

UDC 615.12 : 005.1 : 339.137.2

O. V. POSYLKINA, A. V. DOROVSKYY, Zh. V. MALA

*National university of pharmacy, Kharkov*

## ACTUAL QUESTIONS OF DEVELOPMENT MANAGEMENT AND COMPETITIVENESS OF PHARMACY NETWORKS: IDENTIFYING THE MAIN ISSUES AND KEY TENDENCIES

*The scientific researches of development management and competitiveness of the organizations have been analyzed in the article, the main issues and key tendencies of pharmacy chains in Ukraine have been highlighted.*

**Key words:** pharmacy chains, management of development, competitiveness, the main problems, key tendencies, approaches to development management.

### THE PROBLEM DEFINITION IN GENERAL AND ITS RELATIONSHIP WITH IMPORTANT SCIENTIFIC AND PRACTICAL TASKS

Today, for top management is necessary to effectively manage their development for the effective functioning of pharmacy networks. Improving the efficiency of pharmacy network will contribute to the development of its material and technical base and organizational perfection, will increase profitability and attract new customers and create optimal conditions for sale of drugs and medical devices.

### THE ANALYSIS OF RECENT RESEARCHES AND PUBLICATIONS IN WHICH STARTED A SOLUTION TO THE PROBLEM

The development of theoretical and practical approaches to the management of pharmaceutical organizations and assessment their competitiveness to improve provision of population with medicines and increase the efficiency of enterprises were engaged in such scientists as Hromowyk B. P., Gudzenko A. P., Kotvitska A. A., Mnushko Z. M., Nemchenko A. S., Pestun I. V., Ponomarenko M.S., Tolochko V. M., Khomenko V. M. and others, in works of which the essence of management of pharmaceutical activities is identified, the peculiarities of the management activity in pharmacy are determined and the modern management technologies are studied. Thus, in paper [16] the current state of social responsibility of the largest

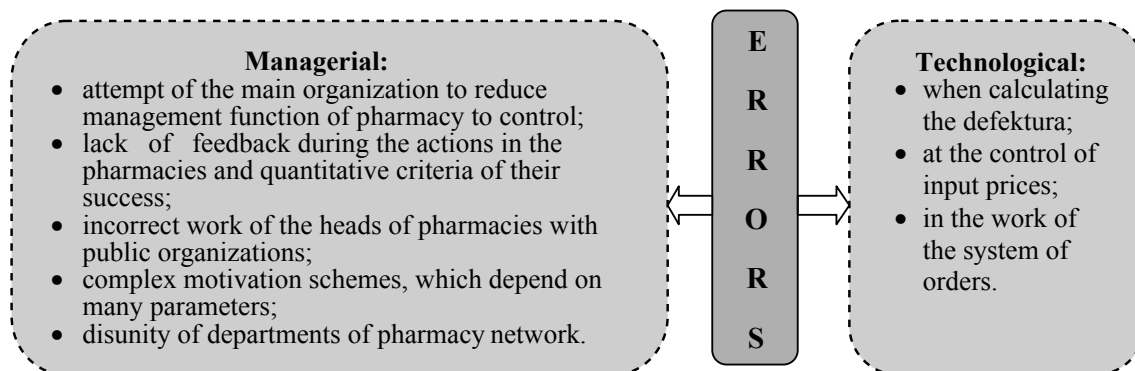
pharmacy networks in Kharkov was analyzed. In work [1] the analysis initial indicators of Ukraine's population, accounted for in the development of standards of rational distribution network pharmacy was conducted. In article [11] the history of development and success factors known US pharmacy network are summarized, where key strategic initiatives and opportunities improve national pharmaceutical business are identified. In works [14, 15] the assessment of competitiveness of pharmacy for external benefits and assessment of the competitiveness of the economic potential of pharmacies were conducted.

The authors [12] built a functional model of the distribution of medicines in pharmacies. Analysis of the model revealed that the most expensive operation in organization of the drug distribution between structural units of pharmacy network is their transportation.

In paper [13] the administrative errors that occur in the development of pharmaceutical business were analyzed. So, there are two main types of errors that are typical for the management of pharmacy networks, which are developing: managerial and technological (fig. 1).

In the works [8-10] the features of marketing activities were determined and marketing tasks structure of pharmacy networks was formed; the level of execution marketing tasks in the pharmacy network was evaluated and the factors that influence for their effectiveness were determined; assessment of staffing of pharmaceutical companies to address marketing functions was conducted; the

© Posylkina O. V., Mala Zh.V., 2015



**Fig. 1.** Classification of errors that are typical for the management of pharmacy networks that are developing

costs of working hours of employees of network pharmacies for marketing activities according to job descriptions were investigated; the scientific and methodological approaches to the improvement the system of realization of marketing complex in the pharmacy networks were grounded and the recommendations to improve the effectiveness of execution of the marketing functions of pharmacy networks were developed.

