

Original Article

DOI: 10.4274/tjps.galenos.2021.63004

The Financial Status Of Community Pharmacies: Çorum City Toplum Eczanelerinin Finansal Durumu: Çorum İli

Short Title: The Financial Status of Community Pharmacies

Türkçe Kısa Başlık: Toplum Eczanelerinin Finansal Durumu: Çorum İli

S. Öznur Sakınç¹, Emrah Bilgener²

¹Department of Management and Organization, Vocational School of Social Sciences, Hitit University, Çorum, Turkey

²Department of Health Economics, Department of Healthcare Management, Faculty of Health Sciences, Hitit University, Çorum, Turkey

Corresponding Author Information

Emrah Bilgener

+90 364 223 07 30

ebilgener@yahoo.com

<https://orcid.org/0000-0001-9916-3800>

15.12.2020

06.03.2021

ABSTRACT

Objectives: Community pharmacies have financial difficulties due to the reasons such as economic crises in recent years, increased competition, reimbursement cuts, decreasing drug prices and profit ratio, and increasing operation costs. The main purpose of this study is to evaluate the financial status of community pharmacies in Çorum and to guide future sectoral financial studies.

Materials and Methods: One of the most commonly used method to evaluate about the financial status and performance of companies is "Ratio Analysis Method". This Ratio Analysis has been conducted with the accounting data of 51 of the 93 community pharmacies operating in Çorum City.

Results: Considering the results of the ratio analysis in general, the pharmacies in Çorum have liquidity problems. More than half of the pharmacies could not pay their short term debts with their current assets at the years mentioned in the study. Community pharmacies take more debt/credit to pay their short-term debts. The debt burden of pharmacies increased in the years mentioned in study. Pharmacies have a low stock turnover ratio and their inventory managements are insufficient.

Conclusion: It is seen that the main reason for the financial problems of community pharmacies is the low efficiency and productivity loss in resource management. It is thought that it would be beneficial to provide Finance Management training at the undergraduate level in the Faculties of Pharmacy and in vocational trainings within the Turkish Pharmacists' Association (TEB). In addition, an effective accounting system for community pharmacies should be prepared and implemented together by TEB and relevant institutions.

Key Words: community pharmacy; çorum; financial ratios; pharmacy management; turkey

ÖZ

Amaç: Toplum eczaneleri; son yıllarda yaşanan ekonomik krizler, artan rekabet, geri ödeme kesintileri, artan işletme maliyetleri, düşen ilaç fiyatları ve kâr oranları gibi nedenlerden dolayı finansal zorluklarla karşı karşıyadır. Bu çalışmanın temel amacı, Çorum'daki toplum eczanelerinin mali durumunu değerlendirmek ve gelecekteki sektörel mali çalışmalara rehberlik etmektir.

Gereç ve Yöntemler: Şirketlerin finansal durumu ve performansı hakkında değerlendirmede en yaygın olarak kullanılan yöntemlerden biri "Oran Analizi Yöntemi" dir. Bu analiz, Çorum İlinde faaliyet gösteren 93 toplum eczanesinin 51'ine ait muhasebe verileriyle gerçekleştirilmiştir.

Bulgular: Genel olarak oran analizi sonuçları dikkate alındığında, Çorum'daki Toplum Eczanelerinde likidite sorunları bulunmaktadır. Eczanelerin yarısından fazlası kısa vadeli borçlarını mevcut varlıkları ile ödemişlerdir. Toplum eczaneleri kısa vadeli borçların ödenmesinde daha fazla borç / kredi kullanmaktadır. Çalışmada belirtilen yıllarda eczanelerin borç yükü artmıştır. Eczanelerin stok devir hızı düşüktür ve stok yönetimi yetersizdir.

