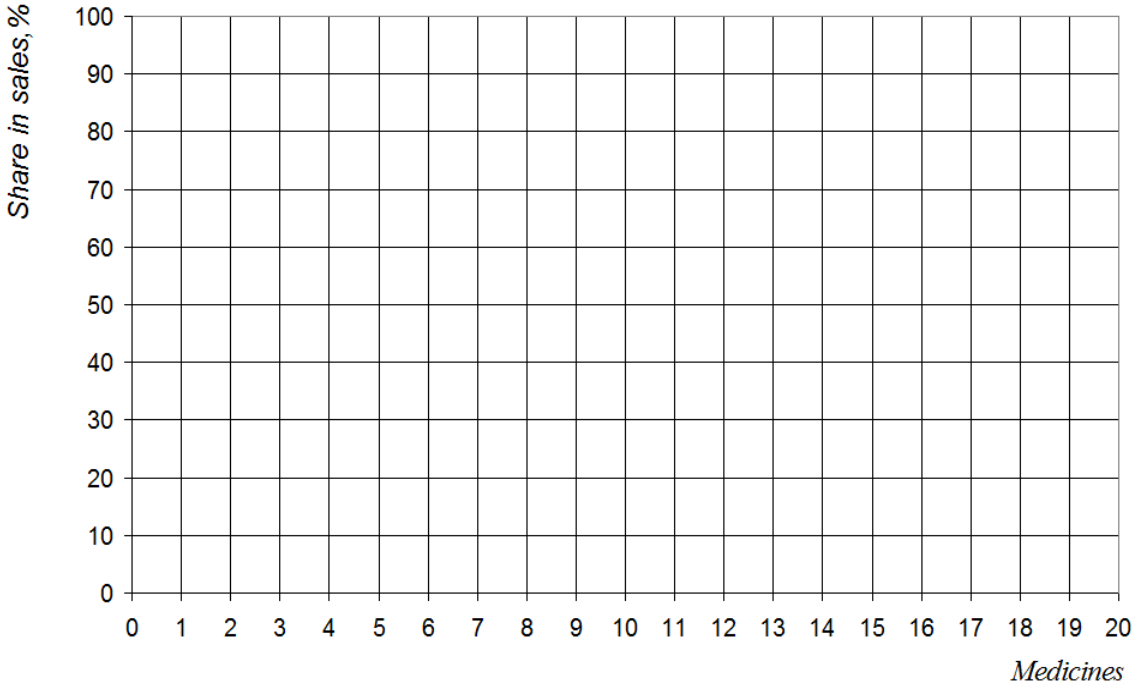
16.	Gentak	808221,30	
17.	Gentasol	38717,19	
18.	Neo-Polycin	23852,55	
19.	Ocu-Chlor	671328,40	

Tale 51

Results of ABC-analysis

Group	Number of medicines	Share of the group, %
A		
B		
C		

ABC-analysis graph



Conclusion:

Task 7

On the basis of the generalized results of the expert evaluation of pharmacists, graphically analyze (Table 52) the strengths and weaknesses of the wholesale pharmaceutical company "Med-Pharm" in comparison with the competitor according to the criteria specified in Table. 53. Draw conclusions regarding the competitive position of Vostok-Pharm and propose measures to improve its activities.

Table 52

Generalized results of expert evaluation of the activities of wholesale pharmaceutical company "Med-Pharm" and a competitor company

Criteria	Points	
	"Med-Pharm"	Competitor company
Guarantee of timeliness of delivery	2,9	3,4
Assortment of medicines	3,4	3,6
Sales promotion tools	4,7	4,1
Speed of order processing	3,3	4,4
Delivery conditions	4,2	3,3

Table 53

The results of a comparative evaluation of wholesale pharmaceutical company "Med-Pharm" and a competitor company

Criteria	Rating, points					
	0	1	2	3	4	5
Guarantee of time-liness of delivery						
Assortment of medicines						
Sales promotion tools						

Speed of order processing					
Delivery conditions					

Conclusions:

Task 8

Identify the participants in the distribution channel, provide the results in the form of a table (Table 54) and suggest the optimal distribution channel for the goods of the pharmacy assortment (according to variants (Table 55):

Table 54

Goods of the pharmacy assortment

Variant 1	contact lenses tonometer
Variant 2	mineral water in bottles hearing aid
Variant 3	Toothpaste Orthopedic corsets
Variant 4	wet wipes mattresses for prophylaxis of bedsores
Variant 5	Nebulizer thermal container
Variant 6	chewing gums pedometer
Variant 7	baby diapers air ionizer
Variant 8	baby nutrition (breast-milk substitutes) quartz lamp
Variant 9	Syringes Protein mixture for athletes

Table 55

Characteristics of distribution channel members of pharmacy products

Distribution channel members	**Pharmacy products**		
Manufacturers			

Wholesalers			
Retailers			
Consumers			
Optimal distribution channel (level)			

Task 9

The pharmaceutical firm should buy 50 000 units of Fervex. Calculate optimum size of a party of a preparation and periodicity of its purchase in current of year, if: costs on service of purchases are planned at a rate of 2 dol. on a commodity unit; costs on creation of a commodity stock make 0.2 dol./unit.



ADDITIONAL INFORMATION

$$OS = \sqrt{\frac{2a \times S}{i}}, \quad where$$

OS – is the optimum size of a purchased party of the goods (unit);

S – is the need for the product (units);

a – is the costs for delivery of a batch of the ordered goods (monetary unit);

i – is the costs for storage of a unit of the commodity stock (monetary unit).



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Formation of the marketing policy of the pharmaceutical company.
2. Functions of distribution channels.
3. Structure of distribution channels of medicines.
4. Types of intermediaries in the pharmaceutical market.
5. Evaluation of the efficiency of distribution channels. The concept of "3C" and its development in the concept of "6C".
6. Conflicts in channels of distribution.
7. Types of marketing systems in the distribution of pharmaceutical products.
8. Comparative characteristics of traditional and marketing sales systems.
9. Forms of wholesale trade.
10. Methods of decision-making on the choice of the wholesale company of drug suppliers.
11. Use of wholesale intermediaries as an objective necessity of functioning of the pharmaceutical market.
12. Features of wholesale trade of medicines.
13. Good distribution practice (GDP).
14. Types and forms of retail trade. Features of retail trade in medicines.
15. Requirements for pharmacies as retailers for medicines.
16. Features of pharmaceutical logistics.

Conclusions to the class:

THEMATIC MODULE 5
SYSTEM OF MARKETING COMMUNICATIONS IN PHARMACY

Topic 21. MARKETING POLICY OF COMMUNICATIONS OF PHARMACEUTICAL ORGANIZATIONS

Objective: To consolidate theoretical knowledge about the communicative policy of pharmaceutical organizations. To acquire practical skills in developing a complex of marketing communications for medicines.

Theoretical questions

1. Push and Pull Marketing Strategies.
2. The complex of marketing communications and its formation.
3. Planning of marketing communications.
4. Features of the target audience of pharmaceutical manufacturing and wholesale-retail enterprises.
5. Features and objectives of the formation of demand for medicines.
6. Tools of marketing communications at the stages of the product life cycle.



PRACTICAL AND SITUATION TASKS

Task 1

Give the definition of main theoretical terms of communicative policy

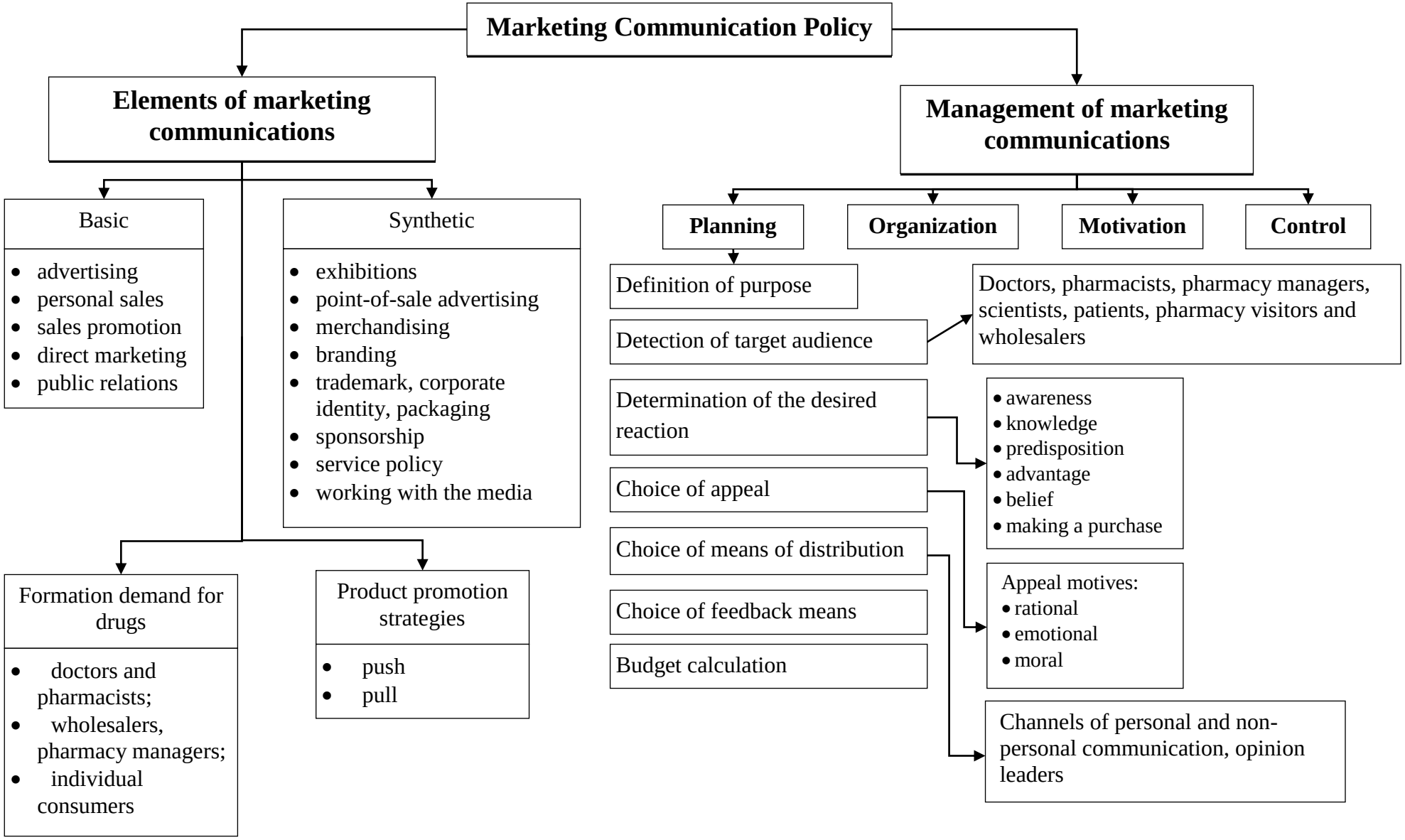


Fig. 37. Structural and logical scheme of the topic «Marketing policy of communications of pharmaceutical organizations»

Target audiences	strategy works to create customer demand for your product or service through promotion
Push Strategy	complex of coordination of various elements of promotion
Pull Strategy	existing and potential buyers of the firm’s goods
Marketing communications	strategy uses advertising to build up customer demand for a product or service

Task 2

Describe and provide Push and Pull strategies in the form of the scheme. Propose and justify the strategy of promoting for a new over-the-counter medicinal product on the Ukrainian market.

Push strategy	**Pull strategy**
Manufacturer	Manufacturer
Intermediary	Intermediary
Pharmacy	Pharmacy
Consumer	Consumer

Task 3

Determine which strategy is used in the proposed situations Push or Pull

CRM-system _____

Vending machine _____

Pharmacy _____

Supermarket (goods on shelves) _____

Order entry server at Amazon.com _____

Sharing about company on Facebook _____

Sponsored social project _____

Task 4

Using the instruction to application of medical product (offered by the teacher):

1. Determine target audiences of marketing communications for the given medical product.

_____

_____

2. What rational and emotional characteristics of a medical product should be displayed in the advertising message and are informed to each of target audiences?