#### **THE EMPHASIS OF UNSOLVED EARLIER ASPECTS OF THE PROBLEM, WHICH IS THE ARTICLE DEVOTED TO**

Management of development of pharmaceutical organizations contributes not only to increase their efficiency and productivity, but also the implementation of the social task – to best meet the needs of consumers. That is why research of particularities of development management and competitiveness of pharmacy networks, caused the scientific and practical relevance of this work.

#### **FORMULATION PURPOSES OF ARTICLE**

The purpose of this paper is the analysis of current issues concerning the definition of the nature and objectives of management development and competitiveness pharmacy chains, identifying the main issues and key tendencies.

#### **THE EXPOSITION OF MAIN MATERIAL WITH ARGUMENTATION OF THE OBTAINED SCIENTIFIC RESULTS**

During the study were identified the main tendencies of functioning pharmacy networks in Ukraine:

- 14 % of the pharmaceutical market of Ukraine constitute don't network pharmacies (2900 outlets);

- turnover per outlet in Ukraine is – 220 ths. euro per year whereas, for example, in the Czech Republic – 856 ths. euro and in Germany – 1,860,000 euro;
- the level of provision of population of pharmaceutical institutions in Ukraine is one of the highest. At the same time domestic pharmaceutical market – is one of the least consolidated in Europe, and the top three of its players – trade chains (TC): “Pharmacy Magnolia” (TC “Pharmacy low prices”), “Med-Service Group” (TC “Med-Service”) and Titan “(TC” Pharmacy “Health”)) accumulates about 9% of total pharmaceutical sales (table 1);
- 28 % of the market by number of outlets occupy small pharmacy networks (till five outlets);
- really large networks (more than 50 outlets) in Ukraine not more than 40, while the share of the top 100 pharmacy networks in 2014 amounted to 62 % of the total turnover in Ukraine, indicating extremely low level of market consolidation. Extremely slow consolidation of pharmacy networks is explained that it is not due to acquisitions and mainly by squeezing competitors: big chains opening new points that gradually increasing its turnover and is crowding out smaller players [2].

We also analyzed the main problems of development of pharmacy networks in Ukraine that arose for the last time:

- according to the company Proxima Research, in 2014 through pharmacies in Ukraine was sold drugs totaling 34.7 mln. UAH., that at the 14.2% more than in 2013, but sales growth in terms of money held only by increasing the cost of most drugs, due to the devaluation of the national currency;

## RATING OF PHARMACY NETWORKS IN UKRAINE

| №  | Δ  | Company*   | Net profit            |                       |                   | Net income        |                      | Staff           |                 |                   |
|----|----|--|-----------------------|-----------------------|-------------------|-------------------|----------------------|-----------------|-----------------|-------------------|
|    |    |  | 2013,<br>mln.<br>UAH. | 2012,<br>mln.<br>UAH. | 2013,<br>growth,% | 2013<br>mln. UAH. | 2012<br>mln.<br>UAH. | 2013,<br>people | 2012,<br>people | 2013,<br>growth,% |
| 1  | 1  | Pharmacy low prices                              | 871                   | 644                   | 35,09             | —                 | —                    | 946             | 871             | 8,61              |
| 2  | -1 | Lugansk regional «Pharmacy»                      | 736                   | 693                   | 6,21              | 0                 | 1                    | 2908            | 3057            | -4,87             |
| 3  | 0  | Pharmastore (TC «Dobrogo dnya»)                  | 639                   | 478                   | 33,65             | -37               | 5                    | 1148            | 371             | 209,43            |
| 4  | 0  | Gamma 55 (TC Pharmacy 9-1-1)                     | 588                   | 442                   | 32,92             | 5                 | 4                    | 558             | 601             | -7,15             |
| 5  | 0  | Communal Enterprise «Pharmacy»                   | 413                   | 418                   | -1,11             | 1                 | 0                    | 1306            | 1341            | -2,61             |
| 6  | 0  | Donbass Pharmacy Trading                         | 364                   | 349                   | 4,25              | 6                 | 6                    | 438             | 434             | 0,92              |
| 7  | 0  | Sirius-95 + Vinnitsa Pharmacy (TM «Good Health») | 321                   | 259                   | 23,61             | —                 | —                    | 297             | 281             | 5,69              |
| 8  | 0  | Pharmacies of the Medical Academy                | 268                   | 244                   | 9,63              | 5                 | 3                    | 395             | 383             | 3,13              |
| 9  | 1  | Regional pharmacy network «Rouen»                | 255                   | 221                   | 15,48             | 9                 | 9                    | 498             | 460             | 8,26              |
| 10 | 1  | TAS-Farma  | 221                   | 169                   | 30,68             | -4                | -8                   | 397             | 309             | 28,48             |

