

Pamela Bailey — *President & CEO, Grocery Manufacturers Association*

WASHINGTON — The Grocery Manufacturers Association's core areas of expertise are science, product safety and government advocacy, but GMA president and chief executive officer Pamela Bailey says the organization does much more than provide food safety services and lobby on behalf of the industry.

"We try to work strategically on improving the dynamic of trust between the industry and consumers," Bailey explains. "We know that you have to do more than message trust; an industry has to earn trust every day with its actions."

Bailey, who joined GMA in 2009 after a career with industry associations and in government (she served in the White House for three U.S. presidents during the 1970s and 1980s), points to GMA's involvement in development and passage of the Food Safety Modernization Act (FSMA) in 2011 as an example of the kind of work she's proud of.

"FSMA is the most comprehensive reform of our nation's food safety laws in 70 years," Bailey says. "It places new responsibilities on food and beverage manufacturers and provides the FDA [Food and Drug Administration] with the resources and authorities it needs to further strengthen our nation's food safety net. And

it is a great example of how government and industry can work together for the benefit of the consumer."

Bailey says GMA's work didn't stop when FSMA became law.

"Over the past four years, we have organized more than 800 food safety experts into 11 working groups to submit close to 1,000 pages of comments to FDA on its proposed regulations," she says. "This work that GMA has done to show FDA how it can improve its proposed regulations will save the industry more than \$19 billion in implementation costs."

Another recent success was the development of Facts Up Front, described as a science-based, voluntary front-of-pack labeling program that calls out key nutritional information in a way that allows parents to scan it quickly and easily to make informed decisions about the food they buy. GMA announced Facts Up Front in 2011, and more than 63 major manufacturers and food retailers are now participating in the program.

Bailey is also proud of GMA's work with the Global Food Safety Partnership, a multi-donor trust fund housed at the World Bank that builds food safety capacity in developing nations.

GMA is an advocate for GMO technology and is seeking the establishment of a uniform federal

standard for the voluntary labeling of food that contains genetically modified ingredients, instead of a patchwork of different state laws.

"We believe that consumers should have the same information about the ingredients in their food no matter where they live or shop," Bailey says, "and we are urging Congress to pass federal legislation on GMO labeling this year."

According to Bailey, GMA's mission is straightforward: advocating for public policies at the state and federal level that will help keep food safe and affordable.

"GMA works to make sure that consumers continue to enjoy the benefits of the most dependable, safest and most affordable food system in the world," she says, pointing out that U.S. consumers spend less than 6% of their income on food.

Although its members include many large global food and beverage brands, GMA also represents a significant number of small and medium-size companies — canners, food processors and private label manufacturers — as well as such personal care and household product companies as Procter & Gamble Co., Georgia Pacific Corp., Clorox Co. and Unilever. The association advocates on their behalf as well.



Pamela Bailey

"We strongly support legislation in Congress that would reform the Toxic Substances Control Act, which would modernize federal regulations to keep pace with modern consumer products," Bailey says. "Ensuring the safety of our products is the single most important goal of our industry. We believe the bipartisan Senate legislation will increase the confidence consumers have in the safety of the products they rely on every day."

To achieve their goals, GMA and its members must work together with retailers. With that in mind, GMA has partnered with

the supermarket trade group Food Marketing Institute to create the Trading Partner Alliance.

"This is a joint retailer-manufacturer executive body to help set direction and tackle the big issues facing us," Bailey says. "Our joint projects include a rapid recall exchange to institute better processes for product recalls; fighting coupon fraud; and implementing Facts Up Front, our front-of-pack labeling initiative."

Bailey's goal for the GMA, meanwhile, is that it provide leadership on public policy issues critical to the consumer packaged goods sector.

"I want GMA to serve a vital role as a central resource for our members," Bailey says, "providing industry model practices and a means for collaboration between members, retailers and service providers. In keeping with our founding principles, GMA will continue to help its members produce safe products through a strong and ongoing commitment to scientific research, testing and evaluation. We also are working with companies to provide consumers with the products, tools and information they need to achieve a healthy diet and an active lifestyle."

"I believe we are uniquely positioned to bring the industry together to address issues that no single company can solve alone."