Sonuç: Toplum eczanelerinin mali sorunlarının temel nedeninin kaynak yönetimindeki düşük verimlilik ve verimlilik kaybı olduğu görülmektedir. Eczacılık Fakültelerinde lisans düzeyinde ve Türk Eczacıları Birliği (TEB) bünyesinde mesleki eğitimlerde Finans Yönetimi eğitimi verilmesinin yararlı olacağı düşünülmektedir. Ayrıca, TEB ve ilgili kurumlar tarafından toplum eczaneleri için etkili bir muhasebe sistemi hazırlanmalı ve uygulanmalıdır.

Anahtar Kelimeler: Çorum, Finansal oranlar, eczane işletmeciliği, toplum eczanesi, Türkiye

INTRODUCTION

Community pharmacies are excellent medical facilities that are in most contact with patients¹. Literature evidence over the past thirty years has shown that pharmacy performance is a critical factor in the success of the healthcare system and creates a significant improvement in the health outcomes of the community. Pharmacies are direct pharmaceutical service providers that offer a wide range of services and use many limited healthcare resources simultaneously^{2,3}. Healthcare services are one of the largest and fastest growing industries in the world. In developed countries, an average of 15% of health spending is allocated to drug expenditures⁴. The increasing demand of community pharmacy customers has strengthened the health system of all countries. Therefore, it seems necessary to evaluate the financial performance of this industry to ensure that limited resources are spent for the best benefits⁵. For community pharmacies, financial management is a dynamic process that requires adaptation to the changes of the economic environment and other organizations. Thus, they can be more effective in the future and reach the strategic goals of the organization^{6,7}. Today, community pharmacy is going through very difficult processes as it is exposed to daily financial constraints and economic pressures⁸. A community pharmacy must have adequate funds and manage them, ensuring its financial stability, to fulfill its obligations and normally survive. Inputs make up most of the costs in providing pharmaceutical care in a community pharmacy. The difference between costs and revenues is the profit of community pharmacy. Working order is required to ensure proper functioning of the community pharmacy^{9,10}. Despite the difficulties it faces, it should continue its community pharmacy operation and survive in the future¹¹.

In order for pharmacies to survive in a healthy way, their financial structure must be strong. One of the most used methods in financial structure analysis is ratio analysis. Ratio analysis is calculated using the data in the financial statements of the companies. In this analysis method, the relationships between the data forming the financial statements are examined¹². Financial ratios allow companies to compare both their status over the years and to other companies in the sector¹³.

While interpreting the results obtained with the ratio analysis calculation, the situation of the company and the sector should be taken into consideration.

There are four subgroups in the ratio analysis method (Table 1). The first group is Liquidity Ratios. The liquidity ratio analysis examines the liquidity status of companies, the adequacy of the company's capital, and the power to pay the company's short-term debts¹⁴. There are Turnover Ratios in the second group. The turnover ratios examine how effectively the business uses its assets¹⁵. The third group is Leverage Ratios. In this group, the source structure of the businesses is examined. Effectiveness of businesses in resource use is investigated¹⁶. Profitability Ratios are included in the fourth and the last group. With the profitability ratios, it is examined that whether the profits obtained from all operations of the business are sufficient or not¹⁷.

Table 1: Ratios Used in Ratio Analysis Method¹⁷

Liquidity Ratios	Turnover Ratios	Leverage Ratios	Profitability Ratios
Current Ratio	Account Receivable Turnover Ratio	Financial Leverage Ratio	Gross Profit Ratio
Acid Test Ratio	Account Receivable Days	Equity to Debt Ratio	Net Profit Ratio
Liquid Ratio	Stock Turnover Ratios	Shor-Term Debt to Debt Ratio	Return on Assets
	Stock Days		Return on Equity
	Debtor Turnover Ratios		
	Debtor Days		

The biggest customer of community pharmacies in Turkey is Social Security Institution (SGK). Since the majority of community pharmacies have contracts with SGK, they are less affected by economic crises than other retail sectors. Because SGK payments are made regularly within the period specified in the contract. However, environmental factors such as gradual profit ratio applied in recent years, decreasing profitability, price decreases in stock products and increasing costs pose financial problems for community pharmacies. In addition, factors such as the fact that pharmacists do not know financing management and use their cash and capital in other sectors weaken the financial structures of these companies. When community pharmacies manage financial assets and resources effectively and efficiently, they can only continue their operations and look to the future with confidence.