_____

_____

3. Make a portrait of the end consumer of a medical product. Develop a slogan for a drug.

_____

_____

4. Suggest promotion means for medical product according to choosing target audiences.

_____

_____

5. Suggest criteria of an efficiency estimation of marketing communications on a preparation.

_____

_____

6. What long and short-term objectives of marketing communications can be put by firm?

_____

_____

Task 5

Analyze the main components of the marketing communications complex and identify their positive and negative sides.

Personal sales

+	–

Advertising

+	–

Sales promotion

+	–

PR

+	–

Task 6

Establish the correct sequence of stages of marketing communication. Put the appropriate stage number in the gaps.

- ☐ Determine objectives (2)
- ☐ Establish communications budget (5)
- ☐ Identify target audience (1)
- ☐ Select communication channels (4)
- ☐ Design the message (3)
- ☐ Effectively manage the process (8)
- ☐ Develop communications mix (6)
- ☐ Measure results (7)

Task 7

Set the effectiveness of marketing communications tools for tonometer according to the stages of the product life cycle.

Sales volume 0	*Entry stage*	*Stage of growth*	*Maturity stage*	*Stage of decline*	**Time**
Advertising	most effective (creating awareness)	effective	mainly that reminding	just reminding	
Stimulation of sales	useful for testing the product by the consumer	can be shortened (less prompts are needed)	most efficiently	most efficiently	
Personal Sales	very expensive but necessary to encourage retailers	limited	effective	minimal	
PR	most effective (creating awareness)	effective	reminding	reduced to nothing	

Task 8

The flu virus can spread before a carrier exhibits symptoms and even knows that he or she is sick, which makes it difficult to spread rapid awareness of the sickness until it has already affected a community.

In a world of real-time engagement, stale data is unacceptable, especially when it comes to health. Glaxo-Smith Kline set out to find a solution that could provide real value to consumers and reach them before they got sick, not after.

Read the information how the pharmaceutical company has solved the problem. Set what marketing strategies the company used and what tools.

Strategy

Theraflu put the consumer and his needs at the center of this campaign by partnering with data providers who could help pinpoint areas where the flu was spreading and educate people in real-time about preventing the flu. With Theraflu's Cold and Flu Tracker, a mobile and website app, consumers could see how the flu was spreading in real time and online. The brand used this data to reach people in these areas with ads to spread awareness of the reach of the flu and suggest its own product for symptom treatment.

To look beyond the standard targeting tactics and find a more accurate way to reach individuals susceptible to the cold and flu, Glaxo-Smith Kline merged three sources of data (social, location, and weather), which typically inform disparate components of a campaign, to make more informed targeting decisions to reach the right people at the right time with the right message across the purchase funnel.

Execution

People are inherently social, and social media capitalizes on human impulses to broadcast their physical state of being. Through Sickweather, an online social health network and sickness forecasting mapping engine, Glaxo-Smith Kline monitored social conversations in real time and analyzed social sentiment with machine learning and natural language processing to identify areas of cold and flu activity.

When people Tweeted about getting a sore throat, regret around not getting a flu shot, or complained of fever, Glaxo-Smith Kline was able to turn those shares into actionable insights. By mapping cold and flu-related social interactions to geographic coordinates, Glaxo-Smith Kline was able to track the volume of accounts of the flu and their location. Additionally, because the flu virus thrives and spreads easiest in cold and dry climates, insights from Sickweather were coupled with weather data from The Weather Channel to understand the geographies that were most likely to see flu outbreaks.

The union of these two data sets was the Theraflu Cold and Flu Tracker, an app that can be accessed across any device that gives consumers real-time coverage of flu and cold activity in their communities. It then used the combination of this data (as well as sentiment data and weather temperature data in siloes) to reach people programmatically who lived in flu-susceptible areas across their mobile, tablet, and desktop computers with banner and video ads that warned of impending flu virus, as well as a symptom remedy, Theraflu.

Results

Spreading awareness of imminent flu outbreaks is essential for containment and minimizing the effects on a community, thus bolstering the importance of reaching consumers with Theraflu messaging.

In 2016, the weather/sentiment targeting approach reached more than six million unique consumers on desktop alone, the highest of all targeting tactics. Glaxo-Smith

Kline also saw that consumers were 1.45x more likely to convert on desktop and 1.94x more likely to convert on mobile than those who were reached across any other standard targeting tactic, including weather alone, Centers for Disease Control data targeting segments. In addition, Glaxo-Smith Kline saw a 4% increase in sales across the Theraflu portfolio year over year.

Since implementing this campaign, Theraflu has seen increased performance across desktop and mobile placements:

• Sentiment-targeted placements across display performed 71% better than weather temperature targeting

• Within programmatic online video, Theraflu Cold and Flu Tracker data achieved the brand goal with an 80% video complete rate, outperforming standard targeting tactics.



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Identify in the Ukrainian market of medicines, the manufacturers of which use different promotion strategies.
2. Underlying the role of promotion in the context of the marketing mix.
3. Consideration of the range and potential impact of marketing communications on pharmaceutical business.
4. Identification of the key characteristics of each major tool in the communications mix.
5. Examination the effectiveness of each communication tool.
6. Establishing the need for marketing communications.
7. Compare marketing communications in the consumer and business pharmaceutical markets.
8. Approaches to the calculation of the budget for marketing communications.
9. Examples of marketing communications that are used for various participants in the pharmaceutical market.

Conclusions to the class *:*

Topic 22. ADVERTISING IN THE SYSTEM OF PHARMACEUTICAL MARKETING. ADVERTISING OF MEDICINES

Objective: Consolidate the theoretical knowledge of advertising as the primary tools of creating demand for pharmaceutical products; acquire practical skills in planning, organizing an advertising campaign and determining the effectiveness of advertising.

Theoretical questions

1. Advertising and its role in the communicative policy of enterprises.
2. The main directions and roles of advertising. The task of commodity advertising.
3. Classification of advertising, types and tools (channels) of advertising.
4. Requirements for advertising.
5. Components of the advertising process.
6. Functions and features of advertising.
7. Advertising of medicines. The task of advertising in the pharmaceutical industry. Advertising of non-prescription drugs.
8. Packaging of pharmaceutical goods as a form of advertising.
9. Regulation of advertising of medicines. The main ethical criteria for the promotion of medicines according to WHO.
10. WHO requirements for medical representatives.
11. Advertising of medicines for the population and medical workers in the EU countries.
12. Features of regulation of advertising of medical products in Ukraine.
13. Stages of planning and organizing an advertising campaign.
14. Methods of advertising budget planning.
15. Evaluation of the effectiveness of promotional activities.

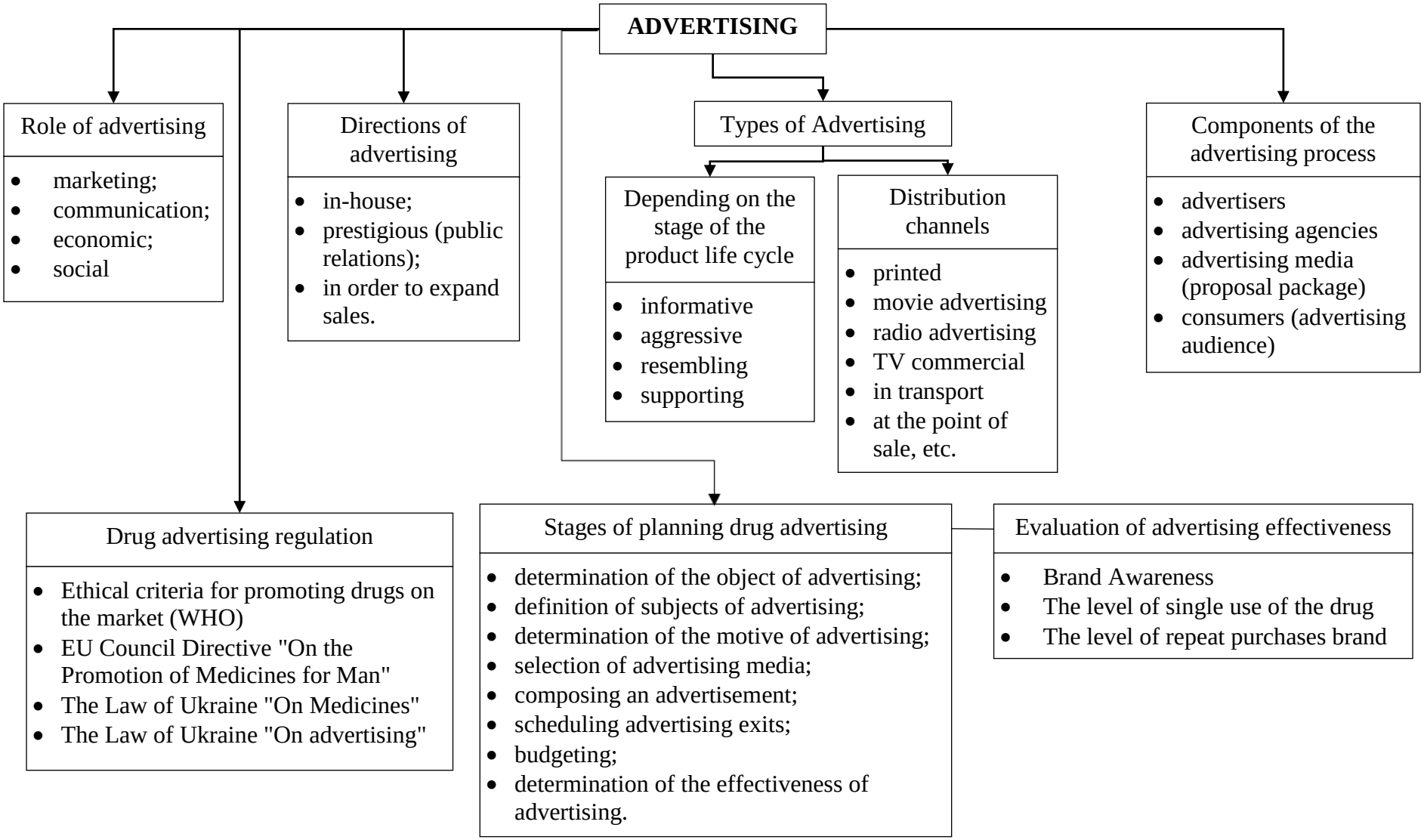


Fig. 38. Structural and logical scheme of the topic «Advertising in the system of pharmaceutical marketing. Advertising of medicines»



PRACTICAL AND SITUATION TASKS

Task 1

Give the definition of main theoretical terms of communicative policy

Advertising	convincing tool of information about a product or a company, the commercial promotion of consumer goods properties and the appropriate activity of the company, the means that prepares an active and potential customer to purchase
Advertiser	company or a person who makes an order for advertising
Advertising audience	paid, non-personalized communication, which is carried out by an identified sponsor in the mass media to persuade (to something) or affect (somehow) the audience
	all potential objects of advertising, on whom it is designed for

Task 2

The content of an advertising appeal for a certain type of goods and services is determined by the goals of advertising and the expected reaction of consumers. An important role in determining the content of an advertising message is given to the motive that prompts the addressee to perform certain actions. Consider the motives used in developing advertising appeals for goods and services (Table 56).

Give examples of the use of certain motives in the advertising of medicines. What motives, in your opinion, are not appropriate in advertising medications?

Table 56

Motives of advertising appeals

Rational	Emotional	Moral
• benefits (profitability, effective use of funds, desire to enrich); • health;	• fear, anxiety; • self-assertion (formation of social status, image); • freedom (independence,	• justice; • protection of the environment; • decency (honesty,

• reliability and guarantees (risk reduction); • ease of use and additional benefits.	independence of thoughts and actions); • cognition (the discovery of a new one, the desire to be informed); • pride; • love; • joy and humor; • self-realization (the need for disclosure of one's abilities)	kindness); • social (solving social problems, interethnic conflicts, fighting crime); • participation (helping other people, the desire to be helpful in solving problems)

Analyze the advertising slogans of medicines and pharmaceutical companies. Identify the motive behind the slogan (rational, emotional, moral). Conduct an analysis of the compliance of slogans with the above criteria. Choose the best, in your opinion, the slogan for the anti-cold medication and for the antiallergic.

