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Ornella Barra talks Walgreens Boots Alliance

Ornella Barra, EVP Walgreens Boots Alliance (photo: WBA) Ornella Barra: "Employee relations are often overlooked after big merger deals"

Ornella Barra and Stefano Pessina go back a long way together, but they still ride in formidable tandem at what is now the world's largest pharmacy-lead health and beauty company.

With over 12,800 drugstores in eleven countries and a mighty pharmaceutical wholesale & distribution network in eight more, there has to be considerable harmony of strategic thought at newly-merged Walgreens Boots Alliance.

"I consider Stefano the architect within the company and myself as the engine," says Barra. "He is the visionary strategist and does the financial side. I prefer to create a common culture and nurture good relationships."

As a female exec, Ornella Barra is still quite a rarity in male-dominated boardrooms. But this cosmopolitan lady has not lost her femininity in the fight to the top and dresses with exquisite taste. Almost shy at press conferences, she unfolds her Italian charm and emotional intelligence to the full when talking one-to-one.

A pharmacist by education, a businesswoman by choice, Barra (61) is more than an "engine"; she is also the heart of the big new global group. This born motivator and communicator is clearly also intent on introducing a human touch to a vast construction powered by financial logic and economies of scale.

Like many women in business, Barra is relentlessly diligent and therefore not exactly a model for employee work-life balance. On the other hand, her passion for empire-building is infectious and her ethical stance is a refreshing change to the male freebooters all too often found in global c-suites. Can such an enthusiast, however, really understand the instinctive fears of the small man on the street regarding size and scale?

For someone who can express herself with refreshing simplicity even in a foreign language, Signora Barra's job title is quite a mouthful: Executive Vice President of Walgreens Boots Alliance and President & Chief Executive of Global Wholesale and International Retail.

This reflects the sheer size of the December 2014 jumbo marriage between Walgreens, America's largest drugstore operator, and Alliance Boots in the UK. The handle also expresses the complexity of Ornella Barra's responsibilities within the new organisation. These essentially include the Pharmaceutical Wholesale Division of Walgreens Boots Alliance, International Retail, and Corporate Social Responsibility.

"When you work with passion, you never get tired"

Signora Barra...

Call me Ornella, please, I'm Italian!

But you now live in Monaco and have Monégasque citizenship...

True, but if you really want to know where I live...given all the travelling I do, you could say it's on a plane!

You could have saved yourself a good many air miles, had you not decided to build a global company via a string of mergers and acquisitions...

It is important in one's life to be coherent. If you take the decision to become an entrepreneur and to develop a company, all problems are really just part of the achievement. My philosophy in life, as in business, is actually quite simple: Nothing is impossible!

But the statistics are against you because more mergers fail than succeed. Why should your latest mega-deal with Walgreens work?

I am very optimistic because Walgreens and Alliance Boots were two big groups with a lot of similarities. Walgreens is an iconic brand in the US; Boots is an iconic brand in the UK. Walgreens has a proud heritage of 100 years, and Boots goes back 170 years – both developed from just one single pharmacy. Their history has moved in parallel, but in geographic areas which are mutually complimentary.

Also, Alliance Healthcare has a history going back to the 1850s and is the key business brand of choice in pharmaceutical wholesaling.

Aren't you worried that US and European corporate cultures might clash? They have certainly done so before with, for example, Daimler and Chrysler...

I regard our corporate culture as one of our trump cards. Our whole history is to be flexible and to develop through partnership. We also always try to stay very close to and respect local management. Above all we maintain excellent relations with our employees, which is a factor that is often overlooked after big merger deals.

You can find this advice in almost any management book, but it is seldom adhered to even by those who give it. In what way are you different?

I often visit stores, warehouses, pharmacies, offices, and own label manufacturers. Another reason why I am so frequently on a plane is because I attend in person meetings in many countries. I hold these not only with our top execs, but also with second- and third-tier management.

I was in Germany only two weeks ago, for example, and I probably met at least 200 employees of Alliance Healthcare Deutschland because it is so important to maintain personal contact with local colleagues. The same applies to the stores. I have just come back from Chicago, where I watched how customers react to Boots products in Walgreens stores, how staff deal with them, and how motivated our employees were.

