



Independent Pa. pharmacy thrives on fast service, personal touch

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WILKES-BARRE, Pa. -- Led by energetic owner Chuck Obeid, Sheehans Pharmacy is showing that local drugstores can thrive in the face of seemingly stiff competition from deep-pocketed national chains. He's doing it by emphasizing service and by taking advantage of the chain's tendency to focus on high-traffic locations, fast-moving drugs and general merchandise.

Sheehans single store doesn't have aisles of hair care products or a brace of digital photo printers.

But where it counts -- prescriptions -- Sheehans outsells the chain competition by a mile, Obeid says, and inside the store it's easy to see why. A steady stream of customers lined up at the pharmacy counter on a recent weekday afternoon, keeping Obeid and five other pharmacists and technicians hopping. A separate checkout register, located right in front of the counter, rang constantly.

After picking up her order, Joan Nocera described how she became a Sheehans customer more than a decade ago when she lived in Exeter. Her local pharmacy had closed and a friend praised the service at Sheehans, so she gave it a try. She has been a customer ever since and now has moved to Plains Township.

"We moved to get closer to the pharmacy," she joked.

Nocera has observed the service in large chain drugstores and finds it too slow. She suspects the idea is to get customers to buy other items as they wander through the store while waiting for a refill.

"Here, in five or 10 minutes you have your prescription," she said as she headed out the door.

That service doesn't come cheap. According to salary.com the median annual paycheck for a pharmacist in this region is nearly \$96,000. Five of Sheehans' 19 employees are pharmacists, including Obeid.

But this is not your grandfather's drugstore. To streamline his busy operation, Obeid bought a \$65,000 automated pill counting system three years ago. Bins for 98 fast-moving drugs are linked to pharmacists computers, which print out a bar coded label that must be scanned before the pills are dispensed.

"It's 100 percent accurate," Obeid boasts, and has built-in features to assure pills get to the correct bins when restocking.

Obeid invests in the business in other ways. He added a diabetic footwear department a few years ago and has enlarged the selection of durable medical equipment. A display of lift chairs, grab bars, walkers and other items in demand by an aging population takes up an entire wall. Purchases of both the shoes and the equipment are usually covered by Medicare.

Obeid, 45, earned his pharmacy degree at the University of Connecticut, then worked for Rea & Derick for two years before joining Sheehans, then owned for 21 years by his father, in 1989.

"There really wasn't a spot," he explained, and he had to wait until an older pharmacist retired to take his place behind the counter. In the years since, Obeid gradually took over the store from his father. A brother, Michael, helps manage the store and a sister, Lynn McCarthy, is a part-time pharmacy technician.



Nearing 70, Charles Obeid still opens the store each morning by 7:30, giving Sheehans another advantage over chain stores that open at 8. Though he's a pharmacist, Obeid clearly relishes running the business, while acknowledging that it's not easy. "It's a lot of hours. You're here a lot," he said.

In addition to energy, success demands a willingness to adjust to customers' needs. When an elderly customer interrupted an interview Wednesday afternoon, Obeid quickly moved to answer his questions and help sort out his prescriptions before conducting a tour of the store.

Obeid also has a knack for marketing. Whenever a nearby pharmacy closes, he gears up an advertising campaign that includes newspapers and direct mail. After an Eckerd store just up the street closed July 16 he even changed the wait message on the pharmacy counter phone to welcome their old customers. He's hoping to pick up a quarter of them.

"They have to go somewhere," he reasons.

Sometimes the chains intentionally send business to Sheehans. "Not a day goes by that they don't call us," he said, looking for a medicine the national stores don't stock. "We carry a huge inventory" of prescription drugs, Obeid said, while chains tend to focus on the most popular ones.

Obeid said 90 percent of his revenue comes from filling prescriptions, compared with 60 percent to 70 percent for chains, which devote most of their space to personal-care items, snacks and other sundries. "That has changed over the years; you can't sell cards or shaving cream or toothpaste like you used to" because supermarkets and the chains have taken over those categories, he said.

That's one of the reasons so much space is devoted to equipment in the clean, modern 4,500-square-foot store that was converted from a service station in 1984. Other items, such as lottery tickets and even cigarettes, give customers more reasons to come in.

It's too soon to tell whether another generation of Obeids will take the reins at Sheehans.

"We're all pretty young," he said, and the younger set are barely teenagers. While he waits, Obeid is beginning to benefit from the pharmacy program at Wilkes University. Two students are working at Sheehans now and one will be hired full-time when she graduates in June. And he picked up a technician from the defunct Eckerd.

Obeid doesn't see any reason why independent pharmacies can't continue to thrive in this region and ticks off names of others that are doing well, such as Fino's in Dallas and Cook's in Kingston.

"An independent can battle the chains and win," he says, as long as they provide attentive service. Since most customers have insurance, their copay is the same wherever they go.

Even with thinning margins as insurers and Medicare lower reimbursement rates, "we're in a good spot here," he says.

More worrisome is the tilt by some insurers toward mail order, which can lower copays by filling prescriptions for 90 days. "Sometimes mail order is mandated," he said. "You can't really fight that."

But chances are, Chuck Obeid will try -- and the odds are good he'll find a way to succeed.