Criteria of the advertising slogan

1. Strict conformity of the brand line: the slogan should take into account all aspects of the marketing strategy and be a part of it.

2. Memorable: easily reproducible, eliminating confusion in words.

3. Conciseness.

4. A full-fledged use of the language capabilities: literate, pleasant, interesting turns of phrase.

5. Phonetics: harmonious sounding, simplicity of pronunciation.

6. Rhythmics: having a simple, pleasant rhythmic pattern.

7. Contrast: allows you to stand out against the background of competitors.

8. The presence of the second bottom: the slogan, understood in two ways, while the "second bottom" does not contradict the main message, but positively complements it.

Table 57

Advertising slogan, medications (pharmaceutical company)	Determine the motive that underlies the advertising appeal
Pfizer Pharmaceutical Company **Working together for a healthier world.**	
Novartis Pharmaceutical Company **Caring and curing.**	
Bayer Pharmaceutical Company **Science for a better life.**	
Merck & Co. (or Merck Sharp & Dohme) **Where patients come first.**	

Advertising slogan, medications (pharmaceutical company)	Determine the motive that underlies the advertising appeal
Merck Serono Pharmaceutical Company **Living science, transforming lives**.	
Roche **Doing now what patients need next.**	
Roche Applied Science **Keep it easy… Keep it Roche Applied Science.**	
Astellas Pharma **Astellas. Changing tomorrow.**	
Sanofi (earlier – Sanofi-Aventis), French pharmaceutical company **Because health matters.**	
Sanofi Pasteur MSD, vaccine manufacturer **Vaccines for life.**	
Bristol-Myers Squibb, biopharmaceutical company **Hope, triumph, and the miracle of medicine.**	
AstraZeneca, biopharmaceutical company **Health connects us all**	
Janssen (earlier – Janssen-Cilag) **We care for your health.**	
GlaxoSmithKline, British pharmaceutical company **Do more, feel better, live longer**.	
Glaxo Wellcome **Breakthrough medicines for everyday living**	
Schering, pharmaceutical company in Germany **Schering. Making medicine work**.	
Schering-Plough **To earn trust, every day.**	
Sandoz, manufacturer of generic pharmaceuticals **Think generics**.	
Yamanouchi, Japanese pharmaceutical company **Creating and caring... For life**	
Samaritan Pharmaceuticals **A cure is closer than you think.**	
Fougera Pharmaceuticals **Make no compromises.**	
Polpharma, Polish manufacturer of generic drugs **People helping people.**	
Stiefel Laboratories, dermatological pharmaceutical company **Stiefel. Research in dermatology**.	

Advertising slogan, medications (pharmaceutical company)	Determine the motive that underlies the advertising appeal
Santen Pharmaceutical, specializes in ophthalmology and rheumatology **Santen. A clear vision for life.**	
Gedeon Richter, biotechnology and pharmaceutical company in Hungary **Delivering quality therapy through generations.**	
Egis Pharmaceuticals in Hungary **Health. Quality. Life.**	
Actavis Generics **Actavis. Think smart medicine**.	
Dr. Reddy's, pharmaceutical company in India **Life. Research. Hope.**	
Aventis Pharma in India **Our challenge is life.**	
Ranbaxy Laboratories, Indian pharmaceutical company **Ranbaxy. Trusted medicines. Healthier lives.**	

Conclusions:

Task 3

For the purpose of goods promotion at the regional market pharmaceutical firms "Pharma" and "Panacea" have allocated money resources which were accordingly distributed thus:

- participation in a specialized exhibition – 800 dol. and 11 200 dol.;
- print advertising – 5 000 dol. and 70 000 dol.;
- organizing of scientifically-practical conferences – 2 200 dol. and 30800 dol.

Throughout three months the marketing actions resulted above have made for firm "Pharma" profit 78 000 dol., and firm "Panacea" –1 064 000 dol.

Calculate coefficient of recoupment realized by firms "Pharma" and "Panacea" marketing communications and estimate efficiency of its use by each firm.



ADDITIONAL INFORMATION

Coefficient of recoupment:

$$K = \frac{P}{E}$$, where

P – profit from promotion efforts,
E – expenses on promotion efforts.

Calculation:

Task 4

Using the conditional data of the marketing research calculate real costs of the advertising text in the specialized journal «A» and journal «B».

Table 58

Marketing research data

Characteristic of journal	Journal «A»	Journal «B»
Costs of advertisement, dol.	20 000	30 000
Circulation (copy)	30 000	80 000
Real audience, %	90	20

Journal «A»	**Journal «B»**
1. Cost of advertisement per 1 000 copy (without marketing research)	1. Cost of advertisement per 1 000 copy (without marketing research)
2. Real audience	2. Real audience
3.Real cost of advertisement per 1 000 copy	3. Real cost of advertisement per 1 000 copy

Conclusion:

Task 5

Compare efficiency of expenditures on corporate advertising «A» and «B» firms. Average sales volume of the goods of firm «A» in the beginning of the research period have made 15 000 dol., and in the end of the research period – 17 000 dol. For firm "B" these data were according to 25 000 dol. and 30 000 dol. Expenditures on corporate advertising «A» In the beginning of the search period have made 1 350 dol., and in the end – 1 510 dol. For firm «B» these data were according to 2,310 dol. and 2,800 dol.



ADDITIONAL INFORMATION

Efficiency of expenditures on advertising determine by comparing indicators of a sales gain and a expenses gain of the goods.

Sales gain

$$\Delta S = \frac{S_2 - S_1}{S_1} \times 100\% \text{, where}$$

S_1 – sales volume on the beginning of the period, dol.;
S_2 – sales volume on the end of the period, dol.

Expenses gain

$$\Delta E = \frac{E_2 - E_1}{E_1} \times 100\% \text{, where}$$

E_1 – advertising expenses at the beginning of the period, dol.;
E_2 – advertising expenses at the end of the period, dol.

Calculation:

Conclusion:																							

Task 6

Consider the case situation. Answer the questions:

1. Target audience for a preparation

2. Product positioning at the market

3. Positions of preparation against competitors

4. Promotion efforts

5. Advertising efficiency

6. Results of an advertising campaign

«Bilobil» is a preparation on the basis of an extract Gingko Biloba that improving brain blood circulation.

In 2014 the preparation sales volume was less than $1 million, and, according to the interrogated pharmacists was practically unknown to the consumer. Moreover, the potential buyer basically did not see a special difference between the medical products stimulating brain blood circulation. The leader in the market of the preparations improving brain functions (psychostimulants, preparations on the basis of an extract Gingko Biloba etc.) was «Kavinton» manufactures of Hungarian company «Gedeon Richter» – about 25 % in monetary expression. 10 – 15 similar preparations could not make serious competition in sales volumes to the «Kavinton».

According to RMBC marketing data company, the results of three quarters in 2016 year the market of the preparations improving brain blood circulation, has made more than $80 million, that on 22 % more than the same period of 2015 year. Slovenian pharmacists have decided to leave in number of leaders in the segment: volume of the market of the medicines based on an extract Gingko Biloba – more than $11 million.

Own marketing research spent in the end of 2015 year, have shown, that potential consumers of «Bilobil» are representatives of an average and above an average classes at the age from 35 till 50 years. That is the most active part of the population which works much and accordingly, is the most of all are subject of intellectual loadings and stressful situations. The price of «Bilobil» is high, besides the forgetfulness problem is not the vital issues connected with health. It means, that needy categories will not buy «Bilobil» most likely. Therefore, to pharmacists was important to define correct places where «Bilobil» could be on sale successfully. Initially the accent became, first of all, on the drugstores located on brisk city highways, in large shopping centres. On the other hand, the average price of «Bilobil» about $4 – 10 depending on the packing form in 20 or 60 capsules – is cheaper than its nearest competitors who also contain an extract Gingko Biloba («Tanakan» manufactures of French company «Ipsen» and «Memoplante» German Dr. Willmar Schwabe), in four and two times accordingly. Besides is nonprescribe drug that increases its appeal to the consumer. And, finally, «Bilobil» now it is possible to find practically in any drugstore. At sales managers the estimation of importance of presence «Bilobil» in assortment of drugstores in 2016 has grown more than twice in comparison with previous year.

Till this moment «Bilobil» was on sale in packing on 20 capsules. Release of the new form – 60 capsules is a response to offers of experts which they stated.

Adjusting distribution of preparation have provided uninterrupted deliveries of goods in drugstores.

Advertising and marketing strategy of «Bilobil» promotion was based first of all on accurate positioning of the preparation and its target consumer audience. Unlike competitors, KRKA advertised «Bilobil» not just as the means influencing blood circulation, and as nonprescribe preparation improving memory and raising concentration of attention.

The advertising of «Bilobil» was conduct in all large cities and regions of Russia. Thus experts in marketing KRKA estimated economic and social indicators of each region or a city where advertising campaign carrying out was supposed, separately. Analyzed a population standard of living, its consumer activity and operated according to a situation. Somewhere did an emphasis on advertising in mass-media, somewhere - for explanatory work with doctors and pharmacists» more. Almost 50 % of the advertising budget have left on TV advertising, other part has been in regular intervals spent for advertising in printing mass-media and carrying out of lectures and conferences for doctors and pharmacists. 17 % of the advertising budget of the company in 2016 have been spent on «Bilobil».

Creative strategy of TV advertising «Bilobil» consisted in application of various amusing positions at which men and women, having appeared in an inconvenient situation, set to themselves questions: «Whence I know it? », «That am I going to buy? », «Where have I left the car? » Etc. the Consumer can easily correlate itself with heroes of advertising – the overwhelming majority of adult population of the country sometime forgot something. Developers of advertising aspired to create positive perception of a brand of the consumer. According to analytical company RMBC, the number of the pharmacists considering advertising support «Bilobil» effective, within year has grown from 12 % to 21 %.

In parallel with an advertising campaign representatives KRKA in regions made for doctors and chemist’s workers specialized seminars and conferences on which the special attention was given to the basic pharmaceutical properties of a preparation.

As a result of all marketing actions in the first half of the year 2004 sales volume of a preparation monetary have grown on 102 % in comparison with the same period of previous year. Following the results of the third quarter in a number of regions «Bilobil» stay in leaders. In Chelyabinsk, by estimations RMBC, the preparation occupies 63 % of the market of medical products in the segment, in Tyumen –55 %,

in Belgorod almost 46 %. As a whole volumes of retails of a preparation for three quarters of previous year have made about $2.3 million

The quantity of recommendations of «Bilobil» doctors-therapists to the patients has tripled, the number of pharmacists which advise to buyers a Slovene medicine, has increased from 25 % in 2015 (following the results of three quarters) to 31,5 % in 2016. The important fact is also that thanks to advertising, among consumers of «Bilobil» are 35 % a man.

By quantity of packing sold in drugstores «Bilobil» in 2016 became the leader of sales – about 54 % of all volume in a segment.



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Analysis of advertising activity of subjects of the Ukrainian pharmaceutical market.
2. Analysis of the cost structure of pharmaceutical companies for various types of advertising.
3. Advertising of medicines in the Internet as a promising area of activity of pharmaceutical companies.
4. Development of indirect advertising of medicines in social networks.
5. The state and prospects of development of multi-channel marketing in the pharmaceutical market.
6. The main requirements of ethical criteria for the promotion of WHO medicines.
7. WHO requirements for medical representatives.
8. Advertising of medicines for the population and medical workers in the EU countries.
9. Regulation of advertising of medicines in Ukraine.
10. Examples of unfair advertising of medicines in Ukraine and abroad.

Conclusions to the class *:*

Topic 23. SALES PROMOTION OF PHARMACEUTICAL GOODS AND OTHER TOOLS OF MARKETING COMMUNICATIONS

Objective: Consolidate theoretical knowledge about methods of sales promotion and other tools of marketing communications. Acquire practical skills in assessing the work of medical representatives, preparing and conducting presentations of medicines.