MATERIALS AND METHODS

In the study, 16 ratios covering 5-year (2015-2019) Liquidity, Turnover, Leverage, and Profitability Ratios were analyzed in four groups. Community pharmacies' accounting data were used which are operating in the central district of Çorum. Community pharmacies that do not want to give data (22 pharmacies), whose data are not reliable (6 pharmacies), and that have been operating for less than 5 years (14 pharmacies) were not included in the study. For this reason, 51 of 93 pharmacies, from which we could obtain reliable data, were used in the study. Absence of a sector with a similar structure to make comparisons in Istanbul Stock Exchange, the absence of a similar study to this study conducted in other provinces or in Turkey, in general, and the fact that the accounting system of community pharmacies is not effective are the limitations of this study. These restrictions constitutes an obstacle to the comparison of results obtained in the study and to comment on the overall situation of Turkey. The comments and the suggestions made were based on the data of the pharmacies included in the study.

RESULTS AND DISCUSSION

According to the data obtained from 51 community pharmacies included in the study, 'Average Liquidity Ratio of the Sector' is given by years in Table 2.

Table 2: Average of Liquidity Ratio of Pharmacies by Years

Liquidity Ratios	2015	2016	2017	2018	2019
Current Ratio	4,65637037	4,132142857	3,547741935	3,957096774	3,736451613
Acid Test Ratio	3,410740741	3,350357143	2,902258065	2,483870968	2,168709677
Liquid Ratio	1,435888889	1,080357143	0,728064516	0,649677419	0,669548387

Table 3: Distribution of Pharmacy Liquidity Ratios by Years

Years	Pharmacy Distribution by Current Ratios			Pharmacy Distribution by Acid Test Ratios			Pharmacy Distribution by Liquid Ratios		
	<A	A	A<	<A	A	A<	<A	A	A<
2015	28	5	28	25	8	18	26	7	18
2016	27	4	20	25	9	17	29	4	18
2017	31	0	20	31	2	18	30	1	20
2018	33	2	16	28	5	18	33	0	18
2019	30	1	20	31	3	17	33	1	17

A: Average

According to the data obtained from Table 3, the majority of pharmacies cannot pay their short term debts with their current assets for 2015. When the current ratios of 2015 were analyzed, it was determined that 18 pharmacies had values above average, 5 pharmacies were close to average, and the remaining 28 pharmacies had below average values. The results for 2016 are similar to those for 2015. In 2017, there was an increase in the number of pharmacies whose current situation deteriorated. The number of pharmacies, which remained below the average in 2018, increased as in 2017. Although there was a decrease in the number of pharmacies that remained below average in 2019, it was determined that, as in the previous years, more than half of the pharmacies could not pay their short-term debts with their current assets.

When Acid Test Ratio was analyzed, it was determined that in 2015, 18 pharmacies had values above average, 8 pharmacies were close to average, and 25 pharmacies had values below average (Table 3). Acid Test Ratio is a more sensitive ratio compared to the Current Ratio. Short term debt payment power is investigated by reducing the inventories that will take time to sell from current assets¹⁸. According to these results, it is seen that more than half of the pharmacies do not have the power to pay the short term debt. This situation can be explained by the fact that the pharmacies switched their purchases from long term to short term. In 2016, there were not many changes compared to 2015. In 2017, there was an increase in the number of pharmacies that remained below the average compared to the previous year. In 2018, there was a decrease in the number of pharmacies, which was in poor condition compared to 2017. However, an increase in the number of pharmacies below average was determined in 2019.