\* In the absence of data was not included in the rating pharmacy network “Zdorovya”

- the military actions in the east of the country also negatively impacted on the pharmacy market. It is very difficult to control the work of outlets in the territory of Donetsk and Lugansk regions because many of them were closed. So, in search of new owners is Donetsk chain “36,6” (“Donelitpharm”) and closed Lugansk pharmacies network “Fitopharm”;
- increasing of regulatory norms about the work pharmaceutical companies: in early 2013 the State Service of Ukraine on medicines has introduced a new procedure for opening pharmacies, according to which, the distance between pharmacies in cities with populations over 1 mln. people should be at least 300 m and at least 500 m – in cities with a population less than 1 mln. people. It was also determined the optimum load to one pharmacy in terms of profitability of the business – is 5000 persons (now Ukraine continues to lead among European countries by the number of pharmacies per thousand inhabitants – 2,500, more just in Greece – one pharmacy for 1,200 people. In comparison, in Italy, Poland, France accounted for one pharmacy is 3500-4500 people, and of Denmark and completely to 16800). If aspire to this indicator, the number of pharmacies in Ukraine should be reduced at least by half;
- from January 1, 2015 came into effect another innovation: the marginal trade allowances for medicines and medical products of Ukrainian production, wholesale price of which is lower than 12 UAH., should not exceed 25 %. The adjustment affected the final cost of other drugs, leading to a reduction in the depth range. On the one hand, it causes a rise in price of pharmaceutical products, on the other – to lower margins and economic feasibility of business distributors, and the third – to increase the ultimate cost to the consumer. To offset the low margin on goods that are subject to state regulation, pharmacies have to raise it on other drugs;
- the owners of the pharmacies increasing the need for investment to turnover pharmacies, because former range has become more expensive, and many suppliers have reduced the deferred payments, and switched to an advance payment. Insufficient range of pharmaceutical products may condition sales decline and even closure of pharmacy [2].

Analysis of the main problems requires studies on scientific problems of competitiveness evaluation and management of the development of pharmacy chains in Ukraine in the current economic conditions to improve their efficiency, and therefore improve customer satisfaction in drugs and medical products. We analyzed the foreign and domestic researches on management of competitiveness and development of pharmaceutical organizations. Thus, earlier one of the main purposes of pharmacies was its growth for the effective functioning, but eventually changing tendencies and pharmacies for the survival on the pharmaceutical market had to solve the problem of competitiveness. At present the key element of a successful pharmaceutical company is managing its social and economic development. We systematized the basic concepts in this area of research, presented in the table 2.

Consequently, management of the organization should distinguish management its functioning and management of development, as they have different objects, and accordingly, the different objectives and ways of their solution.

Management its functioning of organization is committed to ensure the efficient functioning the use of existing capacity at it before achieved level.

Its main object serve basic supplying processes of the company, i.e. processes of logistics, personnel, financial and other support.

Management development organization designed to provide capacity-building organization and increase the level of its use, thanks to the development of certain innovations, that its object serves the process of expanded reproduction. Consequently, management of functioning is focused on the present, and development management – for the future. It should provide an adequate understanding of needs (not just those who have already proven themselves, but also those that are updated in the future) and development opportunities, setting high quality and realistic goals, choice of rational ways of achieving them, the interest of the labor collective in achieving development goals, reliable control for changes and timely decision making.

Like any other activity, management development can be based on different approaches. To improve its way of action, you must be able to distinguish it from other ways, to understand its advantages and disadvantages in comparison with others. In the literature, there are the following features of distribution approaches to development management company (organization) [4, 5]:

