

Operational Adjustment and Financial Performance at Pharmacy Pharmacy Joint Stock Company

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Abstract—This single case study examines Pharmacy's stated priorities in 2022, the operational changes reported in 2024, and its financial performance in 2023 and 2024. It uses qualitative document analysis of four case documents: two articles published on Pharmacy's website, an MBS retail industry report, and Pharmacy's audited 2024 financial statements with 2023 comparative figures. Six thematic codes guide the reading of the documents. The financial figures are then compared with the reported priorities and changes. Net revenue increased by 1.21% in 2024, but gross profit fell by 5.33% and gross margin declined from 29.90% to 27.97%. Selling and administrative expenses decreased, and the net loss narrowed from VND 940.78 billion to VND 780.65 billion. However, inventories increased, year end equity became negative, and operating cash outflow grew. The findings suggest mixed financial performance during a period of reported operational adjustment. The available documents cannot establish that a particular action caused a particular financial change. The study shows why company performance should be assessed through profit, working capital, and cash flow together.

Keywords—Pharmacy; pharmacy retail; document analysis; case study; financial performance; operational adjustment.

I. INTRODUCTION

Pharmacy chains must balance access to medicines with the costs of stores, staff, and inventory. Sales growth alone cannot establish strong performance. Research on Pharmacy suggests that customers value service and professional advice when choosing pharmacies: Nguyen and Pham (2023) identify pharmacists and service as particularly influential factors in their study in Ho Chi Minh City. These findings explain why customer-facing activities belong in an assessment of a pharmacy chain. They do not, however, show whether such activities generate sufficient profit or cash at company level. A broader assessment requires financial and operational evidence.

Pharmacy is a useful case for examining this distinction. In a 2022 article, the company described its focus on convenient access, product choice, technology for demand forecasting, and staff development (Pharmacy, 2022). A later company article highlighted pharmacist training and efforts to improve work processes (Pharmacy, 2024). By the end of 2024, an industry report stated that Pharmacy had reduced its store network and adjusted its product portfolio (MBS Research, 2024). Together, these documents record different priorities at different times. Yet a reported investment, a training programme, or a network change cannot by itself establish an improvement in business performance.

Existing pharmacy research offers useful perspectives on customers and employees. Nguyen and Tran (2017) developed a measure of brand equity for the Pharmacy chain, drawing attention to how customers assess the brand. Nguyen (2025) examined individual Pharmacy sales representatives and reported relationships between emotional intelligence, customer orientation, and sales performance. These studies suggest that trust, service, and staff capabilities matter in pharmacy retail. However, their units of analysis are individual customers or employees. Their findings cannot be

used as direct evidence about the company's gross margin, inventories, or operating cash flow in 2023 and 2024.

This difference between reported actions and measured outcomes motivates a document-based case study. Document analysis can bring together records produced for different purposes, but each source must be carefully assessed in context (Bowen, 2009). Qualitative content analysis also provides a way to organise statements into clear themes before comparing them with other evidence (Kohlbacher, 2006). For Pharmacy, company articles indicate what was publicly communicated, an industry report provides an outside assessment, and audited statements record financial results for a defined legal entity. Reading these sources together may identify patterns and tensions without treating a plausible explanation as a proven cause.

This study asks how Pharmacy's stated priorities changed between 2022 and 2024, how financial indicators changed between 2023 and 2024, and what conclusions these documents support. It compares company articles and an industry report with audited revenue, margin, expenses, inventories, equity, and operating cash flow. The contribution is a transparent assessment of whether the evidence points to consistent improvement across these measures. Because the documents do not trace decisions through stores to financial outcomes, the study does not claim that restructuring caused the observed changes. This limit is consistent with Collier's (2011) account of the evidence needed for process tracing.

The paper proceeds as follows. Section 2 reviews research on document analysis, business performance, and pharmacy retail. Section 3 sets out the analytical framework, defines the Pharmacy case, and explains how the documents and financial figures were examined. Section 4 presents the findings on operational changes, staff and service, profitability, inventory, capital, and cash flow. Section 5 considers what these findings mean for assessing Pharmacy's performance and discusses their practical implications and limitations.

