

WALGREENS LINKS STRATEGY AND EXECUTION WITH BUSINESSOBJECTS ENTERPRISE

"In the highly competitive retail pharmacy environment, execution is all-important – and getting the right information in front of people quickly and easily is the key. Business Objects enables us to connect our HR strategy directly to actionable insight and execution. This is truly transformational for Walgreens."

Joseph F. King, Corporate Manager, HR Planning, Systems Training & Consulting, Walgreens



Industry
Retail pharmacy

Business Process
Recruiting and staffing

Challenge
Time-consuming reporting processes hindered the HR team's goal of ensuring retention of high-performing associates, in both store front-end and pharmacy positions.

Why Business Objects?
Already established as the reporting and analysis standard at Walgreens, Business Objects delivers a single source of business insight for the HR team.

Business Objects Products and Services
BusinessObjects Enterprise

BusinessObjects Web Intelligence

BusinessObjects Desktop Intelligence

CHALLENGE

With 226,000 employees, 23,000 pharmacists, fiscal 2007 revenue of \$53.8 billion, and more than 6,000 stores across the United States, Deerfield, Illinois-based Walgreens is the leading retail pharmacy chain in the United States. Every day, nearly 5 million customers walk through the doors of a Walgreens store. Many are there to pick up prescribed medications – Walgreens pharmacists filled more than 580 million prescriptions last year. Others take advantage of a broad merchandise selection averaging 25,000 different items per store. The retailer's mission is to provide the most convenient access to healthcare services and consumer goods in the United States. With 33 consecutive years of record sales and earnings, the company's growth strategy is clearly working.

Joseph King, corporate manager of human resources (HR) planning at Walgreens, lives by a key Walgreens strategy for future store and earnings growth – attracting and retaining top talent. He is powerfully glad to have Business Objects, an SAP company, on his team.

Prior to implementing BusinessObjects™ Enterprise business intelligence (BI) software, Walgreens used a mainframe-based legacy system to drive all HR-related activity at Walgreens. The company later introduced multiple Web-based applications for time clocks and hiring, as well as for tracking changes in position, location, and status of employees. The resulting reports were sent to store operations management, and to specialty groups such as insurance, benefits accounting, and tax. The reporting process was cumbersome and time-consuming for the HR information systems (HRIS) group, which had to use several desktop tools to merge the disparate data sets. King recalls, "We would get mainframe data, along with text files from other sources, and we'd literally spend hours on a one-time project. It was a nightmare."



APPROACH

After first attempting to solve its staffing-related reporting and analysis challenges using an enterprise resource planning (ERP) package, and then with a replacement database, HRIS reassessed its requirements. "We identified all the information sources we had related to hiring and retention, including who used the information, and how they were using it," says King. "We envisioned a future in which all data

associated with an employee would come from a single, consistent data repository."

The company's requirements analysis led to BusinessObjects Enterprise, which was already used by other divisions within Walgreens. Although Walgreens Health Services has the largest deployment of the divisions, the HRIS group manages and distributes the foundational employee data that keeps all the stores humming. "Our corporate focus is on store growth," says King. "To support that focus, HR needs to understand where the talent comes from, how

best to leverage it, and what kind of talent we're losing due to turnover. BusinessObjects delivers the insight we need to ensure that we retain high-performing associates for merchandising as well as our strategic pharmacy area. Getting the right people in place for store growth is a key area of emphasis for us."

HRIS now has a comprehensive system that feeds data from multiple information sources through an extraction, transform, and load (ETL) process into a central employee data warehouse, against which BusinessObjects reports are run. Information sources include payroll, hiring, benefits automation, learning management, and transactions related to position, location, and status. A rich set of Business Objects universes enables HR to create timely, accurate reports regarding employee population and staffing requirements. "Our design goal was to integrate the different transaction systems and provide a single source of business insight into the entire company," says King. "Business Objects software has been pivotal in helping us meet this goal."

RESULTS

HR's focus on putting employees with the right talent in key positions is essential to helping Walgreens continue its historical growth trend. King notes that one strategy is to hire assistant managers or management trainees with college degrees. "Not so long ago, about a quarter of our management hires had four-year degrees," he explains. "Now that number is over 60%. We've made a conscious effort to bring in more campus hires, with the long-term goal of building the management pool. BusinessObjects makes it easy to query the data and get a snapshot view of where we stand on this important metric."

Employee turnover reports are also critical. "We've created a report in BusinessObjects that shows turnover by region and district over a 12-month period, compared to the overall chain average," says King. "This provides critical insight into the effectiveness of our retention policies, and helps management identify areas where they need to focus more attention." By using BusinessObjects to examine trends in employee turnover – for example, if quality employees are leaving and if so, for what reason – Walgreens assesses store performance against hiring and retention goals. "We use metrics from BusinessObjects to see if we're supporting our goal of store growth," said King. "We are. We're keeping the good performers."

And then there's the "key list." Although not a strategic application, King notes the key list has made people's lives easier. He says, "Every month, administrative assistants in more than 200 district offices around the country manually assembled a list of assistant managers and pharmacists, complete with address and phone number. That way, if the district manager received a call that someone was sick, he could quickly find someone else with a key to close the store. With BusinessObjects, we prepare these lists centrally and distribute them electronically to the various district offices. The assistants love us."

In the near future, Walgreens plans to implement BusinessObjects XI Release 2 as the standard for all groups that use BI software. For now, King is more than pleased with the benefits already realized. "In the highly competitive retail pharmacy environment, execution is all-important – and getting the right information in front of people quickly and easily is the key," he says. "Business Objects enables us to connect our HR strategy directly to actionable insight and execution. This is truly transformational for Walgreens."

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