

## OPTIMISING PHARMACY FINANCIAL MANAGEMENT: THE ROLE OF PHARMACISTS IN IMPROVING EFFICIENCY AND SUSTAINABILITY IN THE PHARMACEUTICAL BUSINESS

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### **Abstract**

Optimising pharmacy financial management plays a crucial role in addressing the challenges of operational efficiency and business sustainability in the pharmaceutical industry amid increasingly competitive market conditions. As the primary managers, pharmacists have strategic responsibilities in planning, controlling, and reporting finances in a transparent and accountable manner. With good financial management—including budget planning, cash flow management, inventory control, and the use of information technology—pharmacists can minimise the risk of waste, maintain operational smoothness, and ensure business profitability. The active role of pharmacists also contributes to improving the quality of pharmaceutical services, the efficient use of resources, and adaptation to pharmaceutical business regulations, thereby becoming a key factor in maintaining the sustainability and competitiveness of pharmacies.

**Keywords:** financial management, pharmacy, efficiency, sustainability, role of pharmacists

### **Introduction**

In today's globalised era, pharmacies are faced with demands to act appropriately, carefully, and responsively in the face of the dynamics of the pharmaceutical industry. Increasingly intense business competition is driving pharmacies to focus not only on pharmaceutical services but also on business management aspects, particularly effective and efficient financial management. Financial management in pharmacies is not merely about recording cash inflows and outflows but involves strategic decision-making processes that directly impact business sustainability (Davey et al., 2022).

As the pharmaceutical business grows, the success of a pharmacy is measured not only by its health services but also by its ability to manage financial resources optimally. As a business unit, pharmacies require a balance between profitability and

excellent service to the community. For this reason, transparent, accountable, and planned financial management is the main foundation for determining the future of pharmacies (Saxena et al., 2021).

One of the keys to the sustainability of a pharmacy business lies in the quality of its financial reports, which provide a comprehensive overview of its financial position through balance sheets, income statements, changes in capital, and detailed use of funds. Accurate financial reports serve as the primary reference for pharmacists and owners in evaluating performance, making strategic decisions, and formulating improvement measures to maintain business stability ( , 2022) . One of the challenges frequently faced by pharmacies is the weakness of their financial recording systems, whether due to limited human resources or the continued use of manual methods prone to errors. This results in insufficient monitoring of financial developments, making it difficult to conduct evaluations and make long-term decisions. (Cavicchi & Vagnoni, 2020) .

The implementation of a modern financial information system is essential to ensure that every transaction is properly recorded and easily analysed. In addition to recording, consistency and accountability in financial management also play an important role. Every decision related to funding, from investing in drug procurement, paying distributors, to managing cash and operational costs, must be made with principles of accountability and transparency to minimise the risk of losses and deviations. This is also in line with regulatory requirements that mandate every pharmacy to have clear and accountable financial reporting (Mardiyani & Yuwono, 2025) .

The role of pharmacists as pharmacy managers is not merely a matter of legal compliance, but also strategic in directing business operations. A pharmacist today is required to have adequate managerial and financial competencies to manage pharmacy finances wisely. This includes the ability to design budgets, monitor cash flow, and optimise expenses to support business sustainability (Davey et al., 2022) .

Financial resource efficiency essentially requires *careful planning* of all financial activities, from capital needs assessment and cash flow estimation to business capital development strategies. Pharmacists must be able to project short-term and long-term financial needs and adjust strategies to market dynamics and drug consumption trends (Gitman & Zutter, 2015) . Moreover, integrated inventory management with financial management is an integral part of maintaining the financial health of a pharmacy. Excessive drug inventory can lead to capital tied up and the risk of damage or expiration, while insufficient stock can reduce service levels and customer satisfaction. Therefore, pharmacists must be able to utilise financial and inventory data to conduct optimal forecasting and control. (Lopes & Romano-Lieber, 2022) .

Furthermore, tax management is also a vital aspect, considering that pharmacies are taxable business units. Proper tax management not only helps pharmacies fulfil their

obligations to the state, but can also be optimised to maintain cash flow and avoid administrative sanctions. The importance of optimising financial management is further reinforced by the adoption of information technology in the pharmaceutical sector. Digitalisation of financial systems enables faster, more accurate, and less error-prone recording, analysis, and reporting processes. As a result, pharmacies can be more adaptive in responding to regulatory or policy changes in the pharmaceutical sector (Hogue & Harrell, 2021).

The financial stability of pharmacies is greatly influenced by the disclosure of financial information to all stakeholders, including owners, pharmacists, and administrative staff. Transparent financial management practices open up opportunities for discussion in the performance evaluation process and encourage the implementation of good governance principles in the pharmacy business. (Irmin et al., 2020).