II. LITERATURE REVIEW

Business performance is often discussed through growth, yet growth does not reveal whether a firm earns enough from sales or generates cash. This distinction is relevant to pharmacy retail, where product availability and customer service require spending on stock and staff. Research on Pharmacy has mainly approached performance through people who interact with the chain. Nguyen and Tran (2017) developed a brand equity measure based on customer assessments, while Nguyen and Pham (2023) examined factors associated with customers' choice of Pharmacy in Ho Chi Minh City. Both studies help identify what may attract customers, but neither measures whether customer appeal improves company-level margins or cash flow. An assessment of Pharmacy's operations therefore needs to consider customer-facing priorities alongside its financial outcomes.

Evidence from pharmacy employees adds another dimension. Nguyen (2025) studied Pharmacy sales representatives and reported positive relationships between emotional intelligence and customer orientation; the relationships with sales performance differed across the dimensions examined. Nguyen and Pham (2023) likewise found that pharmacists and service were important in customers' decisions to choose Pharmacy. Read together, these studies give a reason to examine training and service in company documents. They also show why the meaning of performance must be specified: customer choice and employee sales outcomes are different from profit reported by the company. Neither study tests whether Pharmacy's 2024 training activities reduced costs or improved its overall financial results. Research on employees and customers thus provides context for the case, rather than a direct explanation of changes in the audited accounts.

The difference between service-related evidence and company accounts raises a methodological question: how can sources produced for different purposes be compared fairly? Bowen (2009) explains that documents can provide evidence for qualitative research, while their origin and limitations require careful attention. A company article records what a business chose to communicate; an industry report offers an external assessment; and audited accounts report results for a defined entity. These records should not be treated as interchangeable. In the Pharmacy case, an announcement about technology or staff development can establish a reported priority, but cannot confirm that the activity improved performance. Equally, an increase in inventory can identify a change that merits investigation without showing whether product availability improved or worsened. Document analysis is valuable because it makes such differences between claims, assessments, and measured outcomes explicit.

A comparison of documents also needs a clear procedure for moving from text to findings. Kohlbacher (2006) discusses how qualitative content analysis can support case study research by organising material into categories and making interpretation more systematic. For a pharmacy chain, useful categories include the store network, products and inventory, technology, employees, sales, costs, and cash. Assigning a category, however, is only one step. The date, source, and unit

of analysis of each statement must also be recorded. A customer study concerns individual perceptions, a website article may describe the brand or the wider chain, and financial statements cover the reporting company. Merging these levels could turn a claim about service into an unsupported claim about company profit. Clear coding makes it easier for readers to see which evidence supports each interpretation.

The order of events may suggest an explanation for changing performance, but a timeline alone provides limited evidence of cause. Collier (2011) explains that process tracing uses observations within a case to assess proposed explanations. In Pharmacy's case, documents about technology investment, staff initiatives, and network adjustment can be placed alongside later financial results. The available sources do not show which stores changed, when individual employees received training, or how particular decisions affected sales and costs. A fall in expenses might be consistent with a smaller network, but other changes could also explain it. The literature therefore supports a cautious comparison of reported actions and observed outcomes. Claims about a specific mechanism should remain provisional until store-level records and a more detailed sequence of decisions are available.

These studies reveal a gap between three forms of evidence: research on customers and employees, public descriptions of operational change, and company-level financial statements. The first identifies service and staff factors worth examining (Nguyen, 2025; Nguyen & Pham, 2023). The other sources can be compared through a transparent coding process, provided their different purposes and units of analysis remain clear (Bowen, 2009; Kohlbacher, 2006). This study consequently examines performance through several related indicators: revenue, gross margin, expenses, inventory, equity, and operating cash flow. It asks whether they tell a consistent story during Pharmacy's reported adjustment. Separating public statements from financial outcomes allows the case to identify tensions and propose explanations for later testing. It does not provide the detailed process evidence needed to establish that a particular operational change caused a particular result (Collier, 2011).

