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“I’ve always had an entrepreneurial mindset and curious attitude. This empowered me to envision pharmacy’s full potential.”

SPECIAL ENTREPRENEURIAL WOMEN

Over the Counter with Ornella Barra

HOW THE COMMUNITY PHARMACIST TURNED DRUGSTORE MOGUL IS BREAKING THE GLASS CEILING.

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AUGUST 2019



RANKED LAST YEAR AS ONE OF THE MOST POWERFUL WOMEN IN BUSINESS OUTSIDE THE U.S., PHARMACIST **ORNELLA BARRA** FOUNDED A WHOLESALE BUSINESS IN 1984 THAT TWO YEARS LATER BECAME ITALY'S LEADING DRUG DISTRIBUTOR WHEN IT MERGED WITH ALLEANZA SALUTE ITALIA, HEADED BY STEFANO PESSINA. THE COUPLE'S GREAT CHEMISTRY HAS ENDURED OVER 35 YEARS AND BARRA IS NOW CO-COO OF THE WORLD'S LARGEST DRUGSTORE CHAIN, WALGREENS BOOTS ALLIANCE.



THESE BOOTS ARE MADE FOR WALGREENS

BY CELINA LAFUENTE DE LAVOETHA

PHOTOGRAPH BY THIERRY BEAUVILAIN OUVARD

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The annual Monte-Carlo Women

of the Year Award, founded in 2012 by Cinzia Sgambati-Colman, is a cultural platform that promotes the female narrative from across the globe. And one Monaco resident in particular is committed to taking the event to an international stage.

For Ornella Barra, co-COO of Walgreens Boots Alliance (WBA), the world's largest retail pharmacy chain, sharing stories of women in business is a smart way to bring to light their distinctive contribution to the work place and their evolving role in society. "I see many exciting business initiatives and projects being developed by women who have started and are managing their own companies, in Monaco like in the rest of Europe and the U.S., as well as in fast-growing areas of Latin America," says Barra, whose total WBA workforce is made up of nearly two-thirds women.

Barra encourages women to take risks, like she did in 1986 as a young entrepreneur looking for a corporate partner for her pharmaceutical wholesaler company, Di Pharma. A friend suggested Stefano Pessina, who had reorganized his family-owned pharmaceutical wholesaler in 1974. "When I asked him to meet me and listen to my ideas, I knew he could have said no. However, I was determined to explore this possibility."

The risk paid off. The couple has endured a professional and personal relationship for over 35 years (they never married), with Italian-born Monegasque Pessina buying more than 1,500 rival companies across Europe, and in 2006 merging UniChem Group with Alliance Boots in a \$22 billion deal.

"Stefano is one of the best, if not the best, dealmaker. I have followed our company's evolution closely but playing a different role in the business than him. He is the architect and me the engineer," says Barra, who speaks Italian, French and Spanish with English being her fourth language. (She also understands Portuguese.)

The apple doesn't fall far from the tree. Barra was born in 1953 in Chiavari, with a population of 28,000, near Genoa. Her father had a construction business and her mother did the books and managed staff. As a girl, she dreamt of becoming a doctor but with an exceptionally

ambitious drive, she knew her career options would be limited. She instead studied Pharmacy at the University of Genoa, then managed a local pharmacy before acquiring one in her hometown in 1979. "I always wanted to build something important for myself and others. Something tangible that could make a real difference in the world. I have always had an entrepreneurial mindset and a curious attitude, and I think this empowered me to envision pharmacy's full potential."

Noticing a gap in the market, she founded the pharmaceutical wholesaler Di Pharma in 1984. After being introduced two years later to Stefano Pessina, twelve years her senior, who was, at the time, developing his own distribution company, Barra found that they shared a common vision and complementary strategic approach, so they combined their respective businesses, with Barra becoming managing director of the company. It soon became the fastest growing pharmaceutical wholesaler in Italy, and expanded across Europe creating Alliance Santé, an international pharmaceutical wholesaler.

In 1997, Alliance Santé merged with UniChem in the U.K. to form Alliance UniChem, Europe's second largest drug wholesaler with a presence in more than 12 countries, with Barra taking on the role of executive director.

Alliance UniChem was snapped up in 2006 by Boots, one of Britain's best-known high street chains, for \$12 billion (Barra was appointed wholesale and commercial affairs director of Alliance Boots) and the following year, Pessina and U.S. private equity group Kohlberg Kravis Roberts took Alliance Boots private in a \$22 billion deal, making it Europe's biggest buy-out at the time.