Would you not admit that a lot of mere lip service is paid by many top managers to staff motivation?

It is essential to retain employee motivation, commitment, and team spirit. I have a personal theory: It is easy to find money in a company, especially when it is big, because banks and the stock exchange are willing to provide the funds. Contrary to what many people might think, it is also relatively easy to find ideas. But it is very hard to find the right people and to have them in the right place.

So how do you act on this specific insight?

I make personnel one of my top priorities, and I am personally very engaged with human resources. I invest a lot of my time in motivating people and supporting the creation of training programmes, courses etc. I am also very close to our employees and maintain friendly relations with them. Despite the obvious constraints on my time, I have an open-door policy for all my staff.

That sounds almost too good to be true coming from a boss, but aren't there times at the top when you have to be ruthless with people?

Obviously you also need to be strict because it is important to reach targets and numbers, but you have to maintain the right balance. The most important thing, however, is to work with passion. Without this it is not easy to achieve goals and get your people involved. Passion often represents the difference between achieving a goal or not.

But won't it get harder and harder to create a great atmosphere within the company as you get bigger and bigger?

Of course it will, but motivating both management and staff is still one of my priorities. I endeavour to create a common culture with the top 300 or 400 managers with whom I deal most closely, but if I can do this, I expect this approach to cascade down to all our 300,000-plus employees.

How would you define the working relationship between you and Stefano Pessina?

We go back a long way together, and I have been working with him now for over 30 years! I consider him the architect within the company and myself as the engine. Our roles are therefore very complementary. Stefano is the visionary strategist and also takes care of the financial side of things. I prefer to create a common culture and nurture good relationships between companies. I also see my role as developing the business and activities in new countries.

Stefano Pessina is also an inveterate dealmaker and corporate engineering seems part of his DNA. At 74 he says he is not finished by a long shot yet. Is this humanly possible?

He is still looking for deals! We are very open to new opportunities. Of course he is not tired because when you work with passion, you don't become tired of what you do. Many people talk about stress, but neither of us feel stressed; we almost don't know the meaning of the word because we love what we do!

As a woman, you are a rarity in top management. The German Bundestag has just passed a law which will oblige bigger companies to observe a 30 per cent female quota on Supervisory Boards. Do you support this idea?

Maybe this is necessary in the short-term, in order to address the problem across such management roles and to incentivise companies to also choose women. If a woman is good and has the same qualities as a top man, it is essential to recognise this.

However, the most important thing for me is to run the company based on meritocracy. I am a woman, but I am against the idea of a quota because it is wrong to be a member of a board only because you have been imposed from outside. All women, like men, should be selected on merit only.

So what advice would you give to young female graduates wishing to make a future career in retailing?

They should be honest, creative, pro-active, positive, courageous about taking decisions, persistent, and determined. Above all, they should work with passion, fully involve themselves in their jobs, and believe in what they do. Others will then recognise their efforts and skills.

But have you never found it daunting to be the only woman in a boardroom full of men?

It is true that I have been the only lady on the Board since the merger of Alliance and Boots in 1996. I also remember that when Alliance Boots was still listed on the stock exchange, there were only three other women on all the FTSE 30 company Boards. But I survived!

Women are the majority of your customers, have you noticed any changes in their shopping habits especially at times of economic difficulty like recently?

Yes, women are in fact around 80 per cent of our customers. Of course during challenging times, and economic difficulty like in recent years, women have had to be more careful with their money and shopping habits. But this does not mean they don't occasionally treat themselves!

For example, a nice rouge lipstick is not expensive, but can help you feel a lot better! So in the morning you can put a bit of that nice lipstick on and face the day. Of course, this doesn't solve life's problems, but you certainly feel better as a woman!

Do you find that as a woman you have to impose your will on the men?

Sometimes, yes! You certainly have to be very determined. My personal style is to be very kind, but very firm. For example in a Board meeting, if I have a different opinion, I listen very closely to the views of the others first, but then I give mine! And maybe with a smile...but I still say what I believe. But when the Board has come to a collective decision, immediately I accept this as my own. I am very pragmatic.

Read in German: Interview by Mike Dawson in Lebensmittel Zeitung, no. 15, 10.04.2015