III. ANALYTICAL FRAMEWORK AND METHODS

3.1. Case boundary and sources

The case is Pharmacy Pharmacy Joint Stock Company, the legal entity identified in its financial statements. The analysis covers published operational narratives from 2022 and 2024 and comparable financial figures for 2023 and 2024. It does not claim statistical representation of pharmacy chains. The four case documents were selected in advance: D1 is Pharmacy's April 2022 website article; D2 is its December 2024 article on workplace and staff development; D3 is the MBS Research retail report of 30 December 2024; and D4 is the company's audited financial report for the year ended 31 December 2024, with 2023 comparatives. D1 and D2 credit earlier journalistic sources; republication does not provide a second independent confirmation. Only the relevant Pharmacy material in the industry wide MBS report is used.

TABLE I. Roles of the case documents

Code	Document and date	Scope	Analytical role
D1	Pharmacy website article, 21 April 2022	Brand and chain	Stated earlier priorities
D2	Pharmacy website article, 4 December 2024	Chain and workforce	Reported staff initiatives
D3	MBS retail report, 30 December 2024	Industry and chains	Outside industry assessment
D4	Audited 2024 statements, signed 20 March 2025	Legal entity	2023 and 2024 financial outcomes

Source: Summarized by the authors

3.2. Coding and calculations

The unit of coding was a sentence or short passage about an event, aim, judgment, or figure. The initial themes were K1: store access and network; K2: products and inventory; K3: technology and data; K4: staff and service; K5: revenue, costs, and profit; and K6: funding and cash. Each coded passage also received an evidence type and a note on whether it referred to the brand or the legal entity. The documents were read in date order, their claims were compared, and the financial figures were checked against the scanned statement pages. All ratios below were calculated from unrounded VND figures, with displayed amounts rounded to two decimals in VND billions.

Gross margin equals gross profit divided by net revenue. Selling expense and administrative expense ratios each use net revenue as the denominator. Changes in loss are expressed as changes in the absolute loss amount, rather than percentage growth on a negative base. The analysis does not compute sales per store: the sources do not provide comparable annual average store counts for the same accounting entity. D4 is a scan whose available copy lacks its final numbered content page; the principal statements used below are present, but a complete copy should be obtained before journal submission.

IV. FINDINGS

4.1. From access and technology to network adjustment

D1 described convenience, product choice, and technology supported stock allocation. Pharmacy reported investment of more than VND 100 billion in RELEX Solutions and also discussed private label products, staff training, and a health advice initiative with Novartis Vietnam (Pharmacy, 2022). These are useful records of stated activities and expected benefits. D1 does not give before and after stock availability, inventory turnover, or cost savings. The investment therefore cannot be classified as a proven financial success on this evidence.

In D3, MBS reported that Pharmacy and An Khang were reducing store numbers, restructuring, and changing product portfolios while Long Châu continued to expand (MBS Research, 2024, p. 8). This marks a change in emphasis from wider access in D1 toward network and portfolio adjustment in the outside report. Neither document gives a detailed store level timeline. The sources cannot establish when each decision was taken or what proportion of the company's expenses changed because of store closures.

4.2. Staff and service

D2 described training for pharmacists, a succession development programme that began in early 2024, more standard procedures, and improved use of data. It also reported promotions during the first three quarters of 2024 (Pharmacy, 2024). The earlier brand and customer studies make these activities relevant to pharmacy service, while Nguyen (2025) offers independent staff level evidence that customer orientation relates to sales outcomes. Yet D2 does not report a comparable time series of employee productivity, customer satisfaction, or store profit. The available record supports a finding about reported priorities, not the financial return on staff training.

4.3. Sales and profitability

Net revenue rose from VND 5,063.57 billion in 2023 to VND 5,124.75 billion in 2024, an increase of 1.21%. Gross profit fell from VND 1,513.79 billion to VND 1,433.15 billion, or 5.33%. Gross margin fell by about 1.93 percentage points. The available figures do not split sales and cost of goods sold by product or store, so the source of the margin decline cannot be identified.

