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Land of the Giants— and Land of the Totes

OVERVIEW

Virtually all of us have gone through the process of getting a prescription filled at a local pharmacy. There are certain rituals that must go on to get our needed pharmaceutical drugs. First, except for over-the-counter drugs, we need a prescription approved or signed by a licensed physician or doctor. This prescription will be sent to the pharmacy electronically or called in by the physician's office (more than likely a nurse on behalf of a doctor). Sometimes a paper copy of the prescription is given to the patient in order to be given to the pharmacist.

Next, we stand in line for a long time with the rest of the sick people, waiting on our prescription. This is a little humor because we are usually not feeling well, and any wait for our needed pharmaceutical drugs can seem like an eternity. However, have we ever thought how the drugs prescribed by our doctors get to the local pharmacy? The average pharmacy ranges from 800 to 2,000 square feet to handle 5,000 to 8,000 stock-keeping units and fill 200 to 400 prescriptions a day, with high-volume pharmacies filling up to 600 prescriptions per day.¹ Yet there have been 1,453 drugs that have obtained Food and Drug Administration (FDA) approval as of December 31, 2013, with over 100,000 stock-keeping units available for patients.² How does the math work so we get our prescriptions filled when we need them? The answer is a combination of wholesale distributors and company-owned forward distribution centers.