Ultimately, optimising pharmacy financial management requires collaboration between pharmacists, administrative staff, and pharmacy owners to support the development of financial strategies that are oriented towards efficiency and sustainability. With measurable and systematic financial management, pharmacies can become robust, competitive, and sustainable pharmaceutical businesses in the face of future industry challenges.

## **Research Method**

The research method used is a literature review, which involves examining, analysing, and synthesising various literature, books, journals, and documents related to pharmacy financial management and the role of pharmacists in improving the efficiency and sustainability of the pharmaceutical business. These sources were then critically reviewed to identify relevant and applicable concepts, strategies, financial performance indicators, and best practices in pharmacy financial management (Elijah & Aslan, 2025); (Torraco, 2020).

## **Results and Discussion**

### **Optimising Financial Management Can Enhance Efficiency and Sustainability in Pharmacies**

Optimal financial management is the cornerstone of maintaining operational efficiency and sustainability in pharmacies. In the highly competitive pharmaceutical industry, sound financial management not only ensures the smooth running of daily activities but also supports long-term growth and competitiveness. Effective financial management begins with thorough budget planning. By developing a budget based on needs analysis and sales trends, pharmacies can allocate resources efficiently and avoid waste. This planning also helps identify spending priorities and investments that support business development. (Hetika & Amaliyah, 2022).

One important aspect of financial management optimisation is cash flow management. Stable cash flow ensures that pharmacies are able to meet their operational obligations, such as payments to suppliers, employee salaries, and other operational costs. Good cash flow management also enables pharmacies to deal with emergencies without disrupting business continuity (Ministry of Health of the Republic of Indonesia, 2021). Integrated inventory management with the financial system is key to avoiding losses due to excess or insufficient drug stock. Well-managed inventory can minimise the risk of expired drugs and ensure the availability of products needed by customers, thereby improving operational efficiency and customer satisfaction (Syahputra, 2023).

The use of information technology, such as financial management and inventory applications, is very helpful in automating financial recording, reporting, and analysis processes. These digital systems reduce the risk of human error, speed up administrative processes, and provide accurate real-time data for strategic decision-making. Operational cost efficiency can be achieved by regularly evaluating and monitoring expenses. Regular financial audits help identify areas that require cost savings and prevent waste. As a result, pharmacies can optimise their expenditures and improve profitability (Muntasir et al., 2024).

Prudent management of accounts payable and receivable also plays an important role in maintaining the financial stability of pharmacies. A disciplined recording system and monitoring of payments from customers and payments to suppliers can prevent liquidity problems and maintain smooth cash flow. In addition to internal financial aspects, optimising financial management also includes proper tax management. Compliance with tax regulations not only protects pharmacies from administrative sanctions but can also be optimised to maintain cash flow and support business sustainability (Wijanarko, 2022).

Regular financial performance evaluations using financial ratios, such as profitability and efficiency ratios, provide an objective picture of the financial condition of pharmacies. The results of this evaluation serve as the basis for formulating improvement and business development strategies for the future. Enhancing the managerial and financial competencies of pharmacists is essential to enable them to make informed decisions in financial management. Continuous training and development for pharmacists will strengthen their role as both managers and business leaders of the pharmacy (George & Elrashid, 2023).

Collaboration between pharmacists, administrative staff, and pharmacy owners is essential in designing and implementing effective financial strategies. This synergy creates a transparent, accountable, and goal-oriented work environment.

Optimising financial management also encourages innovation in pharmacy services, such as product and service diversification, which can increase revenue and strengthen the pharmacy's position in the market. These innovations must be

supported by thorough financial analysis to ensure that every step of business development remains measurable and sustainable. The financial stability of pharmacies is greatly influenced by the transparency of financial information to all stakeholders. Transparent financial reporting practices open up space for discussion and performance evaluation, and encourage the implementation of good governance principles in the pharmacy business (Alami & Ghasemi, 2022) .

Optimal financial management also contributes to improving the quality of pharmaceutical services. With healthy finances, pharmacies can invest in staff training, procurement of medical equipment, and facility development, thereby providing better services to the community. The sustainability of pharmacies is not only determined by profitability but also by their ability to adapt to market changes and regulations. Good financial management enables pharmacies to respond quickly to changes and maintain business stability (Bialas et al., 2020) .

The implementation of an integrated accounting information system is one of the main solutions for optimising financial management. This system automates financial reporting processes, reduces the risk of errors, and improves overall operational efficiency.

Ultimately, financial management optimisation is a continuous process that requires commitment, innovation, and collaboration from all elements of the pharmacy. With measurable and systematic financial management, pharmacies can become resilient, efficient, and sustainable pharmaceutical businesses in the face of future industry challenges.