TABLE II. Income statement indicators from D4

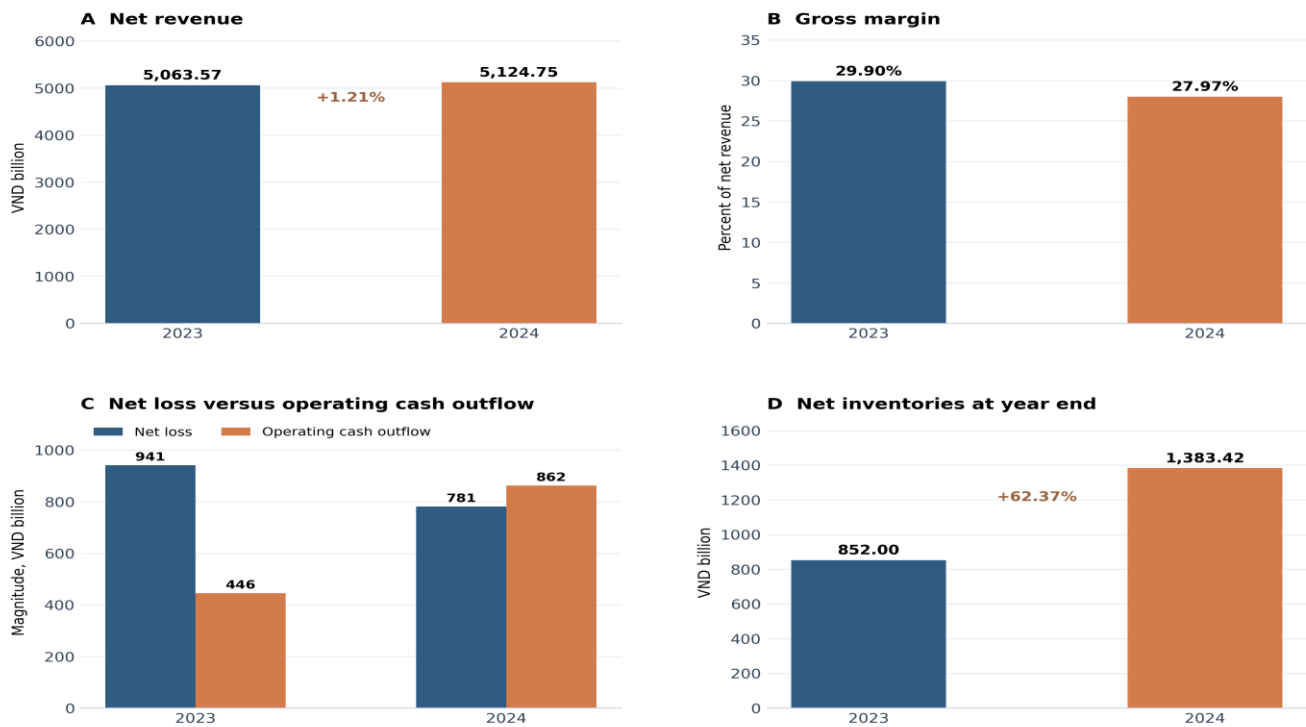
Indicator	2023	2024	Change
Net revenue, VND bn	5,063.57	5,124.75	Up 1.21%
Gross profit, VND bn	1,513.79	1,433.15	Down 5.33%
Gross margin	29.90%	27.97%	Down 1.93 pp
Selling expenses, VND bn	1,546.15	1,455.15	Down 5.89%
Selling expenses / revenue	30.53%	28.39%	Down 2.14 pp
Administrative expenses, VND bn	649.58	554.00	Down 14.71%
Net loss, VND bn	(940.78)	(780.65)	Loss narrowed by 160.14

Source: Author's calculations from D4. Parentheses indicate losses; pp means percentage points.

Selling expenses fell by about VND 91.00 billion and administrative expenses by about VND 95.58 billion. Lower operating costs helped offset the decline in gross profit. The net loss narrowed, but the company still reported a substantial loss in 2024. MBS's description of network restructuring provides a possible explanation to test, not proof that closures caused the expense decrease. The data supporting the document analysis results can be illustrated as shown in Figure 1.