When the Liquid Ratio of pharmacies was analyzed by years, it was determined that in 2015, 18 pharmacies had values above average, 7 pharmacies were close to average, and 26 pharmacies had values below average (Table 3). Liquid ratio is the ratio that makes the most sensitive situation determination among the liquidity ratios. This ratio shows the short term debt payment power only

with cash and similar assets¹⁹. It was determined that more than half of the pharmacies had cash problems while paying their short term debts in 2015. In 2016, there was an increase in the number of pharmacies having cash shortage compared to 2015. In 2017, there was a decrease in the number of the pharmacies with an average ratio, while there was an increase in the ones above average. In 2018, there was an increase in the number of pharmacies that had cash problems. In 2019, the situation remained almost the same compared to 2018. According to the data obtained from 51 community pharmacies included in the study, 'Sector Average of Operating Ratio' is given by years in Table 4.

Table 4 : Sector Average of Pharmacies' Turnover Ratios by Years

Turnover Ratios	2015	2016	2017	2018	2019
Account Receivable Turnover Ratio	6,47	4,595357143	4,643548387	5,131612903	6,417741935
Account Receivable Days	77,53296296	79,78178571	95,46774194	98,80548387	82,24612903
Stock Turnover Ratios	8,501851852	14,42892857	12,14193548	7,452580645	6,277741935
Stock Days	71,90185185	83,78428571	99,46870968	71,36387097	88,8416129
Debtor Turnover Ratios	26454,2363	6435,872857	14,50419355	28,70741935	9,247741935
Debtor Days	59,96703704	59,57678571	72,90387097	63,52903226	67,46612903

Table 5: Distribution of Pharmacy Turnover Ratios by Years

Year	Account Receivable Turnover Ratio			Pharmacy Distribution by Account Receivable Days			Pharmacy Distribution by Stock Turnover Ratios			Pharmacy Distribution by Stock Days			Pharmacy Distribution by Debtor Turnover Ratios			Pharmacy Distribution by Debtor Days		
	< A	A	A <	< A	A	A <	< A	A	A <	< A	A	A <	< A	A	A <	< A	A	A <
2015	30	18	13	16	1	25	25	9	17	23	12	16	31	6	14	27	5	19
2016	18	15	18	19	1	22	28	5	18	28	8	15	33	6	12	25	6	20
2017	19	15	17	24	8	19	29	4	18	31	6	14	31	5	15	24	4	23
2018	23	11	17	31	5	15	26	3	22	25	5	21	35	1	15	26	1	24
2019	35	2	14	19	4	28	25	5	21	26	7	18	28	4	19	26	4	21

A: Average

When the Accounts Receivable Turnover Ratio was examined, it was determined that 13 pharmacies had values above average, 8 pharmacies were close to average, and 30 pharmacies had values below average in 2015 (Table 5). The higher the turnover ratio is, the better it is for a company²⁰. Since the maturity given to its customers gradually decreases, it can collect more in a year. According to these data, more than half of the pharmacies make more deferred payment sale than the average. This can be explained by the fact that cash sales of the pharmacies that make deferred payment sales is lower than other pharmacies. Pharmacies' increasing cash sales levels will decrease average collection times. In 2016, there was a serious decrease in the number of pharmacies below average compared to 2015. In 2017, the situation of pharmacies remained almost the same as in the previous year. It is believed that the cash sales of the pharmacies included in the study increased in 2016 and 2017. While there was an increase in the number of the pharmacies below average in 2018, it is thought that there was a serious decrease in the cash sales of pharmacies in 2019.

When the Account Receivable Day was analyzed, it was determined that 25 pharmacies had above-average values, 10 pharmacies were close to average, and 16 pharmacies were below average values (Table 5). While there was a small increase in the number of pharmacies below average in 2016 compared to 2015, there was a significant increase in pharmacies below average in 2017. As in previous years, the increase in the number of pharmacies below average continued in 2018. In 2019, unlike previous years, there was a significant increase in pharmacies above sector average, while there was a decrease in those below the sector average. It is believed that the ratio of pharmacies' credit sales in total sales affects debt collection periods.