Theoretical questions

1. Stimulation of the sale of pharmaceutical products. Incentive objects: buyers, intermediaries, sellers.
2. Aims and tools of sales promotion for buyers of pharmaceutical goods.
3. Aims and tolls of sales promotion for intermediaries and sellers.
4. Control and evaluation of the results of sales promotion.
5. Personal sale, its advantages.
6. Stages of the effective sale process.
7. Presentation: approaches to conducting, main tasks and principles.
8. The role of trade intermediaries and medical (pharmaceutical) representatives in the promotion of goods.
9. Network and direct marketing.
10. Branding.



PRACTICAL AND SITUATION TASKS

Task 1

Fill the table 59. Divide following purposes into three groups: increase number of consumers, Achieve regularity of selling seasonal product, advertising support, increase turnaround in stocks, To pursue the scheme, increase number of purchases, to cut stocks, accelerate selling of profitable product, make profit on New Year, Christmas celebration, attract buyer's attention in day of anniversary of creation of firm, increase indicators of marketing plan (market share, turnover).

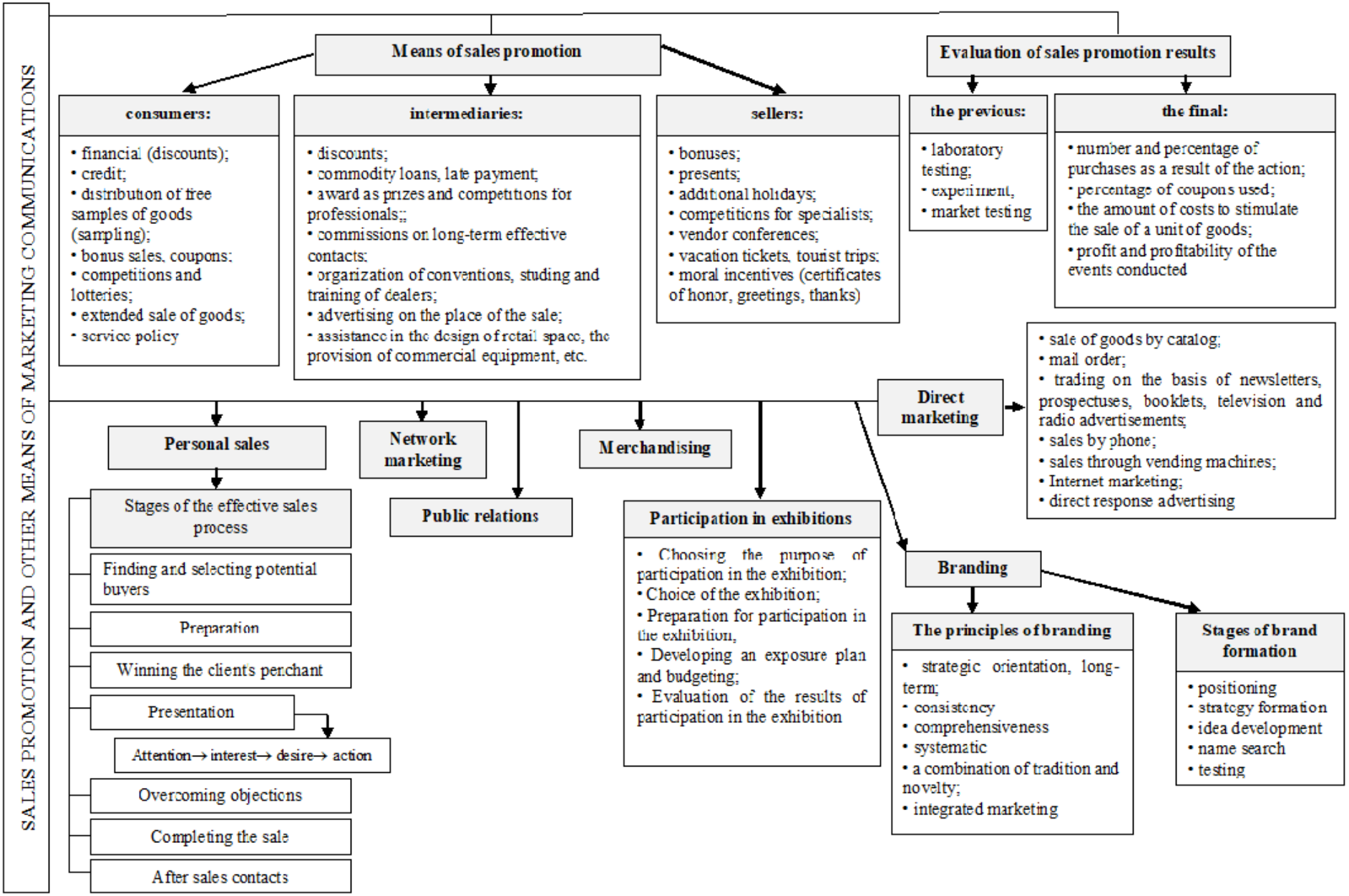


Fig. 39. Structural and logical scheme of the topic «Sales promotion of pharmaceutical goods and other tools of marketing communications»

Table 59

Strategic purposes	Specific purposes	One time purposes

Task 2

Give the definition of main theoretical terms of communicative policy

Sales promotion	combination of the traditional method of direct sales with distribution of goods over networks
Reseller	specific object of promotion performing the regulatory functions to promote the product
Personal selling	combination of methods used throughout the product life cycle in relation to three participants of the market for short-term increase in sales and increase of the number of new customers
Network marketing	an element of marketing communications is the process of creating favorable conditions by the seller for buying the product by a potential buyer.
Direct marketing	an activity for forming and selling the brand and for the management
Brending	marketing communications means providing immediate interactive communication of a seller or a manufacturer of the goods with the end user of the product with the purpose of a specific response or transaction

Task 3

The foreign pharmaceutical company has a network of medical offices that work with 400 pharmacy companies. It is known that 60% of pharmacies belong to pharmacies of type "A" (with a high level of turnover), 30% of pharmacies to type

"B" (with an average level of turnover) and pharmacies to type "C" (with a low level of turnover). During the year, medical representatives should visit pharmacies of type "A" 52 times; type "B" – 26 times per year and type "C" – 12 times per year.

Calculate the total number of visits of medical representatives for the year and the number of medical representatives that need to be hired by the company, if one medical representative makes 3120 visits per year.

Calculation:

Conclusion:																						

Task 4

Medical representatives of pharmaceutical firm to promote of medicine at the pharmaceutical market of Ukraine within two years contacted to doctors and pharmacists. To lead a comparative estimation of productivity of medical representatives work by a parameter of clients turnover if one of them within the previous year contacted to 54 pharmacists and 25 doctors, in current year with 68 pharmacists and 32 doctors, and with 16 pharmacists and 8 doctors first time. For other representative these parameters accordingly were 65 and 21, 87 and 29, 29 and 12.



ADDITIONAL INFORMATION

Clients turnover

$$C_{turnover} = \frac{C_{previous} - C_{current}}{C_{previous}} \times 100,$$

$C_{previous}$ –previous year clients (without first time clients)
$C_{current}$ – current year clients

Parameter of clients' turnover should not be more than 10%

Calculation:

Conclusion:																							

Task 5

Imaging, that you are the medical representative of the pharmaceutical company and it is necessary to make presentation of a new preparation for specialists. Develop the plan of presentation, using the instruction to medical application of a

medical product and other necessary information. Prepare multimedia presentation in Power Point.

Task 6

The name is the most important element of a successful brand. Packaging changes, advertising changes, products even change but brand names never change. Where do great brand names come from? All different sources, they may come from family names or perhaps the inventor's favorite color or animal or sometimes the names are just completely made up. For example, Pfizer's is a family name and Nivea means "Snow-white" in Latin.

Discuss the following questions in pairs:

1. Why are brand names important?
2. Name three different sources of brand names.
3. Do you have a favorite brand? What is it and why do you like it?

Task 7

In pairs invent a new pharmaceutical product and give it a name. Think about the following points: What is special or unusual about your product? Why would people want to use or buy it? How does the name relate to the product?

Once you have chosen the name for your product prepare a short oral presentation to give to the rest of the class. In your presentation you should describe your product and explain how and why you chose its name. Both of you should speak in the presentation.

Task 8

True – False Questions:

1. Promotion is communicating information between seller and potential buyer or other in the channel – to influence attitudes and behavior.
2. Advertising is any form of nonpersonal presentation of ideas, goods or services.
3. Sales promotion refers to activities such as personal selling, advertising and publicity.
4. All sales promotion is aimed at final consumers or users.
5. In total, personal selling is more expensive than advertising.

6. The AIDA model consist of four promotion jobs: attention, information, desire, and action.

7. Direct marketing is direct communication between a seller and an individual customer using a promotion method other than face-to-face personal selling.

8. There is no one right promotion blend for all situations.

9. Promotion to employees is especially important in service-oriented industries where the quality of the employees' efforts is a big part of the product.

10. The late majority are influenced more by other late adopters – rather than by advertising.

11. Situations that may affect the promotion blend are the stage in the product life cycle and the nature of competition.

12. During the market introduction stage of product life cycle, promotion must pioneer acceptance of the product idea – not just the company's own brand – it stimulate primary demand.

13. In the market growth stage of the product life cycle, promotion emphasis must begin to shift from stimulating selective demand to stimulating primary demand for the company's own brand.

14. In the market maturity stage, the promotion blend of consumer products firms rely almost exclusively on advertising to consumers.

15. The objective of competitive advertising is to develop selective demand – demand for a specific brand.

16. Advertising effectiveness can be measured quite simply and accurately just by analyzing increases or decreases in sale.

17. The effect of most sales promotions is long-lasting.

18. Sales promotion aimed at final consumers usually is trying to increase demand and speed up the time of purchase.

19. To attract consumer attention in drugstore it is necessary to display new remedies in active zone.

20. There is now essence to conduct demand on preparation in merchandizing.

Task 9

You as a pharmacy owner must make a billboard advertising for your pharmacy. Create a layout using the following suggestions. You can follow any responses to advertisements placed with any information. In this case:

- your pharmacy gives customer's discount card if client during six months made 12 purchases of drugs;
- for clients over 70 years pharmacists deliver medicines to home;
- you run a multi-phone client never waits for a response pharmacist;
- online consultation pharmacist;
- pharmacy works round the clock;
- a wide range of medicines for children;
- measurement of pressure and blood sugar for free;
- progressive discounts for regular customers.



ADDITIONAL INFORMATION

You can present information in a poster in a number of ways. The following principles generally apply to good posters:

- A poster should present an overview of your work. It's not a journal article, so don't try to cram all the details onto the poster. A casual viewer should be able to glean your message in 3 to 5 minutes and read all the text in 10 minutes.
- A poster is a visual means of communication. Even if your poster consists entirely of text, a clean and uncluttered presentation will attract readers and help them comprehend your research. So much the better if you can include graphical elements (such as figures, charts, and photographs), which can help reinforce your conclusions.
- A poster should have a main title that's readable from 25 feet away. People will be wandering through the poster session, so you need to catch their eye from a distance. A general rule is to use a 72-point type and a common font such as Times New Roman or Arial for your poster title and to use a smaller size of the same font for the section titles.
- A poster should have body text that's readable from 4 to 6 feet away. Your poster may draw a crowd, and viewers will be more interested in your results if they can read about them without straining their eyes. Use 20-point or 24-point type and a common serif font such as Times New Roman for the body text.
- A poster should have one or two fonts and a simple color scheme. You should attempt to grab people's attention through the clarity of your presentation and impress them with the quality of your research. Don't distract viewers or dilute your message by using too many different colors, fonts, and font sizes.

- A poster should have serif fonts with proportional spacing. These fonts (such as Times New Roman or Century Schoolbook) are the easiest to read, which makes them a good choice for most text.

Task 10

Analyze the stages of personal sales in pharmacies (pharmacist – pharmacy visitor) are listed in the table. Here are the steps pharmacist arrange them in accordance with the stages in the table 60.