4.4. Inventory, capital, and cash

Net inventories rose from VND 852.00 billion at the end of 2023 to VND 1,383.42 billion at the end of 2024, about 62.37%. This increase was much faster than the 1.21% rise in annual revenue. Two year end stock balances do not reveal the product mix, stock age, or year round availability. They raise a question about stock management but do not by themselves measure the success or failure of the technology investment described in D1.



Source: Drew by the authors

Fig. 1. Pharmacy: financial performance in 2023 and 2024

Total liabilities rose from VND 2,913.48 billion to VND 3,571.99 billion. Equity moved from positive VND 329.47 billion to negative VND 38.96 billion. Net cash used in operating activities rose from VND 445.52 billion in 2023 to VND 861.98 billion in 2024. Changes in cash reflect several working capital items and other adjustments, so the increase in cash outflow cannot be assigned only to inventory. Still, the difference between a smaller accounting loss and a larger operating cash outflow shows why both measures are needed.

TABLE III. Balance sheet and cash flow indicators from D4

Indicator	2023	2024	Unit
Net inventories	852.00	1,383.42	VND bn, year end
Total assets	3,242.95	3,533.03	VND bn, year end
Total liabilities	2,913.48	3,571.99	VND bn, year end
Equity	329.47	(38.96)	VND bn, year end
Net operating cash flow	(445.52)	(861.98)	VND bn, full year

Source: D4 balance sheet and cash flow statement. Parentheses denote negative amounts.

V. DISCUSSION AND POLICY EMLICATIONS

This study examined how Pharmacy's reported priorities changed between 2022 and 2024 and whether its 2023–2024 accounts showed consistent improvement. The documents suggest a shift from wider access and technology investment towards network adjustment, product changes, and staff development. Financial results were mixed: revenue rose and the net loss narrowed, but gross margin weakened, inventory increased, equity became negative, and operating cash outflow grew. These findings answer the first two research questions descriptively. On the third, the documents do not establish

whether restructuring or training caused any observed financial change. A smaller loss therefore cannot alone demonstrate a sustained recovery.

The study adds to pharmacy retail research by examining an issue rarely addressed in customer and employee studies: the relationship between reported operational priorities and company-level financial results. Earlier Pharmacy research identifies factors associated with brand choice, brand equity, or employee sales performance (Nguyen & Tran, 2017; Nguyen & Pham, 2023; Nguyen, 2025). This study places those perspectives beside audited accounts without treating them as measures of profitability. It shows how document analysis can separate company statements, an outside assessment, and accounting observations. The contribution is an account of tensions between these sources, not a causal test of management decisions.

First, Pharmacy should review gross margin by product group and store cohort, alongside prices, discounts, and supplier terms. Revenue growth offers limited reassurance when the share retained after product costs falls. Comparisons would show where the margin pressure arises before managers change the product mix. This requires reliable product records. Second, the company should connect purchasing decisions to inventory age, availability, and operating cash flow. The much higher year-end stock balance requires analysis, but does not show which products moved slowly. Regular monitoring of these measures together would help distinguish planned stock investment from cash tied up in unsold goods. Third, network changes should be evaluated with comparable store-level records before and after each adjustment. Managers need

consistent definitions of revenue, direct costs, opening dates, and closures. Such evidence would identify whether lower selling expenses reflect more efficient stores, a smaller network, or other changes occurring at the same time. Fourth, staff initiatives should be assessed through training participation, service quality, retention, and sales outcomes measured over comparable periods. Existing research supports attention to pharmacists and customer orientation, but the case documents do not measure training returns. Evaluation would direct resources towards activities that improve service and financial results together.

The analysis relies on four documents and two comparable financial years. Company articles report selected activities, the industry report provides limited store detail, and the available financial scan lacks its last numbered page. Differences between the brand and reporting entity further restrict interpretation. Together, these limits prevent firm causal or sector-wide conclusions. Future research should obtain complete audited statements and dated store-level data on openings, sales, products, stock, training, and costs. Interviews could clarify how decisions were implemented. A longer series and comparable store groups would allow stronger tests of proposed mechanisms and show whether financial improvement continued beyond 2024.

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