When the Stock Turnover Ratios of 2015 were examined, it was determined that 17 pharmacies had values above average, 9 pharmacies were close to average, and 25 pharmacies had values below average (Table 5). The stock turnover ratio shows how many times the business renews its stocks in a year²¹. In 2015, the majority of pharmacies have a low stock turnover ratio. In 2016, there was a little increase in the number of pharmacies below average compared to 2015. In 2017, the situation remained the same compared to 2016. In 2018, the number of pharmacies below average decreased slightly, while those above the average increased. In 2019, almost the same results were achieved compared to 2018. Pharmacies with a low stock turnover ratio are thought to bear an unnecessary inventory cost and do not behave carefully when buying goods.

When the Stock Days of 2015 were analyzed, it was determined that 16 pharmacies had values above average, 12 pharmacies were close to average, and 23 pharmacies had values below average (Table 5). In 2016, there was a slight increase in the number of pharmacies, which remained below average compared to 2015. The situation similar to 2016 occurred in 2017. In 2018, there was an increase in the number of the pharmacies above average compared to 2017. In 2019, there was a decrease in pharmacies above the sector average compared to 2018. The stock days and the stock turnover ratio of the pharmacies in 2015-2019 are in line with each other. Pharmacies' inventory management is thought to be insufficient.

When the Debtor Turnover Ratio of 2015 was examined, it was determined that 14 pharmacies had values above average, 6 pharmacies were close to average, and 31 pharmacies had values below average (Table 5). The high ratio of this is an indication that the company may have trouble while paying debt²¹. According to data of 2015, the majority of pharmacies did not encounter with this problem. In 2016, the situation was similar to that of 2015. In 2017, there was a decrease in the number of the pharmacies below average and an increase in the number of those above average compared to 2016. There was an increase in the number of pharmacies below average in 2018 compared to 2017. In 2019, compared to 2018, the number of pharmacies below the sector average decreased and the number of pharmacies above it increased.

When the Debtor Day, that is, due dates, one of the main activities of the pharmacy, of 2015 was analyzed, it was determined that 19 pharmacies had values above average, 5 pharmacies were close to the average, and 27 pharmacies had values below average (Table 5). While 2015 and 2016 show similarities, in 2017, there was an increase in the number of pharmacies above average and a decrease in those below average. In 2019, there was a small decrease in the number of pharmacies above the sector average compared to 2017 and 2018.

According to the data obtained from 51 community pharmacies included in the study, 'Leverage Ratios Sector Average' is given by years in Table 6.

Table 6: Leverage Ratio Sector Averages of Pharmacies by Years

Leverage Ratios	2015	2016	2017	2018	2019
Financial Leverage Ratio	2,315925926	1,946428571	2,350645161	2,925483871	2,602580645
Equity to Debt Ratio	2043,093704	1968,811071	4,771290323	5,363548387	4,580322581
Shor-Term Debt to Debt Ratio	1045,392593	798,9242857	4244,861935	4142,701935	4727,976774

Table 7: Leverage Ratio Distribution of Pharmacies by Years

Years	Pharmacy Distribution by Financial Leverage Ratio			Pharmacy Distribution by Equity to Debt Ratio			Pharmacy Distribution by Shor-Term Debt to Debt Ratio		
	<A	A	A<	<A	A	A<	<A	A	A<
2015	17	3	31	14	8	29	16	6	29
2016	16	5	30	15	5	31	14	7	30
2017	14	4	33	13	4	34	12	5	34
2018	11	2	38	11	5	35	12	3	26
2019	11	5	35	12	3	36	20	4	27

A: Average

When Financial Leverage Ratios of 2015 were analyzed, it was determined that 31 pharmacies had values above average, 3 pharmacies were close to average, and 17 pharmacies had values below average (Table 7). The financial leverage ratio is a ratio that shows the debt burden in the funds of the business. The fact that it is high indicates that the debts of the business increased²². It is believed that more than half of the pharmacies use debt / credit. In 2016, the number of pharmacies below average increased compared to 2015. In 2017 and 2018, there was an increase in the number of the pharmacies above average. There was a decrease in the number of the pharmacies above average in 2019 compared to 2018. It is an expected situation that pharmacies who have a cash shortage (Table 3) in the payment of short-term debts, will use more debt.

