

NACDS Chairman of the Board Andy Giancamilli

NACDS Pharmacy and Technology Conference

Sunday, August 9, 2009

Thank you, Dennis. On behalf of the Board of Directors, I salute you for all you do to advance NACDS. Your comments earlier this morning are right on. We need that kind of engagement. Thank you for leading by example.

This morning, I find myself in a good and enviable position. Senator Daschle will describe healthcare reform with the voice of experience. Tomorrow, NACDS President Steve Anderson will focus on *our* place in the debate. That affords me tremendous freedom, with no constraints on where I need to go in my remarks. But that freedom bears responsibility, if not to inform then to inspire. In fact, motivation is my goal this morning – motivation to deliver healthcare reform *beyond legislation*, and specifically *through innovation*.

I might feel arrogant if this were my objective on any other subject matter. But in encouraging innovation, I am not asking for anything you have not delivered before. Today, I call on you for sustained innovation amid this time of economic and political uncertainty. And part of this call is a celebration of everything you already do for the good of patients and consumers.

We know that amazing things happen in pharmacies every day. Not too long ago, a pharmacist was conducting a consultation in one of our stores. The patient suffered a heart attack during their meeting. The pharmacist acted quickly to assist him, and provided paramedics with a list of his medications. This saved precious time, and helped save a life. Also recently, a person who was allergic to bees was stung by a yellow jacket not far from one of our

stores. She knew she could get help there. She quickly received the medicine and care that she needed, averting a severe reaction.

But in addition to serving as a profession of individual acts, we also are an industry of broad-scale advancements. Today, the question I want to confront is how we bring about more of the game-changing innovations that will define our future.

My name – Giancamilli – might hint that I am Italian. And I like to think I qualify as what they call a “*good* Italian” as well. There are three icons in the homes of all good Italians: a picture of *the Pope*; a picture of *Frank Sinatra*; and a picture of *President Kennedy*. Given that we are in Massachusetts, it makes sense to give special attention to JFK.

From that perspective, I would like to invite you into my Italian living room – and to consider one of the greatest calls to innovation in the history of the nation, and of the world. It was delivered by President Kennedy, in an address to Congress in May of 1961.

SEGMENT OF KENNEDY’S SPEECH PLAYED, WITH PHOTO ON SCREENS:

“I therefore ask the Congress, above and beyond the increases I have earlier requested for space activities, to provide the funds which are needed to meet the following national goals:

“First, I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to the earth. No single space project in this period will be more impressive to mankind, or more important for the long-range exploration of space; and none will be so difficult or expensive to accomplish.”

President Kennedy went on to engage and invest every American in this decision. He said it must be made carefully. He acknowledged it would require a grand commitment of resources – personal, material, technical and financial. And these demands would divert resources from other important activities, where they already were spread thin.

In 1961, and every day for eight years, America responded.

So, today I ask you: what is *your* moon, and what are you doing to reach it?

I ask this question out of a burning desire to see pharmacy achieve its full potential, for the ultimate benefit of the public. And I admit a little self interest as well, because a rising tide indeed lifts all boats. And there is another reason I want to speak about innovation. It is to deliver a strong message to Washington, D.C., and to the state capitals. The profession and the industry of pharmacy that I know is one that is all about innovation, and that should be empowered to help deliver the accessible, affordable, high-quality, patient-centric care that they are pursuing.

In my view, pharmacy, researchers, manufacturers, and related industries have been in the improvement business since birth. And through healthy competition, appropriate collaboration, and always a focus on making peoples' lives better, this trajectory of improvement has given us transformational reform.

Now, we must remind ourselves of what we have accomplished, and then go even further. And I think it is worth evaluating Kennedy's words in 1961, and what they mean today. There are four things he said that I consider of great interest as we gaze into the next decade.

First, and I believe most important, is the sense of purpose behind Kennedy's journey to the moon. This was not innovation for the sake of innovation. His remarks came after many

Soviet advances in space exploration. Bay of Pigs also had just trampled the American spirit. For security and solidarity, leadership in space was branded as essential.

What sense of purpose drives you today? Is it the promise of technology, such as electronic prescribing, and electronic health records? Perhaps you have committed to lead in the adoption of the tools of today and tomorrow – those that boost adherence to medications, and improve and save lives while reducing costs.