Table 60

Stages of personal sales in pharmacies

Stage name	Actions **of** pharmacist
Greeting customers	1. Pharmacist welcomes customer to come in the pharmacy. 2. During the friendly greetings and configured pharmacist kindly. 3. Pharmacy staff is not engaged in the businesses during the visit of customer.
Clarification of needs and request customer	4. Pharmacist initiates dialogue with customer to obtain sufficient evidence of his problem. 5. Pharmacist raises key questions to ascertain the health of customer. 6. Pharmacist finds individual features and consumer benefits of the client.
Advising, offering a purchase option	7. Pharmacist offers customers several options for purchase to suit the purpose (recommendations) physician, the individual consumer preferences and peculiarities. 8. Pharmacist professionally argues its recommendation. 9. Pharmacist recommends the addition to the basic purchase related products. 10. Pharmacist fully informs customer about the rules of application and storage of goods purchased. 11. In the process of consulting pharmacist sincerely wants to help the customer.
Working with suggestions and objections	12. Pharmacist listens to customer suggestions and objections carefully, calmly and patiently. 13. When working with customer pharmacist is attentive, patient and calm.
Complete the dialogue with the buyer	14. Pharmacist confirmed by the customer of choice. 15. Felicia gives the customer a check, deposit and issued properly packaged purchase.

	16. Pharmacist thanks you and wants to consumers' health.
General atmosphere	17. The staff is friendly pharmacies throughout the service process. 18. Actions of the pharmacies are clear and fast.



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. On your behalf, what qualities and characteristics should a medical representative have?

2. Features of working with key clients in the promotion of medicines.

3. What means of sales promotion should be used in the pharmacy, and which are more suitable for manufacturers and wholesale pharmaceutical companies?

4. Principles for constructing a presentation when promoting a medicinal product. Factors that increase the promotion and sales of medicines.

Conclusions to the class:

Topic 24. PUBLIC RILATIONS AS COMPONENT OF MARKETING COMMUNICATIONS. MERCHANDISING IN PHARMACY

Objective: To consolidate theoretical knowledge about the concept and essence of public relations, merchandising in pharmacy enterprises. Acquire practical skills in analyzing the methods of PR-activities, the rules of laying out a pharmaceutical product, the principles of placing the goods in storefronts and on the shelves of the pharmacy.

Theoretical questions

1. The concept and essence of public relations.
2. Goals, the main functions of public relations.
3. Principles of public relations.
4. The main activities of public relations.
5. The concept and essence of publicity.
6. Public relations in the management and marketing system.
7. Exhibitions and fairs, the significance of their conduct.
8. Advertising at the point of sale.
9. Merchandising in pharmacy enterprises.
10. Rules for the laying out of a pharmaceutical product, the principles for placing goods in storefronts and on pharmacy shelves.

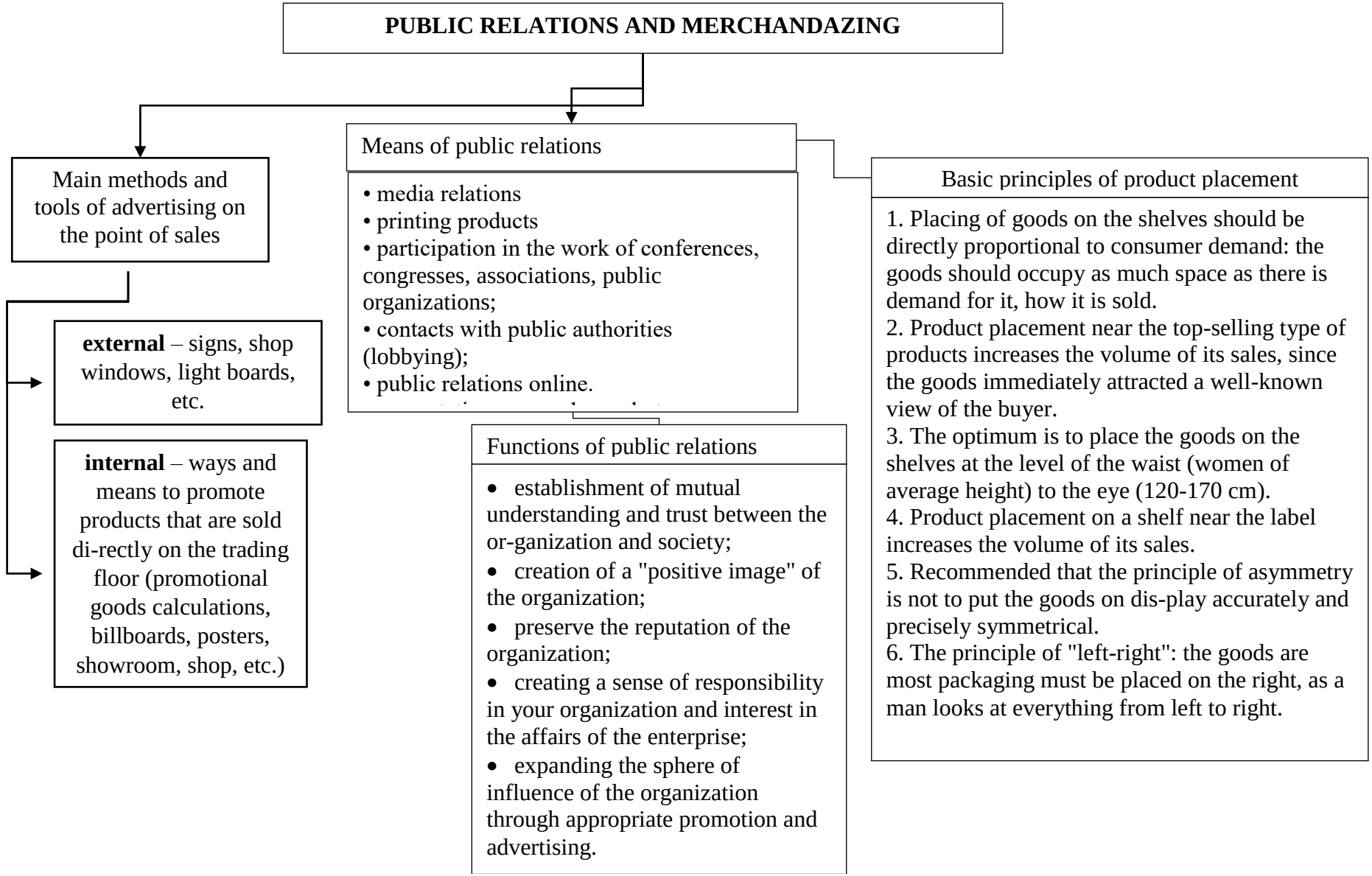


Fig. 40. Structural and logical scheme of the topic «Public rilations as component of marketing communications. Merchandising in pharmacy»



PRACTICAL AND SITUATION TASKS

Task 1

Public relations	activity of increasing the awareness about a person, product or service and to grab the attention of the crowd
Exhibition	long-planned effort to create and maintain goodwill and mutual understanding between an organization and the public
Merchandising	a component of the marketing activities aimed at providing the most effective product promotion at the retail level, promotion of activities in the field of trade
Publicity	an activity that is conducted by an organization with an objective to promote and publicize a particular product or service which would ultimately result in the sale of the product / generate business for the organization

Task 2

Read the press release of the pharmaceutical company and correct the errors.

OPDIVO STEP FORWARD (1).

Bristol-Myers Squibb Company today announced the presentation of new data showcasing advances in the science of Immuno-Oncology at the (2) AACR _____ Annual Meeting in Chicago from April 14-18. Investigations of novel agents and (3) opdivo _____ (nivolumab)-based combinations will be featured in 24 abstracts, including six late-breaking or oral presentations, across seven therapeutic areas. Abstracts to be presented include the first disclosure of data from the Phase 3 CheckMate -227 trial evaluating the combination of Opdivo plus Yervoy (ipilimumab) in first-line non-small cell lung cancer patients with high tumor mutational burden (4) (≥10 mutations/megabase), as well as two-year overall survival data from pivotal studies of Opdivo in bladder and head and neck cancers. (5)____ Doctor (6) _____ J.M. Hellmann will also present the first clinical data on his investigational anti-CD73 antibody in combination with Opdivo.

Task 3

Pharmaceutical company started the implementation of a large project. The specialists of the company conduct food products expertise. The company wants to hold a press conference about the latest results of the conducted research of baby food. Where would you suggest holding a press conference to achieve the greatest PR effect and why?

What place would you propose to hold a press conference at which the data received by the experts will be announced?

Possible options:

- ☐ conference hall;
- ☐ advertising and information agency;
- ☐ the house of journalism;
- ☐ laboratory of the company with the possibility of demonstrating the work of experts.

Task 4

In the Scientific Research Institute of Neurosurgery named after Academician A.P. Romodanov carried out the conference of the European Community on Radiosurgery, where used installation "Gamma Knife". For the first time in Kyiv brought together leading European-radiosurgery doctors. The announcement campaign of this event was quite successful. The forthcoming congress of the best doctors of this industry was reported by the leading mass media of the country.

How would you ensure the attendance of journalists at the conference?

- ☐ Promise to correspondents expensive gifts.
- ☐ Prepare a video with operations personnel with the installation "Gamma Knife".
- ☐ Organize exclusive interviews with foreign doctors - leaders of world radiosurgery.
- ☐ Organize a press tour in the operating theater and an interview with one of the patients.

Task 5

Pharmaceutical company "Health" is engaged in the successful development and introduction of new generic drugs on the market. The company's specialists have already established such bestsellers as Artiflex and Angilex. Journalists of one leading radio station were interested in the latest developments of the company. At the same time, they do not want to give 20 minutes of air time for the story only about the company and its developments.

Which way out, in your opinion, is more logical in this situation?

- ☐ Refuse to air on the radio.
- ☐ Invite to participate in the broadcast not only the representative of the company, but also the officials responsible for the state of the health sector of Ukraine.
- ☐ Do not position the Speaker of "Health" as a representative of the commercial structure, call it somehow neutral. For example, an expert in health.
- ☐ Avoid mentioning the name of the company "Health" in the radio broadcast in every possible way.

Task 6

The press center "Vremya" hosted a press conference "What awaits the Ukrainian sanatorium-and-spa system? Two trends: the struggle for survival or full-fledged work for the health of Ukrainians". Representatives of state and public structures, as well as directors of sanatoriums and dispensaries, who came to Kharkov from the regions to speak about the painful at the press conference, were announced as speakers. However, 10 minutes before the start, all officials who were invited unexpectedly refused to participate without explanation.

What should the organizers do in this situation to ensure the most objective coverage of the problem in the media?

- ☐ Provide written refusal of officials to participate in the press conference.
- ☐ Provide a record of telephone conversation with officials.

☐ To distribute to journalists a selection of quotes from representatives of ministries and departments that reflect the attitude of official bodies to this issue with references to sources.

☐ Ignore the behavior of representatives of state structures.

Task 7

The European University of Law (JUSTO) is distinguished by a rather principled position in relation to smoking students. Anyone entering the university first receives a warning from the admission committee that if he does not give up smoking within one month, he will be fined, and after six months will be expelled. The rule is curious, but it has rather weak positions to attract the attention of journalists and the public. As informers say, there is no news ...

The task of PR-specialist is to update the information occasion. How, in your opinion, can this be done?

☐ Arrange the indicative expulsion of students from the university and inform the journalists about it.

☐ Fine for decent amounts of 10-20 students at a time and inform the journalists about it.

☐ Create a press release and talk about the unusual method of fighting smoking on May 31st.

☐ To get in touch with journalists and editors and try to convince them of the relevance of this topic.

Task 8

Annual "scientific picnics" are held in Kharkov, where teachers and students conduct practical experiments presenting their universities. The task of the organizers was not only in the maximum information support of the project in the media, but also in attracting the attention of pupils of senior classes (future students) to higher education in Kharkov.

How can PR specialists attract students' attention to this action?

☐ Send letters of invitation to school principals.