When the Equity to Debt Ratio of 2015 was analyzed, it was determined that 29 pharmacies had values above average, 8 pharmacies were close to average, and 14 pharmacies had values below average (Table 7). Equity to Debt ratio is found by dividing the debt by equity. The higher this ratio is, the more the company's debt burden is²¹. The debt burden of more than half of the pharmacies increased. The number of pharmacies above average continued to increase in 2016, 2017, 2018, and 2019. The debt burden of pharmacies increased. These data are compatible with financial leverage ratios.

When the Short-Term Debt to Debt Ratio of 2015 was examined, it was determined that 29 pharmacies had values above average, 6 pharmacies were close to average, and 16 pharmacies had

values below average (Table 7). The weight of the short-term part of the debts is calculated at the short-term debt to debt ratio. This high ratio indicates that the company may face liquidity shortage. Short-term debt burden of more than half of the pharmacies is high. This situation explains the cash shortage in the payment of short-term debt and the use of debt / credit. In 2016, there was a decrease in the number of pharmacies below average compared to 2015. The number of pharmacies with a high debt burden increased in 2017 and 2018 compared to 2016. In 2019, number of the pharmacies with high short-term debt burdens decreased compared to 2018. It is thought that the burden of short-term debts was reduced with the use of more debt / loans. In a survey conducted by Turkish Pharmacists' Association (TEB) in 2019, in Turkey, 57% of pharmacists stated that they used credit²³.

According to the data obtained from 51 community pharmacies included in the study, 'Profitability Ratios Sector Average' is given by years in Table 8.

Table 8: Profitability Ratios Sector Averages of Pharmacies by Years

Profitability Ratios	2015	2016	2017	2018	2019
Gross Profit Ratio	0,92037037	0,877857143	0,761612903	0,676451613	0,823225806
Net Profit Ratio	0,712074074	0,484892857	0,484516129	0,320935484	0,403870968
Return on Assets	0,902592593	1,043571429	0,93516129	0,953225806	0,828064516
Return on Equity	1,93962963	2,030714286	2,469677419	2,057096774	2,939354839

Table 9: Profitability Ratio Distribution of Pharmacies by Years

Years	Pharmacy Distribution by Gross Profit Ratio			Pharmacy Distribution by Net Profit Ratio			Pharmacy Distribution by Return on Assets			Pharmacy Distribution by Return on Equity		
	<A	A	A<	<A	A	A<	<A	A	A<	<A	A	A<
2015	12	23	16	14	25	12	14	12	25	14	24	13
2016	14	22	15	13	24	14	15	10	26	12	25	14
2017	15	22	14	13	23	15	17	9	25	14	22	15
2018	11	24	16	10	25	15	15	14	22	13	24	14
2019	11	22	18	11	24	16	13	15	23	10	25	16

A: Average

When the Gross Profit Ratio of 2015 was analyzed, it was determined that 16 pharmacies had values above average, 23 pharmacies were close to average, and 12 pharmacies had values below average (Table 9). High gross profit ratio indicates that the company's purchase cost has decreased²⁴. The majority of pharmacies have an average and above- average gross profit ratio.

While the number of pharmacies with low profit margins increased slightly in 2016 and 2017, this situation improved in 2018 and 2019. It is thought that the profit ratio varies due to the discount ratio in the sales of pharmacies and the distribution of imported / domestic drugs.

When the Net Profit Ratio of 2015 was examined, it was determined that 12 pharmacies had values above average, 25 pharmacies were close to average, and 14 pharmacies had values below average (Table 9). High Net Profit Ratio indicates that the productivity of companies has increased²⁵. In this case, the majority of pharmacies have a net profit ratio close to the sector average. In 2016 and

2017, the number of pharmacies above average increased compared to 2015. This situation can also be explained by the distribution of imported / domestic drugs in sales. In 2018 and 2019, there was not much change in the above-average and near-average pharmacies. Although the majority of pharmacies continue their operations with an average and above-average net profit ratio, the fact that they experience cash and short-term debt payment difficulties and they use debt / loans suggest that they are not financially well managed.