Table 2

**THE INTERPRETATION OF KEY TERMS**

| Source   | Term                                | Content wording   |
|--|-------------------------------------|---|
| Kryvonos Y.E. Economic Theory: lecture notes. Taganrog: TTI SFU, 2009.   | Competition                         | It is a struggle of entrepreneurs the most favorable conditions for production and sale products in order obtaining the maximum profit.   |
| Dolzhanskiy I.Z. Competitiveness of the enterprise: Textbook / I.Z. Dolzhanskiy, T.O. Zahorna. – Kyiv Center of educational literature, 2006. – 384 p. | Competitiveness of the enterprise   | The ability of enterprise to create, produce and sell goods and services, price and non-price qualities of which are more attractive than competitors' similar products   |
| Kuchin B.L. Development Management Economic Systems: technological progress, stability / B.L. Kuchin, E.V. Yakushev. – M.: Economics. – 1990. – 157 p. | Development                         | The cumulative change in the relationship of quantitative, qualitative and structural categories in the system  |
| Drozdv I.N. Management of development of organization: Textbook. – Vladivostok: PIPPKKS, 2001. – 110 p.  | Management organization             | Special activity in which its subjects through planning, organization, motivation and control providing an organization of common activity of staff and its focus on the achievement goals of the organization  |
| Drozdv I.N. Management of development of organization: Textbook. – Vladivostok: PIPPKKS, 2001. – 110 p.  | Management development organization | Part of the carried in it, management activity which through planning, organization, motivation and control of processes of development and mastering of innovations, purposefulness and organization activity of the personnel of the organization to build its production capacity, increase of level its application and, consequently, obtaining qualitatively new of results of activity |

- *on the subject of management development* – tactical approach: set whether acts as a regulator only top management of the organization or labor collective as a whole is involved in developing plans, the discussion process work decisions. In the first case is the administrative approach to management development, and in second – is participatory;
- *on the orientation for management development* – oriented approach allows similar ascertain whether management is focused on the process or on the result (target management). When management based on process, the subject, ensuring the development of certain innovations can not clearly predict the expected result. On the target management first determined the desired result, and then developed specific innovation that will allow to reach it;
- *for integration of management development* – distinguish management focused on autonomous, independent of one another innovation development and management, focused on the implementation of the totality of innovation as a holistic complex (system management);
- *on the type of response to management changes, requiring solutions* – are distinguished accelerated management and jet. Effective management should as far as possible, to anticipate and identify achievable goals (results) and predict timely emergence of factors that hinder their achievement, and to respond to them before their action will lead to negative consequences. Type of management, characterized by reacting to events that have already occurred, called a jet.

It should be noted that none of the approaches to management development is not the best. Different approaches can be effective, depending on conditions. Thus, participatory (democratic) management does not always lead to better results than administrative. Also, when there is a hard time limit on the planning of the organization, the administrative approach – is the only possible. The systems approach requires highly qualified managers, but it is – consuming. If the situation is relatively stable, reactive management can give the same results as proactive. The choice of approach should be based on consideration of the actual conditions of the organization. But the closer management to the system-target, the greater potential possibilities it possesses to ensure the effectiveness of development of the organization.

#### CONCLUSIONS AND PERSPECTIVES FOR FURTHER RESEARCH

Thus, we analyzed scientific research on problems of management development and competitive-

ness of pharmaceutical organizations, the main issues and key tendencies of development of pharmacy networks in Ukraine were highlighted.

Field of study of development management pharmacy networks needs of numerous further research in the following areas: analysis of the state their resources; analysis of features of the logistics, assortment and price policies of pharmacy networks; analysis of the factors of competitiveness and competitive advantages; analysis of the current organizational structure of pharmacy networks and assess its adequacy requirements of the time; substantiation of the basic directions of reengineering of business processes in network pharmacies in the transition to the requirements of Good Pharmaceutical Practice; study the factors that influence the choice and forming the strategy of their development; construction of modern management mechanism development goals pharmacy network; justification areas of improvement logistic strategy of pharmacy network; improving staff motivation system of pharmacy networks in terms of quality management; development and implementation of evaluation system realization the development strategy pharmacy network and others.

#### THE LIST OF SOURCES OF INFORMATION

1. Аналіз вихідних (базових) показників населення України, що враховуються під час розроблення нормативів раціонального розміщення аптечної мережі / О. С. Соловійов, О. П. Гудзенко, М. С. Пономаренко, М. Л. Сятиня [та інші] // Фармацевтичний журнал. – 2014. – № 1. – С. 3–12.
2. Без рецепта на рост : Что мешает развитию аптечных сетей в Украине // **Електр. ресурс:** <http://delo.ua/business/bez-recepta-na-rost-chto-meshaet-razvitiju-aptechnyh-setej-v-ukr-296117>
3. Должанський І. З. Конкурентоспроможність підприємства : Навчальний посібник / І. З. Должанський, Т. О. Загорна. – К. : Центр навчальної літератури, 2006. – 384 с.
4. Дроздов И. Н. Управление развитием организации : Учебное пособие. – Владивосток : ПИППККГС, 2001. – 110 с.
5. Кабанов С. В. Управление развитием организаций на основе системного подхода / С. В. Кабанов // Известия ИГЭА. – 2007. – №5 (55). – С. 90–91.
6. Кривонос Ю. Е. Экономическая теория : конспект лекций / Ю. Е. Кривонос. – Таганрог : ТТИ ЮФУ, 2009. – 298 с.
7. Кучин Б. Л. Управление развитием экономических систем : технологический прогресс, устойчивость / Б. Л. Кучин, Е. В. Якушева. – М. : Экономика. – 2009. – 157 с.

