

# THE ECONOMIC CLUB

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O F W A S H I N G T O N, D. C.

## **Signature Event**

**Rosalind Brewer**

### **Speaker**

**Rosalind Brewer**  
**Chief Executive Officer**  
**Walgreens Boots Alliance, Inc.**

### **Moderator**

**David M. Rubenstein**  
**Chairman**  
**The Economic Club of Washington, D.C.**

**Washington, D.C.**  
**Wednesday, December 7, 2022**

DAVID M. RUBENSTEIN: So, we're very fortunate to have Rosalind, or Roz, Brewer as our special guest. She is the CEO of Walgreens Boots Alliance. But I call it Walgreens, but Walgreens Boots Alliance. Previously she's a native of – I'll go through her bio briefly, but we'll talk about it during the course of the interview. But for those who don't know, she's a native of the Detroit area. Went to college at Spelman and been the chair of the board there for 10 years. Began her career at Kimberly-Clark, 22 years there. Was recruited away to go to Walmart. At Walmart she later became the president of Sam's Club. Did that for five years. Then recruited away to Starbucks, where she was the chief operating officer for four years. And then in March of '21, she became the CEO of Walgreens. Pretty nice career. [Laughter.]

ROSALIND BREWER: Thank you. [Laughs.]

MR. RUBENSTEIN: So, let's start about – talking about Walgreens for a moment. I have noticed that Walgreens and another company that's also in the drug store area, I won't mention their name but a competitor of yours, both of you seem to be interested in being in the health care business as opposed to the pharmaceutical drug store business. Why is that? What's so much better about the health care business?

MS. BREWER: Yeah. So, you know, first of all, I'm really glad to be here in the D.C. area. So, thanks for having me, David. This is – this is wonderful.

So, first of all, you know, we've been – Walgreens started in 1901. And, you know, when you think about drug dispensing, it's critical to all of us at some point in our lives. But one of the things that's very clear to us, ending the pandemic or in the middle of the pandemic, we realized our relationship with our customers and our patients was so much more critical. We delivered 70 million shots in arms during the time of the pandemic. But the relationship just went to the next level.

Pharmacists have always been consultants with customers and patients. And you will see your pharmacist 10 times more than you see your primary care physician. But the idea of having a primary care physician interacting with the pharmacist is the way of the future. And we will – we will need that ecosystem around us.

MR. RUBENSTEIN: OK. So in your case, Walgreens' case, you have begun a business, you've bought a lot of companies in this area, that are primary physician companies.

MS. BREWER: That's right.

MR. RUBENSTEIN: In other words, you buy the practices of primary physicians and then, in effect, those doctors are working for Walgreens. And they are still serving their patients, but they're, in effect, employees of Walgreens. Is that right?

MS. BREWER: That's correct. They are – so we are purchasing – we just purchased Summit Health in the New Jersey/New York area. And now we're one of the largest primary care physician practices in the country.

MR. RUBENSTEIN: So primary care physician practice. How many people in the United States, out of the 330 million people we have or so, how many of them actually have a primary physician?

MS. BREWER: From what we understand, less than 30 percent of Americans have a primary care physician.

MR. RUBENSTEIN: OK. And do you think it's good to get an annual physical every year? I know you're not a doctor, but –

MS. BREWER: No, I'm not a doctor. [Laughs.] But, you know, I will tell you that, you know, we're all going to be responsible for our health both financially and managing our own care. And to get a physical every year is a good database for you, a baseline to build for yourself. Because it's going to fall back on you. You need to know more about your personal health so that you can interact effectively with your primary care physician.

MR. RUBENSTEIN: So, I get an annual physical every year. I try to starve myself for the two weeks before the annual physical. [Laughter.]

MS. BREWER: Yes. I have mine tomorrow. Yes.

MR. RUBENSTEIN: I have found it doesn't work, but OK. So let me ask you about the pharmaceutical business, or the drug store business. COVID brought a lot of people into the drug stores to get their COVID shots, I guess. Has business picked up or gone down, since COVID has more or less waned a bit in terms of the people getting the shots?

