

Alliance Boots has a global dream

One hundred and sixty years after Boots was founded, Ornella Barra, CEO of the company's wholesale division, reveals Boots' ambition to create a global brand to **Chris Chapman**

Imagine you're visiting a city, anywhere in the world, for the first time. You need to pop in to a local pharmacy. Alliance Boots chief Ornella Barra wants you to be able to know what services it offers before you even open the door.

"For customers, it's easy to travel across the world," she says. "I want to see the same services and layout [of pharmacies] in different countries."

The vehicles for delivering this global flavour will be the Alphega Pharmacy virtual chain and wholesaler Alliance Healthcare, she says. Alphega acts as an umbrella group – providing head office support and training for independents from Lazio to Lanarkshire. Ms Barra heads up the initiative in her role at the helm of Alliance Boots pharmaceutical wholesale division, which has a presence in 16 countries.

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company, Ms Barra explains. The concept offers independent pharmacies the benefits of Alliance Boots' international presence, such as exclusive retail brands and increased buying power, she adds. But in the UK, pharmacists have been slow to buy in to the global dream. Alphega, with 250 members, is smaller than rivals such as Numark and Avicenna, which both boast more than 1,000 representatives. But Ms Barra is not disheartened.

"Starting two years ago in the UK, Alphega already has 250 pharmacies. It's a good number... but it's not enough for me."

But Alphega's growth is just one part of the Alliance Boots masterplan.

Ms Barra clocks up more air miles in a month than most people do in a lifetime with her remit that not only covers Europe but also emerging markets such as Brazil and China. She plans to spread parent company Alliance Boots' reach to all corners of the globe.

"The project and the mission for Alliance Boots is to begin a global company. And a global world label. I want to consolidate the market, but also increase in other continents – Asia especially, but also Latin America."

And Ms Barra believes success on a global scale will deliver direct benefits to pharmacies in the UK.

Globalisation in the pharmaceutical industry will bring manufacturers much closer to the pharmacies they supply, she states. This will mean services from manufacturers tailored to the individual needs of pharmacists, the AB chief predicts. Ms Barra says: "With globalisation, relationships with manufacturers will change completely."

A key part of being a global player is to have one corporate identity. Starting two years ago, the company began the process of rebranding all its wholesale businesses, which saw UK wholesale arm UniChem rebranded as Alliance Healthcare. Ms Barra says that having the same name for the company helps internally, but also benefits stockholders and improves relationships with global partners such as big pharma. Ms Barra says that as a global company, Alliance



The Alliance Boots global strategy

- Develop a global brand identity to build relationships with global partners
- Create a virtual chain of pharmacies, so that a pharmacy in Barcelona will have the same layout and list of services as one in Moscow
- Be flexible enough to adapt to the culture of each country and change the business model accordingly
- Continue to develop own brands, notably Boots laboratory in continental Europe
- Continue to develop in emerging markets, such as the partnership with Guangzhou Pharmaceutical in China

Boots is able to monitor, anticipate and act on international trends.

It explains why the company is investing overseas. Ms Barra says that while European economic growth is, on average, around 3 to 4 per cent, China's economy is growing in double digits and is set to outpace the US in terms of production. If Alliance Boots wants to be a global giant, it needs to capture a share of the China market.

The main challenge is scale. Alliance Boots is already in China, working in a 50/50 partnership with Guangzhou Pharmaceutical. But despite the duo being the fourth largest wholesaler in the country, their market share is only around

3 per cent. Ms Barra says that while China is a big apple to take a bite from, time invested now will reap rewards later.

"The wholesale market is more fragmented, because the dimension of the country is very big. I think it's necessary to spend time, but it represents a good opportunity for us."

Ms Barra's message is clear: whether you are part of Alliance Boots' pharmacy team, supported by its wholesaling or generics arms, or a member of its virtual chain, globalisation is a real benefit. Alliance Boots aims to develop a pharmacy empire on which the sun never sets.