When Return on Assets (ROA) of 2015 was examined, it was determined that 25 pharmacies had values above average, 12 pharmacies were close to average, and 14 pharmacies had values below average (Table 9). ROA shows how effective the assets of companies are in generating profit²⁶. More than half of the pharmacies manage their assets successfully. While there was not much change in 2016 compared to 2015, there was an increase in the number of below-average pharmacies in 2017. In 2018, there was an increase in the number of pharmacies close to average. In 2019, with 13 pharmacies below-average, a better situation was found out than those in previous years.

When Return on Equity (ROE) of 2015 was examined, it was determined that 13 pharmacies had values above average, 24 pharmacies were close to average, and 14 pharmacies had values below the sector average (Table 9). The ROE shows how much profit the partners have made in return for the capital they put in²². If this ratio is high, the profit of the business is high, too. In this case, half of the pharmacies achieve the same profitability as the average. While the number of pharmacies close to average and above average increased in 2016, the number of pharmacies close to average and below average increased in 2017. In 2018 and 2019, there was a decrease in the number of pharmacies with a below-average condition. It is noteworthy that although more than half of the pharmacies have a good picture in terms of gross profit margin, net profit margin, return on assets and return on equity, they are experiencing financial difficulties. Increasing costs are thought to cause financial difficulties.

Reasons such as absence of a sector to make comparisons in Istanbul Stock Exchange, the absence of a similar study to this study, and the fact that the accounting system of pharmacies is not effective constitute obstacles to compare the results. Because of these reasons, there can not be making general comments about the financial status of community pharmacies in Turkey.

CONCLUSION

Community Pharmacies want to survive like other businesses. They strive to maintain and increase their current market share while surviving. In order for a business to increase its competitiveness, its financial structure must be strong.

As a result of the study based on the data obtained from community pharmacies, it is seen that these businesses prefer short-term debt/credit. This situation affects the resource structure and cash situation of the business negatively. It causes pharmacies to face liquidity shortage while paying their debts. When the turnover ratios of pharmacies are analyzed, the fact that the maturity given by them to their customers and the maturity given them by the sellers are almost the same is increasing the importance of liquidity management for these businesses. For an effective financial structure to be formed, the existing financial structure needs to be changed. It is seen that the majority of pharmacies in Çorum province are not effective in liquidity and resource management. This affects the efficiency of commercial activities negatively. The profitability situations of pharmacies generally moves in the same direction.

It is thought that it would be beneficial to provide Finance Management training at the undergraduate level in the Faculties of Pharmacy and in vocational trainings within the Turkish

Pharmacists' Association (TEB). In addition, an effective accounting system for community pharmacies should be prepared and implemented together by TEB and relevant institutions.