### **The Role of Pharmacists in Pharmacy Financial Management**

Pharmacy financial management is one of the crucial aspects that determine the sustainability and operational efficiency of a pharmaceutical business. In this context, pharmacists not only serve as healthcare professionals but also as managers and strategic leaders responsible for the overall financial management of the pharmacy (Rafferty & Yaman, 2023) .

Pharmacists have full authority in managing pharmacies, including planning, organising, implementing, and supervising finances. This role requires pharmacists to have adequate managerial and financial competencies to manage operational activities in a planned and efficient manner. One of the main tasks of pharmacists is to prepare budgets and plan the financial needs of pharmacies (Abu Assab et al., 2024) . This process includes analysing capital requirements, estimating expenses, and making realistic revenue projections to ensure business continuity. In cash flow management, pharmacists are responsible for ensuring that all financial transactions are properly recorded. Effective cash flow management helps pharmacies meet their operational obligations, such as payments to suppliers, employee salaries, and other routine expenses (Hayes & King, 2022) .

Pharmacists also play a role in inventory control, which is closely related to financial management. Efficient management of drug stocks can minimise the risk of losses due to expiry or stock shortages, thereby optimising the use of business capital. Additionally, pharmacists must be able to conduct regular financial analyses. This includes evaluating financial statements, assessing profitability, and identifying areas requiring cost efficiency. The results of these analyses form the basis for strategic decision-making in the development of pharmacies (Donyai, 2021) .

In terms of administration, pharmacists are required to ensure proper financial administration, from recording daily transactions to preparing periodic financial reports. These skills are crucial for maintaining transparency and accountability in the management of pharmacy funds. Pharmacists must also understand the tax aspects related to pharmacy operations. Compliance with tax regulations not only prevents pharmacies from facing penalties but can also be optimised to maintain cash flow and support business sustainability (Makhinova & Lee, 2021) .

As leaders, pharmacists are responsible for guiding and developing the administrative team and pharmacy staff so that they have a good understanding of the importance of sound financial management. This collaboration creates a transparent and accountable work environment (Koster & Vallis, 2021) .

The use of information technology in financial management is also part of the pharmacist's role. The implementation of digital systems for financial recording and reporting can enhance efficiency, reduce the risk of errors, and provide real-time data for decision-making. Pharmacists are required to continuously improve their competencies in financial management through training and ongoing development. This is important so that pharmacists can adapt to the dynamics of the pharmaceutical industry and regulatory changes that occur (Esquenazi & Leal, 2022) .

In managing debt and accounts receivable, pharmacists must ensure that there is a disciplined monitoring system in place to prevent liquidity problems. Good management will maintain smooth cash flow and financial stability for the pharmacy. Pharmacists also play a role in designing business development strategies, such as product and service diversification, supported by sound financial analysis. Every innovation must be based on clear risk calculations and potential benefits (Tran & Hoang, 2021) .

Transparency in financial reporting is one of the main principles that pharmacists must adhere to. Disclosure of financial information to owners and other stakeholders promotes good pharmacy management. Pharmacists are required to conduct periodic financial performance evaluations using indicators such as profitability and efficiency ratios (Al-Arifi, 2022) . This evaluation serves as the basis for formulating strategies for improvement and future business development. As part of their professional responsibilities, pharmacists must be able to document all financial and operational

activities of the pharmacy in accordance with applicable standards and regulations. Proper documentation facilitates the audit and evaluation process (Derqui et al., 2021).

Ultimately, the role of pharmacists in financial management is not only focused on administrative aspects, but also on strategic decision-making that directly impacts the efficiency, profitability, and sustainability of pharmacies as competitive pharmaceutical business units.

## Conclusion

Optimising pharmacy financial management is key to maintaining operational efficiency and business sustainability in the pharmaceutical industry. With careful budget planning, disciplined cash flow management, and integrated inventory monitoring, pharmacies can avoid waste, increase profitability, and ensure business continuity amid increasingly fierce industry competition. The implementation of accurate financial recording systems and the use of information technology also play a crucial role in supporting transparency and accountability in pharmacy financial management.

Pharmacists play a central role in this optimisation process. Pharmacists are not only responsible for pharmaceutical services, but also act as financial managers who design fund management strategies, perform financial analysis, and ensure compliance with tax regulations and operational standards. The managerial and financial competencies of pharmacists, supported by collaboration with the administrative team, enable the creation of an efficient, transparent, and goal-oriented work environment focused on achieving long-term business objectives.

With optimal financial management and the active role of pharmacists, pharmacies can adapt to market changes, develop service innovations, and improve the quality of services to the community. This not only strengthens the competitiveness of pharmacies but also ensures the sustainability of the pharmaceutical business in the future.

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