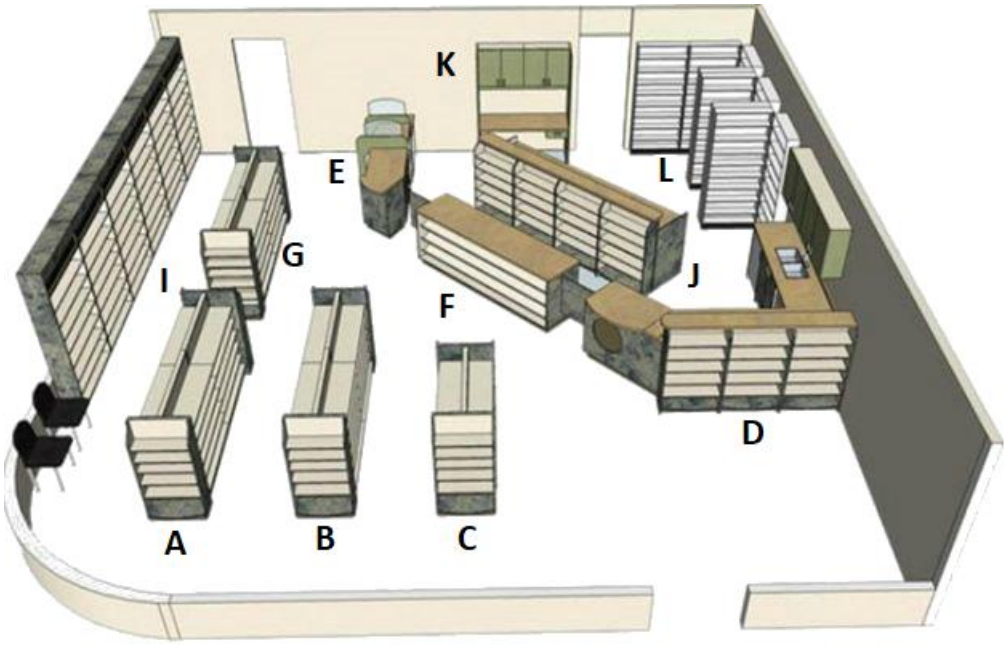
☐ Place announcements about the event in the buildings of educational institutions.

☐ The Department of Education of the city is interested in the topic of the event.

☐ Conduct a powerful advertising campaign, which will ensure the attendance of parents and schoolchildren at the event.

Task 9

Consider the proposed pharmacy plan and suggest where you can place the pharmacy goods (cashier, over-the-counter drugs, prescription drugs, baby food, medical devices, cosmetics, nutrition, hygiene products, eye care, vitamins and others).



A _____
B _____
C _____
D _____
E _____
F _____
G _____
I _____
J _____
K _____
L _____



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Examples of the use of publicity in the activities of pharmaceutical market entities.

2. Examples of unsuccessful application of the principles of merchandising in pharmacies.

3. Advantages and disadvantages of on-line communication tools in the field of public relations.

4. The main elements of the image of the pharmaceutical organization.

5. Components of the corporate culture of the pharmaceutical organization.

6. Methods of investigating the effectiveness of PR activities. Determining the economic and communicative effectiveness of PR activities.

7. Exhibitions of pharmaceutical products as a means of advertising goods.

8. Analytical review of information and popular scientific publications on the problems of the pharmaceutical market in Ukraine.

9. Principles of work of the pharmaceutical enterprise with groups of the public in the conditions of crisis.

10. Features of working with consumers of pharmaceutical products in a crisis situation.

Conclusions to the class *:*

THEMATIC MODULE 6
MARKETING CONTROL. INTERNATIONAL MARKETING

Topic 25. MARKETING CONTROL

Objective: To consolidate the theoretical knowledge of the marketing control system as the final phase of the marketing management cycle and acquire practical skills in organizing, monitoring and determining the effectiveness of marketing activities in the enterprise, conducting marketing audits.

Theoretical questions

1. The system of marketing control. Purpose and main objects of marketing control.
2. Components of the marketing control system.
3. Directions and stages of marketing control at the enterprise.
4. Non-economic indicators of marketing control.
5. Strategic control and audit of marketing.
6. Components of marketing audit.



PRACTICAL AND SITUATION TASKS

Task 1

Carry out the distribution of the proposed list of indicators by type of control, put in the appropriate columns of the table, a sample of which is shown in table.

List of indicators:

- Sales (in physical and money terms
- Number of stock turnover
- Inventory turnover in days
- Market share (sales)
- Market share (value parameters)
- The market shares in certain segments
- The number of new customers

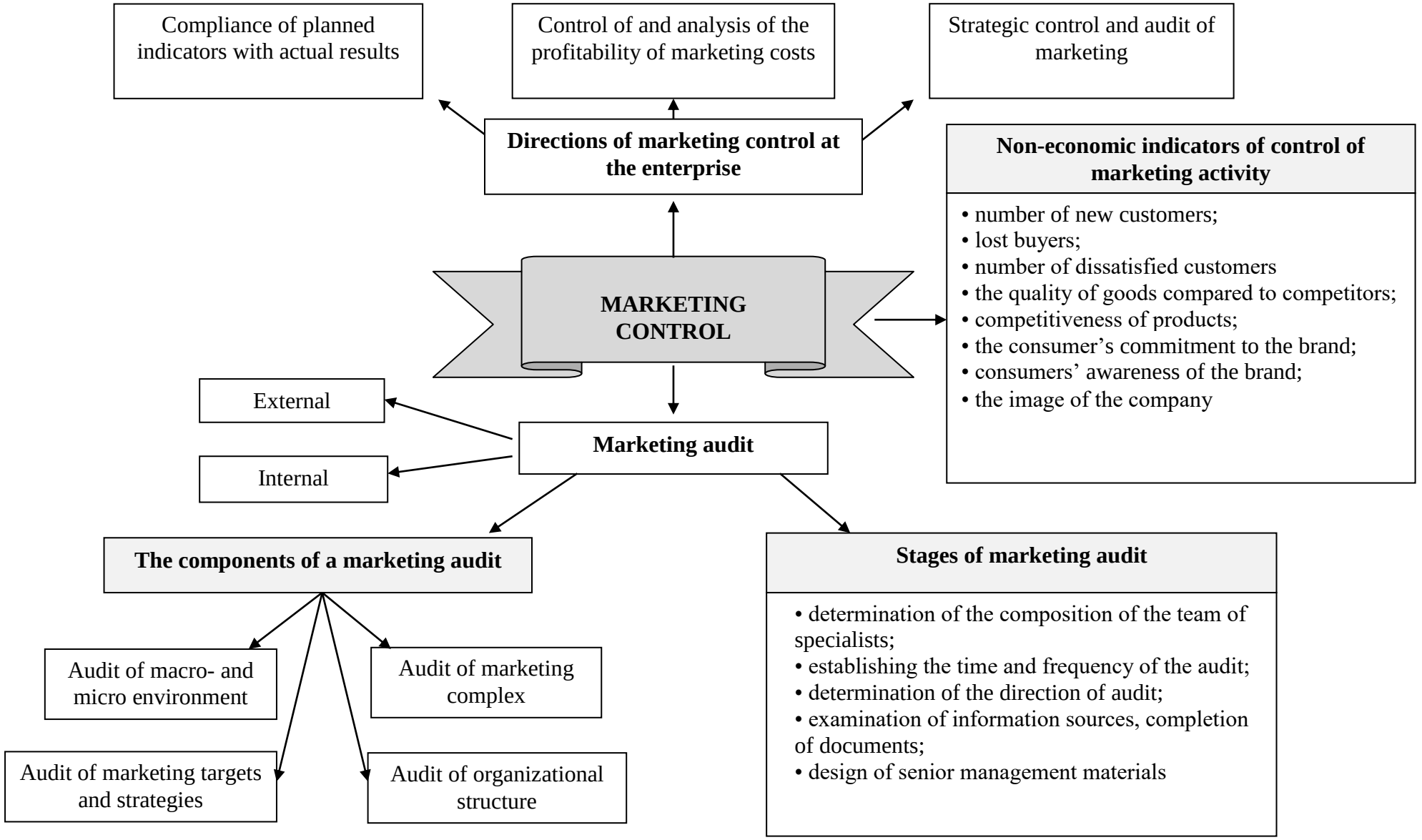


Fig. 41. Structural and logical scheme of the theme «Marketing control»

- The number of unsatisfied customers
- Attitude buyers to brand
- Increase/decrease the value of orders over the previous year
- The cost/number of orders received per client
- Turnover in per seller
- Analysis of the ratio of "cost of commodity/value of sales"
- The rate of return on invested capital
- Analysis of profitability by product, region, market segment, distribution channels, size of orders
- Market share relative to leader
- Analysis of dynamics market share brand
- Identification of market share based on an analysis attachment to brand
- Pure profit
- Gross profit
- Profit pure ratio
- Gross profit ratio
- Competitiveness
- Commitment to consumer the trademark
- Firm image.

Table 61

Direction of marketing control

CONTROL OF RESULTS			
Control of sales results of activity and analysis of marketing	**Control of market share**	**Control of profitability**	**Control of non-economic indicators**

CONTROL OF RESULTS			
Control of sales results of activity and analysis of marketing	**Control of market share**	**Control of profitability**	**Control of non-economic indicators**

Task 2

Using data of table 62, consider the planned and actual indicators of business and wholesale pharmaceutical company "East Pharm" for the current year. Define the deviations of actual performance of the firm the planned and put their values into the table.

For which indicators the company has not reached the planned results? What measures can be taken in the next period to avoid repeating them?

Table 62

Planned and actual indicators of the wholesale pharmaceutical company "East Pharm" in the current year

Name of indicators	Value of indicators		Deviation
	Planned	Actual	
The volume of sales, USD million	25	23,4	
Market share, %	14	15	
Pure profit, USD million	4,5	4,05	
Profitability (pure income), %	23,7	22,5	
Profitability (gross profit), %	31,3	30	
Marketing costs, %	10	12,4	

Task 3

Conduct an analysis of the dynamics of the regional market share of Drug A of the group of nonsteroidal anti-inflammatory analgesics (NSAIDs) for three

indicators: penetration level, exclusivity level and intensity level if:
• The total number of buyers of drugs of the NSAID group is 25.000;
• The number of people buying only medicinal product A – 4 500 people;
• for the period under review, 1.5 mln preparations of the NSAID group, including 450 thousand packs. drug A.



ADDITIONAL INFORMATION

For an in-depth analysis of market share (Dr), occupied by a drug of a certain pharmacotherapeutic group, it is necessary to take into account such components:

• P - penetration level - the proportion of drug purchasers in the total number of buyers of drugs of this pharmacotherapeutic group;

• E - level of exclusivity (share of loyal consumers) - the share occupied by the sale of the medicinal product in the total sales of preparations of a certain pharmacotherapeutic group;

• I - intensity level - the share of the average drug sales in the average sales of all drugs of the pharmacotherapeutic group under study.

Thus, the market share of the drug (M), can be calculated by the formula:

$$\mathbf{M} = P \times E \times I$$

Conclusions:

Task 4

Over the past six years, the volumes of wholesale pharmaceutical company were:

First year – 500 thousand USD;

Second year – 1,2 million USD;

Third year – 2,3 million USD;

Fourth year – 2,9 million USD;

Fifth year – 3,5 million USD;

Sixth year – 4,2 million USD.

Long-term goals of the company include increasing sales in the eighth year to 9,5 million USD. Analysis showed that under favorable conditions, sales may grow to 7,2 million USD. Results of internal and external audit of the company indicate that if current sales trends, sales will grow to 6,2 million USD.

With GAP-analysis define tactical and strategic deviations from the desired results. Build the graph. Identify the basic trends to overcome the tactical and strategic deviations to achieve the goals.



ADDITIONAL INFORMATION

Gap analysis is a tool that helps a company to compare its actual performance with its potential performance. At its core are two questions: "Where are we?" and "Where do we want to be?" (Fig. 42). If a company isn’t making the best use of its current resources or is forgoing investment in capital or technology, then it may be producing or performing at a level below its potential. This concept is similar to the base case of being below one’s production possibilities frontier.