MS. BREWER: You know, what we're seeing at Walgreens is that we created, you know, an expanded relationship. It did start with immunizations, but now people are very deliberate about their flu shots. And so, they're still getting COVID shots today, vaccines today, and they're getting flu shots in combination. Our retail business, if you look at our prior earnings, is up and performing well. Especially as we transition into health care, the front of our stores are picking up.

MR. RUBENSTEIN: So, when it was announced that you could get your COVID shot at a drug store, your competitor, or Walgreens, initially I think the person who does the checkout was the person who was going to give you the shot. [Laughter.] I didn't know. I thought, who was going to give me the shot? I didn't think that person really knew how to do it. He was checking out my supplies or when I was buying things. But it turns out it's the pharmacists that are giving it, right?

MS. BREWER: Yeah, it's the pharmacists and pharmacist technicians that are there. And so, yes. And a pharmacist is – you know, in certain states they're qualified to both test and treat. And so, there are tons of examples of, like, say, for instance, you are – you do test positive in our stores. In certain states, our pharmacists can then prescribe your antiviral for you, so that you don't have to go and have a secondary doctor's appointment in order to get the prescription for Paxlovid or others.

MR. RUBENSTEIN: Now, it seems as if roughly two-thirds of Americans have gotten COVID shots. But the other third seems very resistant to getting it. And now that people are talking about getting another booster shot, it seems as if a lot of people are not going in to get these additional booster shots. Has business dropped off a lot in getting COVID shots now?

MS. BREWER: We're still doing COVID shots. You know, I would encourage everyone to get vaccinated, because I think what we're seeing is that you are – your recovery period is – you rebound a lot quicker if you've been vaccinated. And so, we're really encouraging people to still get your vaccinations and get your boosters. And it's never too late to start. That's the important part. So, we – and especially as it expands into pediatrics.

MR. RUBENSTEIN: Now, what about flu shots? Should everybody get a flu shot?

MS. BREWER: Yes. Everyone should get a flu shot. I always say, get a flu shot by Halloween. And you –

MR. RUBENSTEIN: And can you get a flu shot and a COVID shot at the same time?

MS. BREWER: At the very same time. They can do – they can. [Laughter.]

MR. RUBENSTEIN: OK. So but COVID shots and flu shots are free to people like me, or anybody else. You go and you don't have to pay. But do you get paid for providing this service to people? I assume the government pays you something.

MS. BREWER: There's – yeah, that's –

MR. RUBENSTEIN: But it's not a big profit item? OK. So I notice in a couple drugstores, even in my area, which is not the poorest area in Washington, D.C. It's a nice, upscale sort of area, when I want to get razor blades you have to go to the front of the place and ask somebody to unlock it. Why are you locking up razor blades and other things that I might want to buy?

MS. BREWER: Yes. [Laughs.] So, you know, this is a national problem. And, you know, this isn't, you know, random theft. This is organized crime. And, you know, state legislation has put guidelines on, you know, how much you – the theft that you can steal before you're convicted. So, it's \$1,000 limit. But we have been partnering with other retailers and sharing our camera feed. I know some of our partners here from Walmart are here. But we are all part of an organization that's coming together, that says if you – you know, we can put our camera feed together and tell that that person has been in our store and their store, and the numbers are higher than \$1,000. So, we've been able to impact these theft rings most recently.

MR. RUBENSTEIN: But what are the things that are under lock and key the most? What are people trying to steal the most, other than razor blades?

MS. BREWER: You know, I will tell you, actually it started at razor blades because that's such a high-ticket item. But, you know, it's a lot of cosmetics. But really what happens is that they

take advantage of what I will call the elbow move. And they just come in and swipe the counter. And so, it's just a matter of categories now almost, and not just particular.

MR. RUBENSTEIN: So, I have read that post-COVID it's difficult for companies like yours to get entry-level people to come in. They either don't want to come back into the workforce, or they don't want the job that you can provide them. Is it hard for you to get people – I notice in the stores that I go to, the drug stores, there are always fresh people all the time, new people.

MS. BREWER: Yes. Yes. You know, there's a lot of turnover at the hourly level, I will admit. But as we have these conversations, it's becoming less about pay and more about their lifestyle and what they want to do, and progression. And so, what we're encouraging is that, you know, work at a Walgreens store and you can become a shift manager and escalate. And that's really what they want to think about as a career and development.