In 2009, Barra, who has previously admitted, "I like to keep a low profile," became chief executive of the pharmaceutical wholesale division at Alliance Boots.

The mega-merger of Walgreens Boots Alliance had two phases: in June 2012, Walgreens, founded in 1901 and the largest drugstore chain in the U.S., purchased a 45% stake in Boots Alliance for \$6.7 billion. In December 2014, Walgreens purchased the remaining 55% stake in Boots Alliance for \$4.8 billion in cash and 144.3 million shares of Walgreens Boots Alliance. (In October 2015, Pessina announced plans to buy Rite Aid, the third largest American drugstore chain; last year WBA bought 1,932 stores and three distribution centers for nearly \$4.4 billion in cash.)

WBA formed the first global, pharmacy-led, health and wellbeing enterprise, which is present in 25 countries, with more than 18,500 stores, and over 415,000 employees across the world. And Pessina, whose first job was head of the statistical department of market research company A.C. Nielsen in Milan, became executive chairman, CEO and part-owner of the private WBA group with an estimated net worth of \$10.1 billion, making him the 107th wealthiest man on the planet, according to Forbes The World's Billionaires.

Barra stepped into her co-COO role in June 2016 and oversees Global Brands, Pharmaceutical Wholesale, the Retail Pharmacy International businesses outside the U.K. and Republic of Ireland and the U.S., Human Resources, Communications, CSR and other business services. Along with co-COO Alex Gourlay, she is responsible for Global IT, Global Supply Chain, Global Marketing and Global Commercial activities.

This means she travels most of the year; after this short interview in Monaco, where she spends any of her free time, she is flying to Orlando to lead a 4-day WBA management conference for 4,000. She will then head to the west coast to briefly join her partner Stefano Pessina before another business meeting in another city. Such is the executive lifestyle of a leader in a company which

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has a market cap of \$49.9 billion and that ranks 136 on this year's Forbes Global 2000, a list of the world's largest public companies.

"My goal is to ensure we leverage our great assets—our global scale, our portfolio of leading retail and business brands, our unmatched pharmaceutical supply chain expertise—while pursuing new growth opportunities, to fulfil our mission to help people across the world lead healthier and happier lives."

The arrival of personalized and precision medicine combined with fast-paced digitalization of healthcare provides new business opportunities for pharmacies. "The healthcare scenario is changing very rapidly

today and we are right in the middle of this evolution. The nature of medicines is changing, as we see with the growing importance of pharmacogenetics [the study of the role of the genome in drug response]." She adds: "Pharmacy must rise to this new challenge and become a more integrated part of how healthcare is delivered to patients," emphasizing that change is also permeating into the retail landscape, and thus pharmacies need to adapt to this new world while also being able to deliver the face-to-face advice and support that patients need.

Barra, who is Honorary Professor and Honorary Doctor of Science at the University of Nottingham School of Pharmacy, strongly believes that as patients today have limited access to family doctor offices and hospitals, the pharmacy will remain at the core of health systems with the pharmacist as the first point of care in the community. Pharmacists will have to share records and to analyze data from multiple sources, including information generated from patients' own devices. (In June, WBA launched an agreement for Healthy.io, a smartphone-based Urinary Track Infection testing kit being rolled out in hundreds of pharmacies in the U.K.)

Given this complex and changing scheme, WBA has accelerated their strategy to develop omnichannel capabilities and move into the digital space, across pharmacy and retail, to revolutionize the customer experience into a more individual one.

Barra affirms: "We are working towards our objectives with great determination, maximizing our capabilities and establishing a wide network of alliances with strategic partners, in healthcare and other key sectors as well."

In a bid to attract millennials, Walgreens started selling Boots No. 7 beauty and skincare products—including the cult Protect & Perfect serums—which has already become the third top-selling product in the U.S.

In January 2019, WBA announced a strategic 7-year partnership with Microsoft to develop new healthcare apps, technology, and data to improve retail's healthcare offer to the community.

This partnership will allow for modernization and cost-effectiveness of technology across WBA, building an ecosystem connecting consumers, providers, pharmaceutical manufacturers, and payers, providing the personalized care Barra is championing for.

With its headquarters in Deerfield, Illinois, WBA has seven cities (Arizona, Arkansas, Indiana, New York, Tennessee, Virginia and Wisconsin) included in Forbes' America's Best Employers By State 2019 List. The company is at the forefront of many of the crucial issues of our time, from the fight against cancer to the protection of the environment, as well as the enhancement of diversity and inclusion. It also supports the UN's Sustainable Development Agenda.