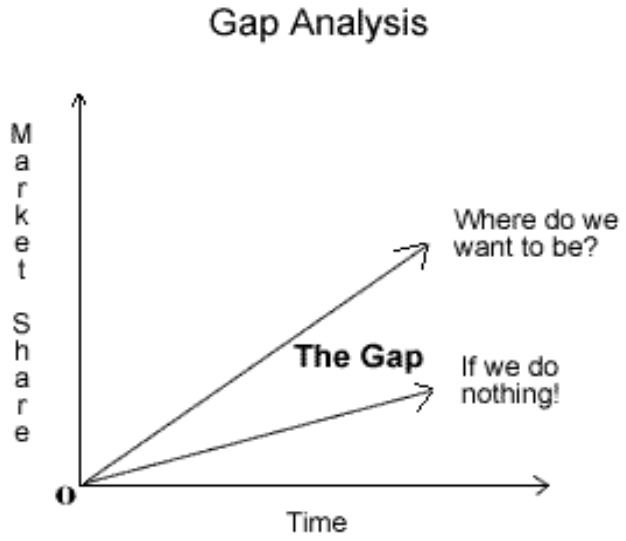
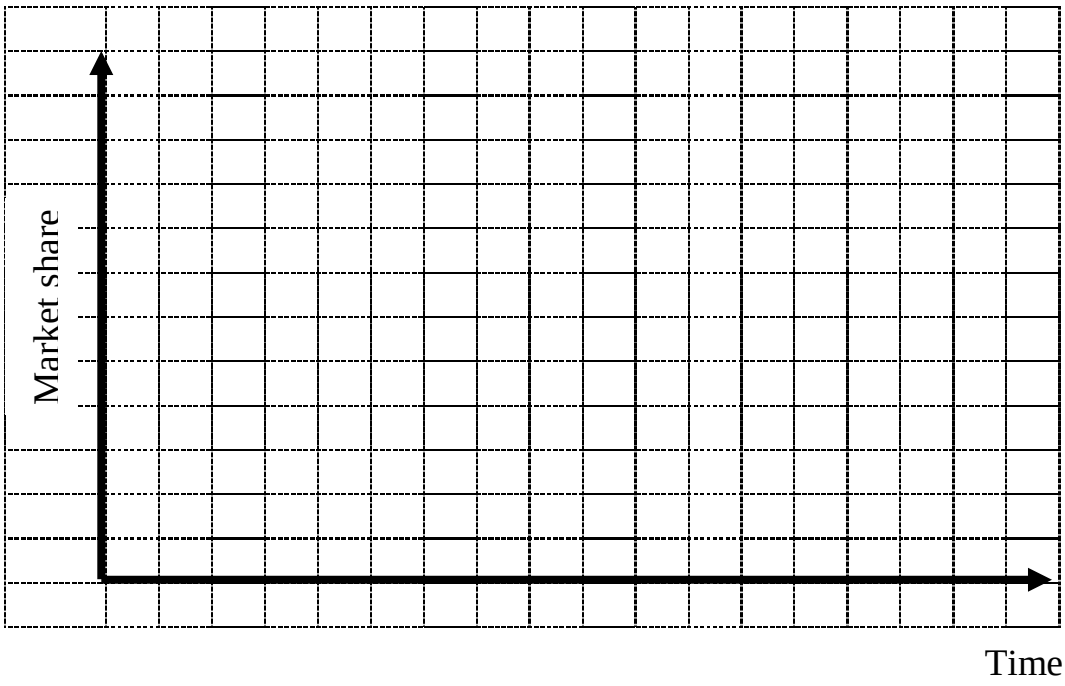


Fig 42. GAP Analysis



Task 5

While overseeing of marketing company we can use our own Auditing Service (Internal Audit). Also we can involve for the work of independent experts on the basis of agreement with a specialized consulting organization.

Identify advantages and disadvantages of internal and external marketing audit. In which case you recommend bringing specialized consulting organization?

Task 6

On the basis of knowledge of the marketing control system, select and place in a logical sequence the corresponding steps that are typical for the process of marketing audit and analysis of marketing costs.

Stages:

- selection of the direction of the audit;
- study of information sources;
- study of financial statements;
- define the composition of the team of specialists for the audit;
- preparation of accounting documents for management;
- the cost allocation for marketing functions;
- choice of time and periodicity of the audit;
- fragmentation of marketing costs for individual goods, methods and forms of sales, etc.

Task 7

Fill in the organization of marketing audit scheme (Fig 43), using such objects

of control: technological factors; competitors; suppliers; market; goods; prices; goals and marketing strategies; intermediaries; economic forces; socio-demographic factors; consumers; organizational structure of marketing; promotion; natural and environmental factors; marketing; political and legal factors.

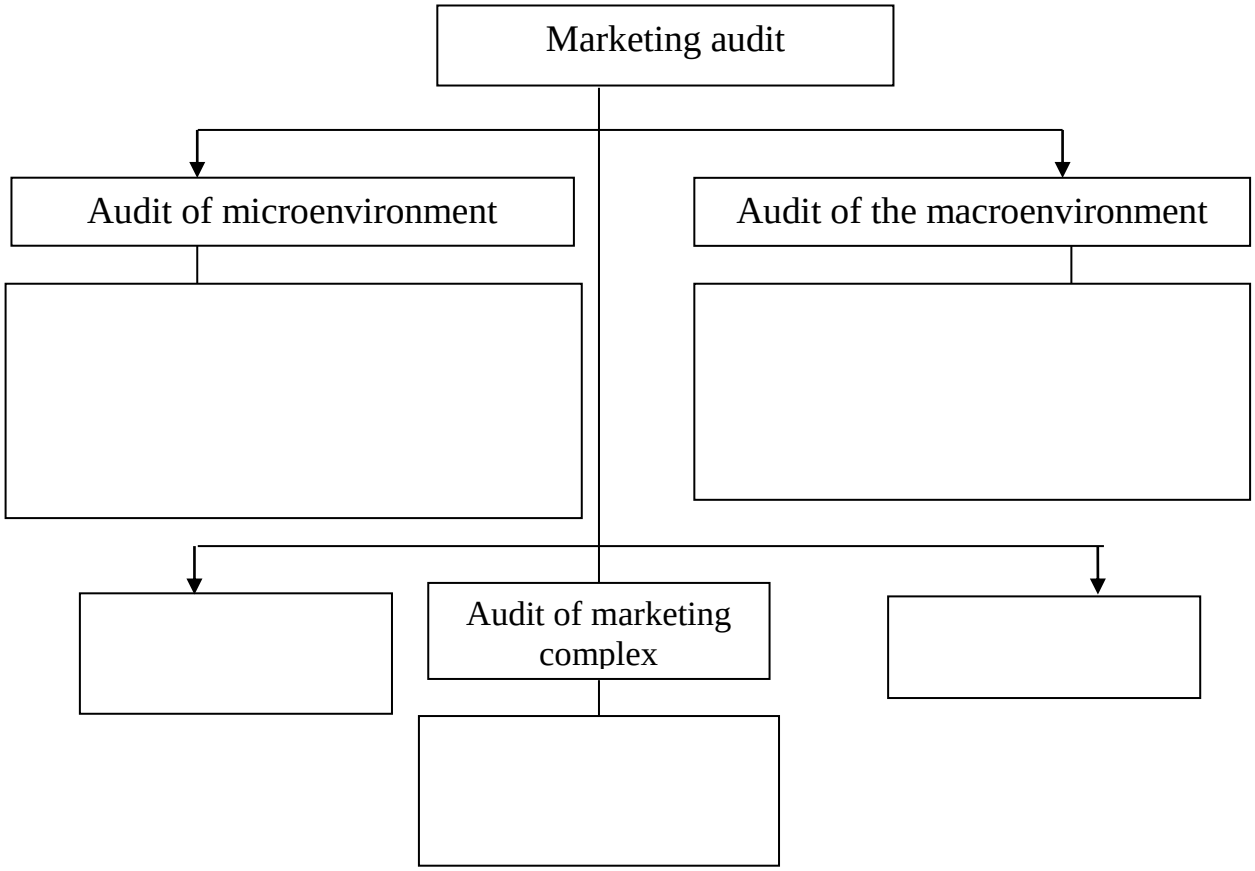


Fig. 43. Scheme of organization of marketing audit



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. Research of the marketing control system.
2. Study of the main objects of marketing control of pharmaceutical enterprises. Analysis of the components of the marketing control system.
3. Evaluation of the directions of marketing control at the pharmaceutical enterprise.
4. Analysis of non-economic indicators of marketing control on the activities of pharmaceutical organizations.
5. Conducting strategic control and marketing audit.
6. Audit goals and marketing strategies.

7. Analysis of differences in internal and external audit of marketing activities of a pharmaceutical enterprise.
8. Purpose of controlling.
9. Features of system audit in the organization.
10. The purpose of controlling, its main goal.
11. The main tasks of controlling.
12. Analysis of the objectives of controlling.
13. Peculiarities of exercising control over implementation and analysis of sales opportunities.
14. Features of the monitoring of profitability and analysis of marketing costs.
15. Analysis of marketing control tasks and the content of measures to address them.
16. Plan of the main measures to eliminate strategic and operational errors in the organization of the marketing system.
17. Certification of auditors.
18. Features of the Audit Chamber of Ukraine.
19. Analysis of the conditions for compulsory marketing audit.

Conclusions to the class:

Topic 26. INTERNATIONAL MARKETING IN PHARMACY

Objective: To consolidate theoretical knowledge about the essence of international marketing and technology marketing activities of pharmaceutical firms in foreign markets. Acquire practical skills in analyzing various aspects of the marketing activities of pharmaceutical companies in foreign markets.

Theoretical questions

1. The essence and specificity of international marketing. The main functions of marketing. The tasks of international marketing in pharmacy.
2. Stages of forming the policy of international marketing by a national company.
3. International marketing environment.
4. Forms of enterprises entering foreign markets: export, joint venture and its varieties, direct investment.
5. Marketing strategies. Stages of developing an international marketing strategy.
6. Marketing research of foreign markets: stages, typology and methods. International marketing research of the market of medicines.
7. Information support of marketing researches of the foreign pharmaceutical market. International Code of Marketing and Social Research.
8. International marketing complex: standardization and adaptation. Commodity policy of international firms, its types.
9. Pricing policy in the marketing system. Types of prices in international trade. The main aspects of price management in the pharmaceutical industry of foreign countries.
10. The policy of distribution in international marketing. The main types of distribution channels in international marketing. Methods of distribution of goods.

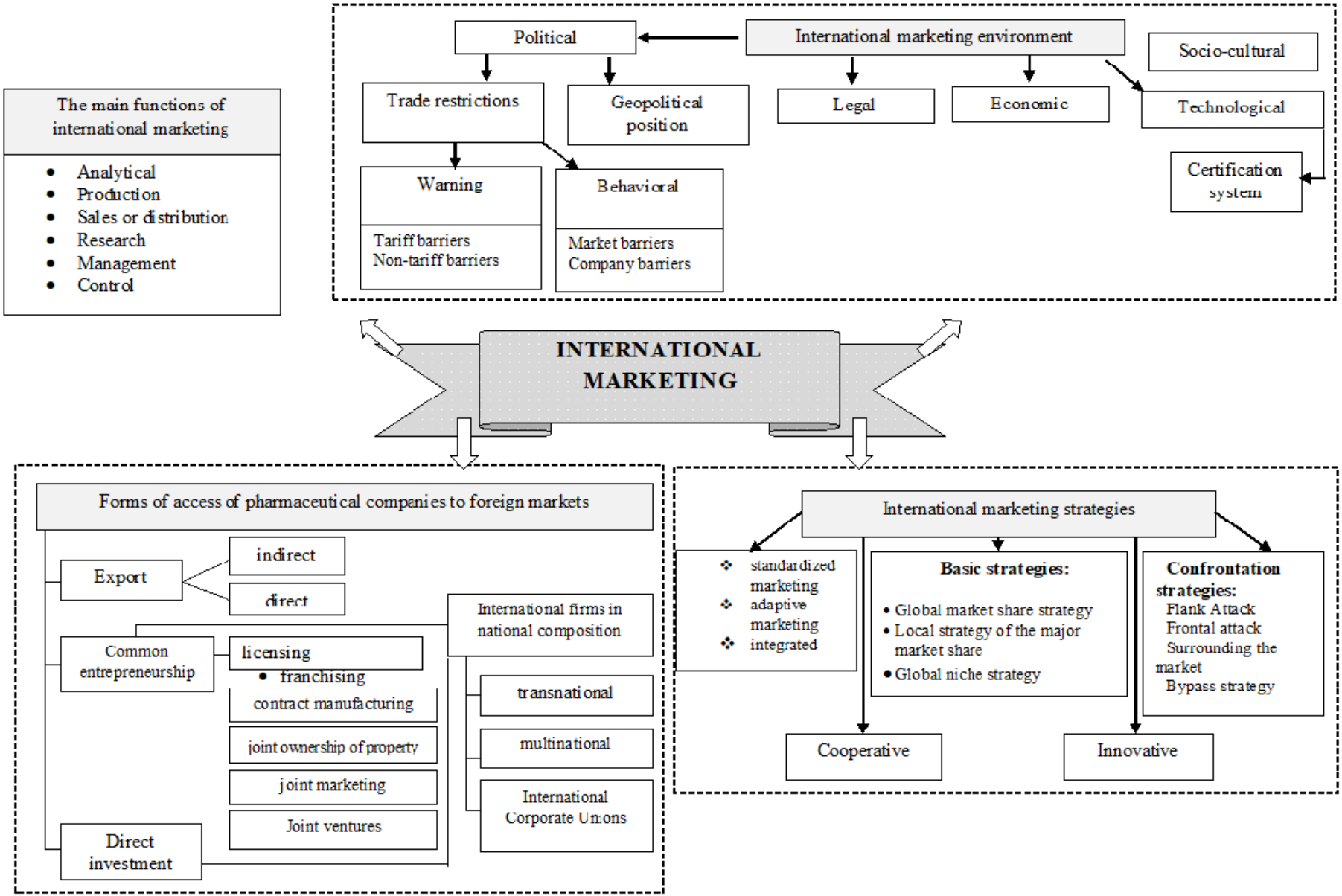


Fig. 44. Structural and logical scheme of the theme «International Marketing»



PRACTICAL AND SITUATION TASKS

Task 1

Uncover and characterize the essence of the elements that make up the socio-cultural environment of marketing.