MR. RUBENSTEIN: So, if you were an entry level person at one of these stores, like Walgreens, what kind of compensation do you get? Above the minimum wage, but do you pay, like, \$15 an hour, or something like that?

MS. BREWER: Exactly. Exactly. And then it moves up based on, you know, shift manager and other responsibilities in the building.

MR. RUBENSTEIN: So, I've noticed that in a lot of the stores I go into, it used to be younger people, post-college or something, or the younger people working, servicing the drug store. Now I see a lot of people who are older, like post-retirement kind of people doing it. Is that a phenomenon you've observed?

MS. BREWER: You know, we see both. On the younger end of the spectrum, it's those looking for development or fill-in job while they're in college and doing something otherwise in their lives. And then the retirement community is a very, you know, rich environment for us to recruit from.

MR. RUBENSTEIN: So, what is the most profitable high-margin thing that you all sell at your Walgreens? Is there anything?

MS. BREWER: You know, I'd have to say it's in our cosmetics area, is one. And some of our durable medical goods, some of our take-home testing and things like that are very nice margin items.

MR. RUBENSTEIN: So, I'm not buying a lot of cosmetics, but I do notice when I walk down that aisle to get to the razor blades, you know, you have all this airtight packaging, but you smell the cosmetics or the whatever it is. Why is it the packaging is so airtight you still smell this? Is that on purpose?

MS. BREWER: [Laughs.] No. it's not. It's not on purpose. It just, you know, happens to be – you know, what's interesting is, you know, our customer likes to come in and, you know, yes, the packaging is airtight. But, you know, there are mavens for cosmetics in our business. And

they will just, you know, come in as enthusiasts and spend some time there. So you may smell some products that they've looked at, so.

MR. RUBENSTEIN: Well, the most common thing that somebody buys at a drug store, what is that? What is the most common – the most frequent thing that you sell?

MS. BREWER: The most frequent thing is probably toiletries like toothpaste and personal care items, those types of things.

MR. RUBENSTEIN: OK. And why is it that whenever there is, like, a scare coming along, or a pandemic or something, people rush to buy toilet paper? [Laughter.] You ever notice that? People are just – they're stockpiling toilet paper. Is that –

MS. BREWER: It's part of hoarding. And it's one of those things you never want to be without, so. [Laughs.]

MR. RUBENSTEIN: OK. So for people that – people that are buying prescriptions, if you got a prescription, what is the most common thing that people get as a prescription?

MS. BREWER: As a prescription? I would have to say, you know, diabetes in this country is really prevalent in all ages. And so, I would say, insulin is probably one of the most predominant prescriptions.

MR. RUBENSTEIN: Really? OK. So let me ask you what it feels like to be in your situation. Is it more disappointing or surprising that of all the CEOs in the Fortune 500, there are only two female African American CEOs? Only two, you and the CEO of Teachers, is the only other one, I think.

MS. BREWER: Yes, TIAA.

MR. RUBENSTEIN: And so, are you surprised that at this late date in our history we only have two? Or disappointed?

MS. BREWER: Yeah, well, I'm more disappointed than I am surprised. I'm not surprised, because I know what it took for me to get here, and I know the trials and tribulations that I've been through. And, you know, I'm not quite sure a lot of people would want to withstand that. But I would tell you that the disappointing part is that this is just – is totally ridiculous that there's only two of us. I think, you know, it's going to go beyond mentoring and sponsoring. It's pipeline – you know, filling the pipeline effectively, getting people of different races in operating roles, and having the confidence that – you know, that they can do it, because they absolutely can.

MR. RUBENSTEIN: OK. So let's talk about Walgreens itself. How many Walgreens stores are there in the United States or around the world?

MS. BREWER: Yeah. In the United States there's 9,100 stores, in the United States.

MR. RUBENSTEIN: And the biggest one of them all is?

MS. BREWER: Is in Chicago, in the Wrigley Building.

MR. RUBENSTEIN: Which is where your headquarters was?

MS. BREWER: Yes. We're headquartered in the Chicago suburbs. And so, the store, everyone knows the Wrigley Building. It's a multi-level store. It's a fantastic building. And it really – you know, there are so many hotels. So it really supports the travel industry.

MR. RUBENSTEIN: OK. And so, the total number of employees is, roughly?