As chair of the WBA Social Responsibility Committee she says, “I feel very proud of everything we do in this area as a company.” With Barra’s leadership, Walgreens has helped provide 34 million lifesaving vaccines with the “Get a shot. Give a shot” Program, where they donated \$0.23 for every immunization administered (up to a maximum donation of \$2,600,000) to the United Nations Foundation from September 1, 2018 through to March 1, 2019. They also collaborate with Vitamin Angels, providing over 180 million vitamins to undernourished children around the world.

In May, WBA announced the Collaboration for Cancer Prevention, Research and Support, a transatlantic charitable partnership with the European Organization for

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Research and Treatment of Cancer (EORTC), Macmillan Cancer Support and Susan G. Komen. WBA hosted a charity gala dinner in Monaco dedicated to EORTC to launch the initiative, with Prince Albert as Honorary President, and organized with Evelyne Genta, Ambassador of Monaco to the U.K. and the Republic of Kazakhstan, whose role has been crucial.

“With our global health reach and broad network of partners, we are uniquely positioned to act as convener as we bring the best minds and organizations together to fight the disease,” she said at the time.

Habitually wearing low-heeled shoes, a tall and slender Ornella Barra cuts a commanding figure. Barra has been a resident in Monaco for over 30 years although she only became a naturalized Monegasque citizen in 2012. “Monaco is a favorable environment for the development of business activities, offering many networking opportunities and always attracting new ideas and initiatives. Its cosmopolitan nature also provides a wide and diverse range of cultural approaches—understanding the diversity of the world we live in is particularly essential today for all entrepreneurs and business managers.”

It’s of no surprise that since 2016 she has been a member of the Board of the Friends of the Princess Grace Hospital Foundation, and is instrumental about patient care innovation as well as securing additional support for the ongoing €2 billion construction of the state-of-the-art new hospital to be delivered in 2029.

Barra also serves on the Board of Directors of AmerisourceBergen Corporation, a major American pharmaceutical wholesale company, and the International Federation of Pharmaceutical Wholesalers Industry Association. She was actively involved in the creation of a five-year degree in Pharmacy, at the University of Rome Tor Vergata, the first such conducted in English in Italy. She takes pride in having created a common ground and shared corporate culture for their global and diverse enterprise within just a few years of establishing WBA. “The right people in the right place’ is crucial for any company in achieving its goals. And being the executive leader for our Human Resources function is one of the roles in which I feel a deep sense of responsibility.”

In summing up her career, Barra states that “success is a by-product. You can’t just aim at being successful, you can only do the things that produce success.” She adds: “I love challenges, and when I feel I don’t have one at hand, I look for it.”

As WBA is set to relocate 1,300 corporate employees in Illinois, from Deerfield to its new office in Chicago this fall, Ornella Barra surely won’t need to go looking for a challenge any time soon. *

Go figure

WBA REPORTS \$127 BILLION IN TOTAL REVENUES FOR FY 2018

On June 27, Walgreens beat expectations by posting adjusted earnings of \$1.47 per share and sales of \$34.59 billion in the third quarter of 2019, a result of higher prescription drug sales. This follows a second quarter that CEO Stefano Pessina had called “the most difficult” since the company was formed, attributing the negative earnings growth to “significant reimbursement pressure, compounded by lower generic deflation, as well as continued consumer market challenges in the U.S. and UK.” (In the U.K., WBA is closing some 200 Boots drug-stores over 18 months.)

Although the company had an 18% return on equity last year, *Forbes’* John Dorfman points out “the stock now sells for under \$55, compared to \$80 last fall.”

Walgreens Boots Alliance (WBA), which replaced General Electric (GE) on the Dow Jones Industrial Average on June 26, 2018, reported \$127 billion in total revenues in for FY 2018, which included 4 revenue streams: Retail Pharmacy U.S.A.-Pharmacy Drugs, including the sale of prescription drugs in the U.S.: \$65.3 billion (51.4% of total revenues); Retail Pharmacy U.S.A.- OTC & Other, including sale of healthcare and retail products in the U.S.: \$27.3 billion (21.5% of total revenues); Retail Pharmacy International, including the sale of prescription drugs and provision of pharmacy-related services internationally: \$11.8 billion (9.3% of total revenues); and Pharmaceutical Wholesale, including distribution of prescription medicines to pharmacists: \$22.7 billion (17.8% of total revenues).