Determine the possibility and give examples of the influence of individual components of the socio-cultural environment of foreign countries on the elements and functions of the international marketing mix.

The results are tabulated in Table 63 and Table 64.

Table 63

Assessment of the impact of individual components of the socio-cultural environment of foreign countries on the elements of the international marketing complex

Components of the socio-cultural environment of foreign countries	Elements and functions of the international marketing			
	product	pricing	promotion	commodity circulation channels
Education				
Art				
Language				
Religion				
Values				
Social orientation of society				
Policy				
Jurisprudence				
Traditions				
Technologies				

Table 64

Elements of the sociocultural environment of international marketing

Language	Religion	Education	Values and attitude to individual elements	Organization of society	Technological and material culture

Task 2

What are the forms of exit of pharmaceutical enterprises to foreign markets? What are their advantages and disadvantages? Familiarize yourself with the above-mentioned situations and select the appropriate forms for the exit of pharmaceutical companies to foreign markets:

• the pharmaceutical company sells medicines on the international market with the help of its own representative office in a foreign country

_____

• the pharmaceutical company plans to sell its own products in another country by transferring it to the ownership of a foreign intermediary

_____

• a large foreign pharmaceutical company provides the domestic producer with well-developed technologies for the production of medicinal products, grants the right to use the trademark, helps in advertising, training of personnel

_____

• the pharmaceutical company plans to operate in another country by establishing partnerships with a foreign company on the basis of combining production and marketing for the purpose of sharing costs and risks

_____

• the pharmaceutical enterprise enters into an agreement with the licensee in the foreign market with the right to use the production technology for an appropriate remuneration

_____

• conclusion of an agreement of a foreign counterparty with a producer on the external market for the production of its goods

_____

• a multinational pharmaceutical company bought out an enterprise in Poland to expand its production facilities abroad

_____

• the pharmaceutical company plans a long-term investment in another country that will provide control over activities in the foreign market

_____.

Task 3

Conduct a comparative analysis of possible exit strategies for your country's pharmaceutical companies on the world market and assess their positive and negative sides. The results are given in the form of tables 65.

Table 65

Comparative analysis of possible strategies for the exit of pharmaceutical companies to the world market

Criterion comparisons	Strategies for entering the world market		
	export	**joint venture**	**direct investment**
Involvement in market			
Resource			
demands			
Control			
Flexibility			
Risk			
The positive and negative sides of the chosen strategy			

Task 4

Formation of the international commodity strategy provides for a number of steps. Place the indicated steps in the correct sequence and characterize them:

 determine the market capacity by countries,

 taking into account the stage of the product life cycle, environmental factors;

 analyze the directions of the necessary adaptation of the goods (trade mark, service, etc.) to form a specific strategy;

 analyze the degree of necessary competitiveness of products on the marketing elements of the product;

 formulate specific measures in relation to the product (commodity assortment);

 to determine the availability of demand for goods in selected foreign markets;

 determine their competitive advantages and the necessary resources for the implementation of the commodity strategy;

 develop a product-balanced product strategy;

 review and evaluate alternative strategies.

Task 5

Calculate the share of exports and imports, as well as the marginal export opportunities, if exports amount to 50689 million euros, imports – 18965 million euros, production volume – 89765 million euros, consumption volume – 34671 million euros.

Task 6

The pharmaceutical company plans to enter the foreign market with a new antihistamine drug. Using the results of experts' assessment of the prospective monthly market capacity, given in table 33, determine the prospective market capacity of antihistamines.

Table 33

Expert evaluation of the prospective market capacity

Number of experts	Evaluation by experts of the prospective monthly market capacity, thousands UAH	The total forecasted estimate of experts, thousands UAH
4	400	
5	500	
7	700	
4	800	
20	2400	

Note: the total score is determined by multiplying the number of experts to assess the market capacity.



ADDITIONAL INFORMATION

Based on the total predictive assessment of experts, we determine the average forecasted weighted estimate of experts, then we find the forecasted market capacity:

$$Q_{np} = Q_o \pm 2V,$$

where Qo is the expected forecast;

V are standard deviations.

To calculate the expected forecast, use the formula:

$$Q_o = \frac{O_p + N + P_p}{N_1},$$

where Qp is an optimistic forecast; N is the product of the number of variants of the forecast and the average predicted weighted estimate of the experts;

Pp – pessimistic forecast;

N1 – the total number of variants of the forecast, taking into account separately optimistic and pessimistic forecasts.

Standard deviations are calculated by the formula:

$$V = \frac{O_p - P_p}{N_1}$$

Task 7

Pharmaceutical firm "Farmont" carries out wholesale realization of medicines. In early November of this year, the firm's management should decide whether to buy a batch of drugs worth 50,000 from the German pharmaceutical company. units, under the following conditions:

1. The term of the premises of the firm "Farmont" ends at the end of the current year.

2. The sale of the goods will give the company 30% profit.

3. There is a probability (50/50) that the firm will not have time to implement the entire product by the end of the year (that is, by the end of the term of the lease agreement).

4. Farmont may terminate the contract, which will result in a fine of 2,000 yen. unit

5. The company can take measures to stimulate sales:

a) independently, which will give a 30% guarantee of the sale of goods;

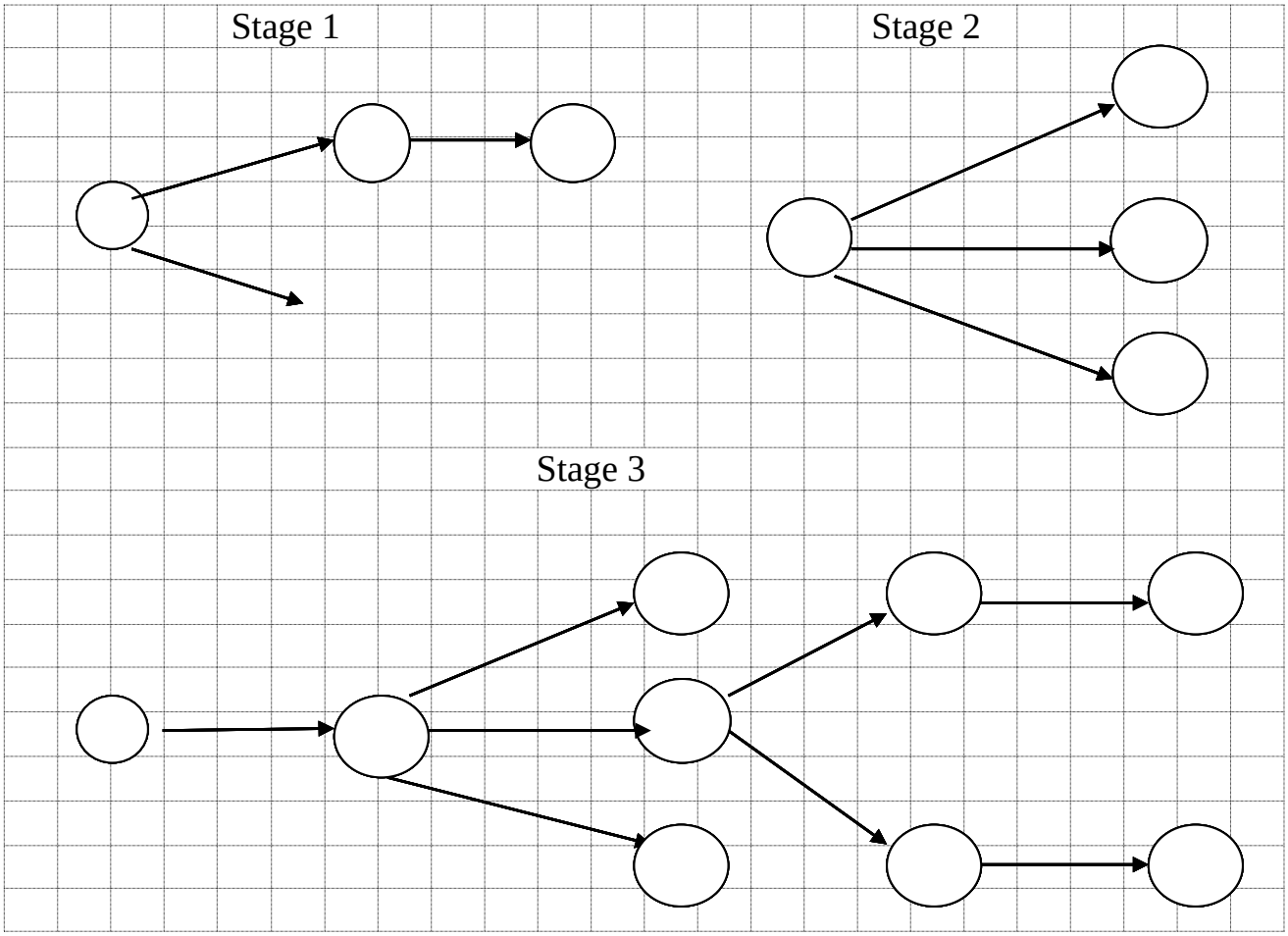
b) with the involvement of specialists outsourcing company, whose remuneration will be 2,000. However, the probability of selling the product at the same time increases to 80%.

Task execution:

To make a decision, you need to build a "decision tree", which uses the following symbols:

◯ – action;

– the decision.



Conclusion:																				



INDICATIVE THEMES OF ESSAY, PRESENTATIONS, REPORTS, DISCUSSIONS

1. International marketing: the concept, essence, conditions and factors of occurrence.
2. Motives of the advent of a pharmaceutical company to international markets.
3. International marketing environment: the economic aspect.
4. Social and cultural marketing environment.
5. The composition of the elements of the socio-cultural environment and their impact on international marketing.
6. Policy and legal environment of marketing.
7. International marketing research in pharmacy: features and stages of the process.
8. Methods of international marketing research.
9. Strategies for segmentation and positioning in international marketing.
10. Models of the output of the pharmaceutical company to the external market.
11. Internal and external factors of the choice of the strategy of the pharmaceutical company's exit to the external market.
12. International marketing complex: commodity policy, its types.
13. Factors for selecting participants in the distribution channel in international marketing.
14. International communicative process.
15. Systematization of types of world prices.
16. Sequence of marketing actions in the international pricing in the pharmaceutical market.
17. Modern problems and tendencies of development of international marketing.
18. The Impact of Globalization on the Pharmaceutical Market.

19. International marketing of transnational corporations.

20. Problems of adaptation of marketing activity of the pharmaceutical company to the conditions of foreign markets.

21. International marketing activity of domestic pharmaceutical companies.

Conclusions to the class:

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