MS. BREWER: We're roughly at about 350,000 employees.

MR. RUBENSTEIN: OK. And is it mostly in the U.S.? I know there's a big British –

MS. BREWER: Yes, mostly in the U.S. We're actually Boots. Most people know the brand Boots is part of our business. And we operate that in the U.K. And then we have small units in Germany and in China, and small units other – outside the U.S., Latin America.

MR. RUBENSTEIN: And so, the business of running a drug store chain, is that a high margin business, is it a low margin business, by and large, would you say?

MS. BREWER: Well, you know, I would say that our business is a little bifurcated. I mean, you know, we run a traditional retail business up front. You know, retail, food, what I'll call grab and go businesses, you know, never exceeds a 3 to 4 percent margin. But then, you know, different margin structure when you combine it with the pharmaceutical business in the back of the store.

MR. RUBENSTEIN: So, do you prefer that people check out on these automatic machines, or do you prefer that they go to a cashier? Because when you have checkout yourself sometimes people could steal something. How do you make sure they don't do that?

MS. BREWER: Yes. You know, I – my view on that is that I like to meet the customer where they are. You know, if they are in a rush and want to go through a self-checkout, you know, we trust that they're going to do the right thing. And, you know, we have parameters in place to monitor that.

MR. RUBENSTEIN: There's not a lot of pilferage from that?

MS. BREWER: No. No. Our pilferage comes from what we talked about before. That's our biggest –

MR. RUBENSTEIN: Every time I try to do the automatic thing, it doesn't seem to work. I always have to call the person –

MS. BREWER: [Laughs.] Oh, you're one of those with the light coming on.

MR. RUBENSTEIN: I guess. It always seems like that says "call the attendant" or something, or the attendant will come help you. I don't know what it is. It must be me. I don't know. But I don't seem to be able to work it. OK.

So, let's talk about your background for a moment. I mentioned earlier, you're from Detroit. Your family – how many siblings do you have?

MS. BREWER: I have three sisters and a brother.

MR. RUBENSTEIN: OK. And you're the youngest?

MS. BREWER: I'm the youngest of five.

MR. RUBENSTEIN: OK. And are any of the others running drug store chains?

MS. BREWER: [Laughs.] No, but I do have a sister that's a pharmacist.

MR. RUBENSTEIN: Wow. Is she at Walgreens, or?

MS. BREWER: No. She's not. No. We don't want to mix – [laughs] –

MR. RUBENSTEIN: OK. OK, so – all right, so what do your parents do?

MS. BREWER: So, both my parents are deceased. But my parents worked in the auto industry. And so, my dad eventually worked as a member of management and my mom worked in hourly labor at General Motors.

MR. RUBENSTEIN: All right. So you can go to many good colleges. You went to Spelman, an excellent college in Atlanta. Why did you choose Spelman?

MS. BREWER: Well, I chose Spelman because, you know, I grew up in Michigan. I wanted to do something a little different, get out of the cold weather. But it was also a chance for me to be at an institution that I thought really reflected me, who I was, and what I wanted to do. And I think also too I got a scholarship, and so that was helpful, being at the time there were four of us in college. And so, I was actually pursuing, you know, support at that time too.

MR. RUBENSTEIN: And what did you major in? What did you want to be?

MS. BREWER: I majored in chemistry. And I thought – you know, I had always been pretty decent in the math and sciences, so I just did what I knew what to do. And I thought I'd either go into medicine or engineering. And actually, I was recruited away by Kimberly-Clark to work in long-range research as a chemist. So, I moved in that direction.



MR. RUBENSTEIN: You thought you might go to medical school, but Kimberly-Clark stole you away? Right. OK, so what did you do for 22 years at Kimberly-Clark?

MS. BREWER: So, I started off in long-range research as a chemist. I was an organic chemist. And I had interned my summers at General Motors. And so, I worked in chemistry there. I worked in analytical chemistry. Moved into organic. Worked in polymer science. And then I worked in – on one of the businesses. I got a chance to join the M&A team probably about six years into my career. And at the time, it was when Kimberly-Clark was converting itself from a paper company to a consumer products company. And we acquired several companies. And I got to run one of those companies. And I just stayed on the business side after that.