The industry has seen remarkable progress in this area. NACDS and the National Community Pharmacists Association created the e-prescribing network Surescripts in 2001. The new Surescripts is the result of a 2008 merger with RxHub. From 2001 to 2009, e-prescribing has surpassed 100,000 prescribers routing prescriptions electronically in the U.S. That is roughly the same amount of time between Kennedy's speech and the successful lunar mission. In the past *two* years, the number of prescribers going electronic has jumped from 25,000 to 125,000.

Given that we are in Massachusetts, I also want to recognize the commitment of *this* state. For the third consecutive year, Massachusetts placed first in the nation in the Surescripts SafeRx awards, which were announced in June. Prescribers here sent more than 20 percent of all eligible prescriptions electronically. Compare that with 2.3 percent in 2005. 20 percent versus 2 percent – that's progress.

Of course, not all innovation is technological.

Consider health and wellness. This concept can integrate the pharmacy and front-end into a seamless solution. You know, I think one of the more interesting debates is what we call the people who walk into our stores. Should we call them patients? Or, should we call them consumers, or customers? I think we all would agree they are individuals, with many of the same hopes that we all have. Wanting to feel good, and feel good about ourselves. Wanting to

watch our kids and grandkids grow up. Wanting to prove once and for all that 50 indeed *is* the new 30.

Focusing on the people in our stores is always a winning strategy. What can be done to innovate an even more holistic approach to health and wellness?

Perhaps there are opportunities in another of the themes sounded by JFK: collaborative commitment. And that is the second concept from his speech I would like to address. He said it would take “every scientist, every engineer, every serviceman, every technician, contractor, and civil servant” to reach the moon. Likewise, companies in our industry need to marshal all of their resources and relationships to innovate in health and wellness.

Think of the amazing products developed by the manufacturers in this room, at this Conference, and at meetings such as the NACDS Marketplace Conference just over a month ago. They include everything from life-*saving* pharmaceuticals, to life-*improving* over-the-counter medications, to life-*embracing* products from A to Z.

Retailers, with pharmacy as a hub and spokes throughout the store, can add tremendous value by bringing suppliers’ innovations together in one place. Our stores can be known as portals of health and wellness.

But the value does not stop there. Retail also delivers the personalization of innovation.

In the most recent Gallup survey of professional integrity, pharmacists were ranked second – second only to nurses. I am a pharmacist. And I am proud to be able to say that we have held firm in the top three each of the past six years.

In the 40,000 stores with pharmacies in the U.S. operated by chains, there are more than 132,000 pharmacist positions. But there are more than 2.6 million total employees. That means

there is the potential for more than 40,000 health and wellness portals, and 2.6 million agents of health and wellness solutions.

What would it take for your company to view stores and staff from that perspective, and to seek opportunities to innovate in this way?

I have a feeling some of those conversations occurred at the NACDS Annual Meeting earlier this year, and at Marketplace. And I'll bet they will happen this week as well. These meetings are laboratories of innovation. In addition to the business meetings, this week's educational sessions will provide new ways of looking at what you do, and may give rise to a great idea. Please take advantage of them.

Amid all of this discussion, you likely have given thought to the wisdom of such investments amid the current economic environment. The third point of President Kennedy's speech that I'd like to mention is this: the length of commitment, and magnitude of investment, that is demanded by innovation.

Kennedy spoke of "long-range goals on an urgent time schedule." He spoke of allocating already-thin resources. He cited hundreds of millions of dollars for rockets, fuel systems, weather stations, satellites and space crafts.

For your businesses, innovation comes at a cost as well. And finances are top of mind in this economic climate.

I respect that we all are in different situations. But I propose as a general vision that innovation remains essential today, if we are to thrive tomorrow. Of course, innovation may need to be conducted in a way that is right for the times.

A joint report by InnovationTools.com and Innosight LLC provides some interesting perspectives on this. They recommend thinking first about the likely changes and outcomes resulting from the current conditions. This is what helps to identify new opportunities.

They emphasize a keen focus on customer needs. The point is this: customers always have problems, though their problems may be different now. The key, as always, is to solve them. To quote this report, “rethink your business starting with the customer, and work backward from there.” This is consistent with consumer trends indicating a trend toward “buying smarter.”

