

# Putting the chemist back into Boots the chemist

## THE CLIENT

Alliance Boots is the UK's leading pharmacy, health and beauty retailer. Founded in 1849, Boots is a UK institution and a fixture on the local High Street up and down the UK. In 2006 Boots became Alliance Boots following a merger with Alliance Unichem plc, forming a pharmacy powerhouse with 2600 outlets across the UK and annual revenues in excess of £10 bn pa.



## THE SITUATION

In 2004, Boots undertook a strategic review, and concluded they needed to re-energise their pharmacy business – 'Putting the chemist back in Boots the Chemist'. Pharmacy, a £1.2bn business segment driven by medical prescriptions, was at the core of Boots heritage, and was believed by Boots' management to have significant latent potential.

In particular, the imminent launch of electronic transfer of prescriptions (ETP) presented opportunities to access patients and address the location disadvantage of predominantly high-street (rather than community) pharmacy locations.

Edengene was engaged by Boots to deploy its innovative thinking and methods to develop a plan to grow Boots' share of the dispensing market, re-energising the core proposition to pharmacy customers and delivering new valuable products and services – fuelling a new phase of growth for the pharmacy business.

## THE SOLUTION

Working closely with members of Boots' pharmacy strategy and marketing team, Edengene ran creative workshops over an intense 3 week period to identify growth opportunities for Boots. The workshops deployed Edengene's structured innovation toolkit to garner a cross-section of opportunity types, ranging from improvements to the core prescriptions service to more radical and disruptive concepts involving new markets and business models.

Once the opportunities had been qualified, assessed and prioritised, a growth framework was constructed, providing Boots with a structured agenda for mid-term growth comprising:

- » Extension of the core offer to deliver a clearly differentiated, convenient service to patients, setting Boots apart from its competitors
- » Construction of a powerful relationship vehicle to drive customer retention, exploiting Boots' Advantage card infrastructure, a unique asset in the health and beauty sector
- » Development of value-added services tailored to high-value customer groups, to attract and retain their business
- » Penetration of high-value sectors adjacent to the pharmacy business
- » Establishment of multiple additional channels (challenging traditional assumptions of industry competition) to extend reach and address the location disadvantage issue
- » Introduction of new disruptive business models to exploit the introduction of ETP

## THE RESULTS

Since the project was completed, Boots has already implemented 8 out of 12 opportunities which were developed in the project. The new products and services are fuelling Boots' pharmacy business growth – not just in acquiring and retaining customers, but in delivering improved services to customers, cementing Alliance Boots' market leadership position in pharmacy.



"The work we did with Edengene to 'Put the Chemist' back into Boots, gave us the momentum and confidence to transform the company into the European healthcare leader it is today, and create over £5bn of shareholder value in the process"

Richard Baker  
former CEO, Boots

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