MR. RUBENSTEIN: OK. So you're doing that. And you're there 22 years. You're happy, presumably. And all of a sudden, somebody calls you up and says: How about working for Walmart? What did you say?

MS. BREWER: No.

MR. RUBENSTEIN: No?

MS. BREWER: [Laughs.] On the first call, I said no. Probably the first, second, and third call I said no. You know, initially they were speaking to me about a job in human resources, and I really don't have that skillset. And so, once an opportunity came about that had P&L to it, I joined the company. And I was a group president at Kimberly-Clark. And I took a VP regional job to run the state of Georgia.

MR. RUBENSTEIN: OK. So you're at Walmart. And then somebody calls up and says: How would you like to run Sam's Club? Is that right?

MS. BREWER: Yes. Well, a lot happened in the first five years. [Laughs.] I ran Georgia, the Southeast, then the East Coast of Walmart stores. And then I was a candidate for the Sam's Club job.

MR. RUBENSTEIN: What's the most popular thing that people buy at Walmart?

MS. BREWER: I would say paper towel.

MR. RUBENSTEIN: Paper towels?

MS. BREWER: Yes, absolutely. Their private label brand, I have to say, is pretty good.

MR. RUBENSTEIN: And do people ever complain to you that something's out of supply or out of stock? Or what was the biggest complaint that people make at Walmart?

MS. BREWER: At Walmart? Absolutely. Out of supply. You know, people own their Walmart. They'll say, this is my Walmart, and this is how I want my Walmart to operate. And so, you know, we – I have to applaud the company, because they do everything for their

customers, best they can. And so, you customize it. And what I did like about the model at Walmart, if I could just say for a minute, is that they gave their store managers the leverage to customize their store and, you know, work in their communities. And I really – I was highly attracted to that.

MR. RUBENSTEIN: What's the biggest complaint that Walmart customers have? That something's out of supply, or?

MS. BREWER: Something's out of supply. Or it may be an issue with – usually it's supply. You know, they want what they want.

MR. RUBENSTEIN: OK. All right. So you're minding your business. You're running Sam's Club eventually, right? You did it for five years?

MS. BREWER: Yes, I did.

MR. RUBENSTEIN: And Sam's Club, I can't say that I'm a big participant in Sam's Club. I don't really know, it's a subscription membership?

MS. BREWER: Yeah, it's a membership model. And it is, you know, 650 units at the time when I was running it, almost – closely a \$60 billion business. And it is a membership model, roughly \$100 a membership. So, it was interesting, because your customer becomes really important to you in a membership model, because, you know, you paid to shop there. So, it – I always felt like, you know, membership should have privileges. So, we really focused on the customer and what their needs were.

MR. RUB. TEIN: What can you get at Sam's Club that you can't get at Walmart?

MS. BREWER: Large bulk items. So, paper towel on steroids, and the multipack of everything.

MR. RUBENSTEIN: Like Costco, something like that?

MS. BREWER: Similar – yes, like Costco. But I'm still – I still love Sam's Club, yeah.

MR. RUBENSTEIN: OK. All right. So, you're doing that for a while. So, people come in and they buy gigantic amounts of paper towels, I mean, a year's supply or something like that?

MS. BREWER: Yes. Well, here's the history of Sam's Club. You should understand, is that, you know, it was initiated to really fulfill, you know, the 7/11 stores of the world, the convenience stores. And so, it was set up to support the business proprietorship. So, if you had a small unit, you would come buy your bulk items. at Sam's Club and resale. So that's why the pricing is so effective at Sam's. But eventually it became more of a 50/50 split between people like ourselves shopping there and business owners. But we would fulfill – we would be same-day inventory for many restaurants.

MR. RUBENSTEIN: OK. So, you're there for five years. You're the CEO. It's a pretty good job, I guess. Where were you living to do that?

MS. BREWER: I was in Bentonville, Arkansas.

MR. RUBENSTEIN: Bentonville? OK. You're in Bentonville. And all of a sudden, I guess another headhunter called you up and said: How would you like to go to Starbucks? Is that right?

MS. BREWER: No. actually, I made the decision to leave Walmart stores. And I was on the board of Starbucks. And I had taken the board seat as I was leaving Sam's Club. And so, I had a – I was attending a board meeting. And Howard Schultz and Kevin Johnson approached me to become the chief operating officer.