The report is very realistic. It speaks of reducing the volume of innovation projects. It speaks of focusing on innovation that may not be quite so long-term in nature, and not quite so risky. But the point is to not become 100-percent short-term in our outlook, nor 100-percent risk averse.

Here’s another thought: perhaps it is appropriate to reconsider an idea whose time was previously wrong. What R&D projects did you shelve before, that might have merit today?

The report closes with a suggestion that has worked very well in our company. It is one of the most basic things we can do, but often one of the most overlooked – relying on people throughout the organization who might have some solid un-hatched ideas.

We have a website that allows our staff to submit thoughts – from how to save money to how to enhance our environmental efforts, like the windmills that power the lights in the parking lots in some of our locations. Our staff inundate us with new, and good, ideas. And we’ve found that recognition among peers – not any monetary reward – is what fuels them. If their submission is selected and implemented, they have the opportunity to present it during a meeting. And believe me, that means a ton to them, and to all of us.

You might be thinking that innovation in these times seems far removed from a journey to the moon. But there is a story that – to me – shows there are more similarities than differences.

As legend has it, there was a janitor at NASA who was working particularly hard, and was asked what he was doing. He responded by saying he was helping to put a man on the moon. Now, I've heard this story told several different ways. Some versions involve President Kennedy interacting with the janitor. Some versions reference President Lyndon Johnson. Still others have NASA management talking with him. Frankly, it doesn't matter to me which is true, or even *if* it is true. We need to pursue that employee's sense of teamwork, empowerment and commitment, and the leadership that instilled it.

I want to say a special word to the pharmacy educators and pharmacy students here with us today. As a profession, and as an industry, we look to you as partners in innovation. From the expertise of those who teach, to the enthusiasm of those who learn and who one day will practice, you are catalysts for the innovation that we need, and that the public needs. We welcome you to this mission.

There is one final element of President Kennedy's speech that I think is exceptionally relevant to where we are today. It's that he called on who we are as Americans, and who we are as human beings, to make innovation possible. He spoke of the nation as a leader in freedom's cause, and reminded Americans of their prior sacrifices and vision to fulfill this role. Simply put, he told America, you may not have done *this* before, and everything that it requires, but you have done great things before. And you can do it again.

Today, my call to all of us is much the same. We *can* innovate and we *will* innovate. Individually as companies, and through our business relationships. We have done great things before. And we can do it again. And again.

What is the next in-store clinic? What is the next treatment? What is the next technological key that opens an age-old door? What is the next store format that captures peoples' imaginations, and meets their needs? What is the next best use of our human resources – from clerk, to researcher, to marketer, to student, to technician, to pharmacist?

Somewhere in this room there is the answer for your company. And these answers together will lift us all, for the betterment of the public we serve.

It is a credit to President Kennedy that the vision he communicated in the Spring of 1961 endured nearly a decade, and three presidencies, through interim successes, setbacks and even tragedies.

In fact, in September 1962, more than a year after his address to Congress, JFK gave a speech at Rice University in Houston. There, he reaffirmed the commitment to the mission that he had defined, and that the nation had accepted. And who knows how many times that mission had to be reaffirmed, amid difficulty, by those most closely engaged in pursuing it.

You may be familiar with President Kennedy's words at Rice. He said, "We choose to go to the moon. We choose to go to the moon in this decade and do the other things, not because they are easy, but because they are hard."

But for our purposes today, there is another passage that I hope we will remember. Please listen with me one last time to the words of JFK – this time at Rice in 1962.

SEGMENT OF KENNEDY'S SPEECH PLAYED, WITH PHOTO ON SCREENS:

However, I think we're going to do it, and I think that we must pay what needs to be paid. I don't think we ought to waste any money, but I think we ought to do the job. And this will be done in the decade of the Sixties. It may be done while some of you are still here at school at this college and university. It will be done during the terms of office of some of the people who sit here on this platform. But it will be done. And it will be done before the end of this decade. I am delighted that this university is playing a part in putting a man on the moon as part of a great national effort of the United States of America.

The selflessness of his words was – with sorrow – prophetic. But his boundless vision was ultimately powerful.

Together, can we commit this approach to innovating pharmacy, for the good of the public we serve? In the words of one of the greatest sons of nearby Brookline, Mass, it *will* be done!