



Walgreens

A Roadmap for the Future Helps the Pharmacy Giant Widen its Health Care Mission

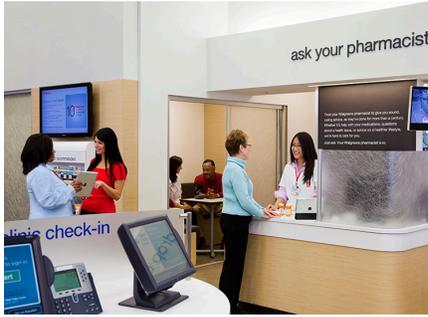
With more than 75% of Americans already living within five miles of one of its 8,000 stores, Walgreens needed an additional path for growth. Innosight collaborated with America’s largest pharmacy chain on its journey to transform the drug store into a first choice destination for health and daily living.

DISRUPTING THE CARE MODEL

By leading the industry in opening clinics inside its stores, Walgreens was already shifting to providing affordable care—by offering flu shots and basic testing in a convenient setting for accessible prices. But expanding into more complex health services presented a greater challenge. Developing disruptive mechanisms to simplify, decentralize, and drive down the costs of treating chronic conditions involves a deeper understanding of consumer behavior as well as a focus on creating new business models. To this end, Walgreens’ leadership called on Innosight to help refine its new strategy and support it with a consumer-facing innovation plan.

CHARTING A HEALTH SERVICES ROADMAP

The Innosight team interviewed and observed patients, providers, pharmacists, and physicians: How do they make health and treatment decisions? What influences their behavior? Do they have important emotional, social and functional “jobs-to-be-done” that aren’t being met adequately



today? The team also examined macro trends driving change. How would the Affordable Care Act enable new “coordinated care” models? What kind of services can effectively be delivered at a lower cost? How can you partner with the players you’re disrupting? The result was Project Roadmap, a menu of more than 50 new services that could be rolled out over the coming decade.

A key recommendation involved redefining the role of its more than 27,000 pharmacists, a job that had become a behind-the-scenes role of processing insurance paperwork and counting pills. Innosight helped reimagine the pharmacist at the center of a new customer experience—out on the floor engaging with patients. These and other changes led to a new kind of retail healthcare format, called the Well Experience, which was rolled out nationwide.

GROWING WHILE DRIVING DOWN CARE COSTS

The effects of these direct interventions have been significant. Prescription adherence rates in Well Experience stores have improved significantly over the national average, reports Nimesh Jhaveri, VP of Pharmacy Transformation at Walgreens. “That has a huge impact on cost savings and better health outcomes,” he says. For instance, a new program called WellTransitions reduced the rate of patients being readmitted to the hospital by 46% within the first 30 days of discharge. Walgreens has been able to measure the effectiveness of the new strategy and innovation plan in terms of:

- Higher number of patients consultations with pharmacists
- Higher customer satisfaction
- Higher acquisition rate of new patients
- Higher retail prescription market share, now about 20% nationally

Under Project Roadmap, Walgreens is now moving into some of the toughest areas of chronic care such as hypertension, diabetes, high cholesterol, and asthma that collectively account for about 85% of total U.S. healthcare spending. That has helped Walgreens grow while reducing the overall cost of care.

“What the Innosight team brought to the table was a rigor, discipline and focus on what we needed to solve for, and we were able to deliver programs to address those issues. It’s been a huge win for us.”

– Nimesh Jhaveri, VP of Pharmacy Transformation at Walgreens