Ornella Barra — *President & CEO, Global Wholesale & International Retail, WBA*

LONDON — Retailers around the world are faced with the challenge of developing a thorough understanding of the consumers they serve and responding effectively to their needs. The task often proves too formidable to master, even for executives working in their home country. How much more difficult, then, when the job involves getting the equation right at stores spread across four continents.

Ornella Barra, executive vice president of Walgreens Boots Alliance (WBA) and president and chief executive of the company's Global Wholesale and International Retail operations, has demonstrated that she has what it takes. Her openness to new ideas, ability to grasp a culture's essence, and business acumen have enabled her to help energize WBA's growing retailing empire — which, in addition to drug chains in the United Kingdom and the United States, includes stores in Mexico, Chile, Thailand, China, Norway, the Republic of Ireland, the Netherlands and Lithuania — making her one of the most influential women in mass market retailing.

"It's very important for us to adapt our strategy to each market," says Barra, whose responsibilities also include pharmaceutical distribution, the backbone



Ornella Barra

of the company that she and executive vice chairman Stefano Pessina have been instrumental in building from the ground up; brand development; and communications and corporate social responsibility. "The needs of customers in Mexico or Chile are different than those of people in the U.S. or the U.K. The organization of the store is also completely different in Latin America. It's very important for us to understand that, respond to it and develop a tailored model."

While WBA is a relative newcomer to Latin America, having acquired Farmacias Benavides,

the No. 3 pharmacy chain in Mexico with 1,000 stores, and Farmacias Ahumada, a 400-unit Chilean chain, in 2014, it has a wealth of retail experience in continental Europe and Asia. Wherever it goes, the company is quick to adjust to local conditions.

"We know that we always need to customize our offer," notes Barra, who began her career as an independent pharmacist in her native Italy and subsequently established a drug wholesaling business there. "We use a mix of local talent and our own executives. It's a true partnership."

"It is part of our style to respect members of the local management team and involve them in the decision-making process. Input from the local level is very, very important in helping us determine the right direction to take."

The benefits of Barra's skill extend beyond the stores owned by WBA. She is the driving force behind the Alphega Pharmacy Network, a group of independent drug stores that receive support from WBA in such areas as merchandising, marketing and pharmacy design. Established under Barra's leadership in 2001, Alphega comprises over 6,000 members in eight European countries, with independents now taking part in a test program in Turkey.

Efforts are under way to put Alliance Healthcare's distribution expertise to work for Alphega members by creating a vertical integration model, similar to the one WBA has successfully implemented in the United Kingdom, Norway and the Netherlands. At its pharmacies in those nations, the company has been able to reduce costs and raise margins, while at the same time increasing the frequency of store deliveries. Barra indicates that parts of the model, which was a major factor in the Boots drug chain's ability to double its financial results in five years, may also prove beneficial for Walgreens.

"The merger is a great opportunity for Alliance Boots and Walgreens to establish best practices across the company to create a common culture," she says. "We also need to capitalize on synergies and develop our proprietary brands, which include Almus in generic drugs; Alvia in surgical, diagnostic and everyday health and hygiene products; and No7 and Soap & Glory in beauty care. With its international presence, Walgreens Boots Alliance can offer a different approach to manufacturers and work more closely with them. All in all, the opportunity to grow is very impressive."

She acknowledges that much work needs to be done to achieve

those goals and unlock the company's full potential.

"To bring two companies together and create a new business is never easy," Barra explains. "It is very important for us at the beginning to instill a common culture among the 300 members of the top management team. After that, step by step, it will cascade down throughout the organization. This is the objective, this is the approach."

Barra's considerable influence, extending as it does across the retail, wholesale and brand development segments of WBA, will be one of the decisive factors in determining whether a global pharmacy-led, health and well-being enterprise can flourish.

"It is important in life to be realistic and concrete," she says. "Of course, the merger and the creation of a new company is, in many ways, business as usual for us. But the size of the transaction is different compared to our previous deals. In the past, we dealt mainly with European companies, even though Alliance Boots extended to Russia, China, Turkey and beyond."

"Now the integration involves our international group with an American retailer. Maybe the process is a little more difficult, but it is important to be pragmatic and also to be humble."