REFERENCE

1. Malovecká I, Mináriková D, Foltán V. The Change Of Demographic Indicators, The Legal Form Of The Ownership, The Owner Share Of A Pharmacist In The Capital And Economic Situation In The Community Pharmacies Resulting From Globalization. *Social Pharmacy In Health Care*.2015; 1(1): 32-37. [CrossRef]
2. Doucette WR, McDonough RP, Mormann MM, Vaschevici R, Urmie JM, Patterson BJ. Three-year financial analysis of pharmacy services at an independent community pharmacy. *J Am Pharm Assoc*. 2012; 52:181-187. [CrossRef]
3. Vermeulen LC, Rough SS, Thielke TS, Shane RR, Ivey MF, Woodward BW, et al. Strategic approach for improving the medication-use process in health systems: the high-performance pharmacy practice framework. *Am J Health Syst Pharm*. 2007; 64:1699-1710. [CrossRef]
4. Akortsu MA, Abor PA. Financing public healthcare institutions in Ghana. *J Health Organ Manag*. 2011; 25:128-141. [CrossRef]
5. Imani DA, Golestani M, Moghimi M, Janati A. Indicators in Evaluating Financial and Economic Performance of Pharmacy: A Systematic Review. *Value in Health*. 2016; 19(7):A829 [CrossRef]
6. McDonald R, Cheraghi-Sohi S, Sanders C, Ashcroft D. Professional status in a changing world: The case of medicines use reviews in English community pharmacy. *Soc Sci Med*. 2010; 71:451-458. [CrossRef]
7. Philip B, Weber RJ. Enhancing pharmacy practice models through pharmacists' privileging. *Hosp Pharm* 2013; 48:160-165. [CrossRef]
8. Vogler S, Habimana K, Art D. Does deregulation in community pharmacy impact accessibility of medicines, quality of pharmacy services and costs? Evidence from nine European countries. *Health Policy*. 2014; 117(3): 311-327 [CrossRef]
9. Herist N, Rollins B, Perri M, *Financial Analysis in Pharmacy Practice*, Pharmaceutical Press, London, 2011;48-49
10. Malovecká I, Papargyris K, Mináriková D, Foltán V, Jankovská A. Prosperity of community pharmacy evaluated by gross and net profit and suggested corrective measures. 10 years study. *European Pharmaceutical Journal*. 2015; 62(1): 20-24. [CrossRef]
11. Norris P, Horsburgh S, Sides G, Ram FJ. Geographical access to community pharmacies in New Zealand. *Health & Place*. 2014; 29(1):140-145. [CrossRef]
12. Akdoğan N, Tenker N, *Finansal Tablolar ve Mali Analiz Teknikleri*, Lebib Yalkın Yayınlar ve Basım İşleri, İstanbul, 1997; 526
13. Ercan M, Ban ÜK, *Finansal Yönetim*, Gazi Kitabevi, Ankara, 2005 ;37
14. Karapınar A, Zaiif F, *Finansal Analiz*, Gazi Kitabevi, Ankara, 2009; 149
15. Türko M, *Finansal Yönetim*, Alfa Basım Yayım Dağıtım, İstanbul, 1999, 104
16. Çetimer E, *İşletmelerde Mali Analiz*, Gazi Kitabevi, Ankara, 2005; 145
17. Akdoğan N, Tenker Nejat, *Finansal Tablolar ve Mali Analiz Teknikleri*, Gazi Kitabevi, Ankara, 2006; 606-634
18. Sarıaslan H, Erol C, *Finansal Yönetim Kavramlar, Kurallar ve İlkeler*, Siyasal Kitabevi, Ankara, 2008; 195
19. Ceylan A, Korkmaz T, *Finansal Yönetim Temel Konular*, 9. Baskı, Ekin Yayınevi, Bursa, 2005; 48
20. Akgüç Ö, *Finansal Yönetim*, 5. Baskı, Muhasebe Enstitüsü Eğitim ve Araştırma Vakfı Yayınları, İstanbul, 1989; 58

21. Brealey RA, Myers SC, Marcus AJ, Principles of Corporate Finance, Mc Graw Hill Companies Inc., New York, 2011, 719-724
22. Akdoğan N, Tenker N, Finansal Tablolar ve Mali Analiz Teknikleri, Gazi Kitabevi, Ankara, 2001; 618-637
23. Üzeyir F, Türker M, Albayrak Ö.D, Eczanelerde ekonomik durum ve Finansal durum araştırması, Türk Eczacıları Birliği, 2019; 30
24. Jagels MG, Coltman MM, Hospitality Management Accounting, Wiley, New York, 2004; 155
25. Okka O, Finansal Yönetim Teori ve Çözümlü Problemler, Geliştirilmiş 6. Basım, Nobel Akademik Yayıncılık, Ankara, 2015; 141
26. Weaver SC, The Essentials of Financial Analysis, Mcgraw Hill Companies, Boston, 2012; 64