8. Мнушко З. М. Комплексний підхід до визначення маркетингових завдань аптечних мереж / З. М. Мнушко, А. С. Бабічева // Управління, економіка та забезпечення якості в фармації. – 2008. – № 5 (74). – С. 15–20.
9. Мнушко З. М. Моделювання робочого часу працівників аптек, задіяних у виконанні маркетингових функцій / З. М. Мнушко, А. С. Бабічева, І. В. Пестун // Запорозький медичинський журнал. – 2012. – №5(74). – С. 99–104.
10. Мнушко З. М. Моделювання робочого часу працівників аптек, задіяних у виконанні маркетингових функцій / З. М. Мнушко, І. В. Пестун, А. С. Бабічева // Український журнал клінічної та лабораторної медицини. – 2012. – Т. 7, № 2. – С. 66–70.
11. Мнушко З. М. Узагальнення історії розвитку та факторів успіху відомої аптечної мережі США / З. М. Мнушко, Н. В. Алекперова, І. В. Пестун // Актуальні питання фармацевтичної і медичної науки та практики. – 2013. – № 1 (11). – С. 85–87.
12. Моделювання процесу розподілу лікарських засобів в аптечній роздрібній мережі / В. В. Трохимчук, М. С. Пономаренко, С. Г. Убогов, К. В. Вовк // Вісник фармації. – 2010. – №1(61). – С. 43–46.
13. Перминов С. Аптечные сети – как преодолеть «болезни роста»/ С. Перминов // Ремедиум. – 2012. – № 4. – С. 55–56.
14. Терещук С. І. Оцінка конкурентоспроможності аптеки за зовнішніми перевагами/ С. І. Терещук, Б. П. Громовик // Провізор. – 2010. – № 3. – С. 26–30.
15. Терещук С. І. Оцінка конкурентоспроможності економічного потенціалу аптек/ С. І. Терещук, Б. П. Громовик // Провізор. – 2009. – № 19. – С. 2–6.
16. Черкашина А. В. Дослідження сучасного стану соціальної відповідальності найбільших аптечних мереж міста Харкова / А. В. Черкашина, А. А. Котвіцька // Управління, економіка та забезпечення якості в фармації. – 2014. – № 2 (34). – С. 36–41.

#### УДК 615.12 : 005.1 : 339.137.2

О. В. Посылкина, А. В. Доровской, Ж. В. Малая

#### АКТУАЛЬНЫЕ ВОПРОСЫ УПРАВЛЕНИЯ РАЗВИТИЕМ И КОНКУРЕНТОСПОСОБНОСТЬЮ АПТЕЧНЫХ СЕТЕЙ: ВЫЯВЛЕНИЕ ОСНОВНЫХ ПРОБЛЕМ И КЛЮЧЕВЫХ ТЕНДЕНЦИЙ

В статье проанализированы научные исследования по управлению развитием и конкурентоспособностью организациями, выделены основные проблемы и ключевые тенденции аптечных сетей в Украине.

**Ключевые слова:** аптечные сети, управление развитием, конкурентоспособность, основные проблемы, ключевые тенденции, подходы к управлению развитием.

#### УДК 615.12 : 005.1 : 339.137.2

О. В. Посилкіна, О. В. Доровський, Ж. В. Мала

#### АКТУАЛЬНІ ПИТАННЯ УПРАВЛІННЯ РОЗВИТКОМ ТА КОНКУРЕНТОСПРОМОЖНІСТЮ АПТЕЧНИХ МЕРЕЖ: ВИЯВЛЕННЯ ОСНОВНИХ ПРОБЛЕМ ТА КЛЮЧОВИХ ТЕНДЕНЦІЙ

У статті проаналізовано наукові дослідження з управління розвитком та конкурентоспроможністю організаціями, виділено основні проблеми та ключові тенденції аптечних мереж в Україні.

**Ключові слова:** аптечні мережі, управління розвитком, конкурентоспроможність, основні проблеми, ключові тенденції, підходи до управління розвитком.

Адреса для листування:

61140 м. Харків, вул. О. Невського, 18

Кафедра управління та економіки

підприємства НФаУ

Тел. (057) 771-81-47

E-mail: kaf.ep.nfay@rambler.ru

Надійшла до редакції:

04.09.2015 р.