

Q&A

MAVERIC

*LONDON DRUGS' JOHN TSE
DARES TO BE DIFFERENT*

BY JANE AUSTER PHOTOGRAPHY BY BRANDON GRAY

John Tse walked through the doors of London Drugs nearly 30 years ago. He never left.

Tse started as a part-time pharmacy assistant while studying at the University of British Columbia, intending to use his experience as a springboard for a pharmacy career...not necessarily at London Drugs. But even then, he recognized there was something different about the company. Tse ended up staying, earning an MBA along the way, and now as vice president of pharmacy & cosmetics, he oversees much of the operations of the western pharmacy giant. ▶



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SNAPSHOT

Founded in 1945, B.C.-based London Drugs has 77 stores in more than 35 major markets throughout British Columbia, Alberta, Saskatchewan and Manitoba including its online store www.londondrugs.com. London Drugs offers consumers a range of products from digital cameras and cosmetics to computers and televisions. The company employs more than 7,500 people with pharmacy and healthcare services being the heart of its business.

John Tse, London Drugs'
Vice President of Pharmacy
& Cosmetics.

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PB: You've witnessed a lot of change in retail pharmacy over the past 30 years.

JOHN TSE: It's been a constant, nonstop evolution. When I started, there was no Costco, no Walmart, no Target. Back then Zellers was just starting to move into the discount category. Blockbuster was just beginning in the video realm. Retail has consistently evolved, especially in Canada over the past 15 to 20 years. My main concern has been, how do you ensure you are at the top of your game to compete with these large, American-based, multinational retailers?

London Drugs has always asked, how do we continue to be the maverick in the industry, how do we ensure we are the best we can be?

How do you pioneer so many changes?

We're different and we like to be different, and we are fortunate enough to be able to be different. We just look at things differently! We always ask, where's the next forefront to take the profession that the profession would embrace?

Travel medicine is a perfect example of how we have stayed ahead of the curve. We started our program at least five to six years ago, using internal training and our own internal reference systems. Now every location and every pharmacist is

involved in the ISTM (International Society of Travel Medicine) certification process. It may sound altruistic, but if we're ground-breaking in the marketplace or leading a change, one of our philosophies has to be not to screw it up for everyone else. We have to do it well since a lot of attention is paid by our regulators and other health professionals.

We have always looked at what is best for the patient.

Fourteen years ago we introduced automation and are one of the most heavily automated chains for pharmacy dispensing that I know of. We wondered, how do you free up pharmacists' time to be with patients? Today regulated technicians check the prescription, barcode-driven robots fill the prescriptions, and pharmacists check the work.

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When consumers walk into a London Drugs, they experience a much different retail experience from any other pharmacy.

We don't separate retail and pharmacy. We like the customer to decide how best we can serve them. Whether it be buying a blender or a camera or a prescription, we stand behind that customer decision. It doesn't matter whether people come to us first for pharmacy or retail – it's all a matter of building trust.

Do you see increased competition from the retail powerhouses?

Yes absolutely, competition is constantly increasing. The channels are blurring. And it's not just retailers like Walmart and Costco, it's also online retail. What we did as a company to





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combine different sectors was very different years ago, but now everyone is doing it.

Online is having a huge impact. We tried online 12 to 15 years ago, but didn't do a very good job. Then around 10 years ago, we felt it was time to go back into online. I was in charge of putting London Drugs on ecommerce. Two years ago we significantly updated our site and started offering in-store pickup in addition to delivery. We now offer a very strong hybrid model.

You are VP of cosmetics as well as pharmacy. How do you see your dual role?

On the outside it doesn't look like there are any real synergies, but if you look at it more deeply, there are synergies since cosmetics are regulated by Health Canada. But in a retail setting, pharmacy and cosmetics can be diametrically opposed. Pharmacy is a demand business – you have to come to us because you need the medication.

Cosmetics is absolutely opposite: discretionary, finicky, very promotionally driven, aspirational. That in itself for me is a lot of fun. How we go to market as a service model is no different from pharmacy. We focus on the end user and try to surprise and delight that customer.

It's very interesting for me to try to identify the next product that will be of interest. Nail care has been of great interest to the user in the last three years. We spotted that category very early and developed dedicated nail centres.

BC is the only province to continue allowing the sale of tobacco products in pharmacy, and London Drugs does sell cigarettes. How do you reconcile the perception of pharmacists as healthcare providers with the sale of tobacco?

I understand it is at times a very emotional dichotomy. But as a pharmacist, I always challenge other pharmacists. Okay, let's assume you don't sell that product, what are you doing to help the tobacco user? How do you even find a user? BC has the lowest percentage of smokers in the

London Drugs is all about helping to educate consumers. The pharmacy features a Learning Lab where patients and customers can learn more about such areas as skin care, technology, cameras and health & wellness from in-store experts.

country. How do you find that 15 per cent?

Our pharmacists aren't actually involved in selling the tobacco. At least we get a chance to target the tobacco user. In provinces that have removed tobacco sales in pharmacy, we have tracked the sale of smoking cessation products, and those sales have dropped.

We want to reach the ones who want to quit. With every tobacco transaction at the front of our store, we advise and make people aware, and educate with every transaction, offering pamphlets on how pharmacists can help and support them. We do want to make a difference.

What keeps you up at night when you think about pharmacy?

The one thing that keeps me awake all the time is my roots as a pharmacist and god forbid one of my stores makes a bad dispensing error. We're always looking at our procedures to eliminate a potential error. Recently, BC was mandated by the College to increase methadone sales. From 1 mg per 1 mL we are now mandated to dispense 10 times the dose.

We have stores that dispense methadone. Our pharmacists have to be trained, but that wasn't good enough for me. We created special processes to prevent an error from happening. We've been good so far. Errors keep me up!

What would you change in pharmacy?

Because ours is an insurance-based business, pharmacy is still very much looked at transactionally. The value of what it brings to the table has been discounted in some individuals' minds, while I truly believe pharmacy brings a tremendous value to healthcare. You've heard that pharmacy is in the top #1, 2 or 3 of healthcare professionals, but pharmacists are afraid to charge for the services they provide. When things are free, they are not valued as much.

Even in clinics, pharmacy has been very reluctant to charge. We started charging 10-15 years ago. People need to see value. Our model is crippled already and it may break if we are not very careful in managing this business of pharmacy moving forward. It takes thought leadership at a very senior level, and we need to shepherd this business to ensure pharmacy stays alive and earns a reasonable return. We've all taken it on the chin. Part of it is our own fault. There is still some more cutting and pain to come, but the pain will be less and less, and then we will find a new model. **PB**



EXCLUSIVE VIDEO:
Take a walk with John Tse through London Drugs at PharmacyU.ca