MR. RUBENSTEIN: But you said you don't really drink coffee, or you didn't say that?

MS. BREWER: [Laughs.] You know, I was a tea drinker at the time, so that was interesting. [Laughs.] And Seattle wasn't in my plans. But I did – I fell in love with the brand and the company. I saw a great opportunity for – to help the company operate a little stronger.

MR. RUBENSTEIN: OK. So, you moved from Bentonville to Seattle. And you became the chief operating officer of Starbucks. And Starbucks has become so successful because its coffee is better than other people's coffee? Or what is the reason you think it's so successful?

MS. BREWER: I think it's two things. I think it is definitely quality coffee. It's customized, right, for all drinking palates. I also think that it's their coffee practices, along with the baristas in the store. I think the baristas are top notch and really interact great with the customers.

MR. RUBENSTEIN: What's the most popular thing that people ask for when they go to Starbucks? Is it –

MS. BREWER: Oh, gosh. You know, really, just a simple Pike, which is a black coffee, is still very popular at Starbucks. But cold beverages are really, you know, trending so.

MR. RUBENSTEIN: OK. So, you're there. You're doing that for four years. And all of a sudden, I assume a headhunter calls you again?

MS. BREWER: Yeah, now that was a headhunter. [Laughs.]

MR. RUBENSTEIN: All right. A headhunter calls you up and says: How would you like to run Walgreens? And you say, I'm happy at Starbucks? Or what?

MS. BREWER: I say – I think about it for a minute, because I really – I was enjoying Starbucks. I, you know, wanted to be there and didn't really think of myself, you know, coming back into that level of retail. But it was the pandemic. And there were so many people dying at that point, and people who were adverse to being vaccinated. And I knew for sure, because I follow the

science on things. You know, my background is in chemistry. And the science just screamed, you know, that if a vaccine became available, we could curtail these deaths.

MR. RUBENSTEIN: But at Starbucks, you had a perfect name for that, Brewer, right? So, did everyone mention that to you? Is that –

MS. BREWER: [Laughs.] you know, I got that all the time. You know, everything was “what’s brewing,” and all these – yes, hashtag everything, yes.

MR. RUBENSTEIN: So, what did you – when you told Howard Schulz you’re leaving to go to another company, what did he say?

MS. BREWER: [Laughs.] Actually, I had that conversation with Kevin first. It wasn’t – it wasn’t pleasant. I think the board was a little surprised, you know, but we made it work.

MR. RUBENSTEIN: So, do you ever go to Starbucks now?

MS. BREWER: Every day.

MR. RUBENSTEIN: OK, every day? OK.

MS. BREWER: Yes.

MR. RUBENSTEIN: You ever go to Sam’s Club everyday still?

MS. BREWER: Yes. Not every day. I bulk up and –

MR. RUBENSTEIN: OK. So now you have this job since March. What’s the biggest surprise of being the CEO of Walgreens?

MS. BREWER: You know, I think the biggest surprise to me was how complex health care is, and how unfortunate it is to try and manage, you know, personal health, the health systems that we’ve set up in this country. And it’s perplexing. I think that this marketplace is ripe for disruption. And I’m sort of drawn to transformation and disruption. So, I became super excited about it once I began to peel back the understanding of the business.

MR. RUBENSTEIN: Right. So you’re the CEO of a health care company, in effect. It does – you have the physicians’ business, and you also have the pharmaceutical business. What do you do to stay healthy, because you have to be a role model, right? You can’t look like you’re not healthy, right? So, do you exercise a lot, or what?

MS. BREWER: Well, first and foremost, you know, like I said, my health exam is tomorrow morning. I’ll be heading back to Chicago to get that done. So, I take care of myself in that way. I like supplements. So, you know, I take my vitamins daily. And then I will tell you that I work out three or four times a week, as best I can. And so, I make it a priority.

MR. RUBENSTEIN: Well, I think about working out three or four times a week. [Laughter.] But I actually don't do it.

MS. BREWER: Yes. The thing I haven't solved though is sleep. And I think that's our biggest opportunity. If I get sleep down, maybe I can lay off of the supplements a little bit.

MR. RUBENSTEIN: Well, you're supposed to get eight hours of sleep a night.

MS. BREWER: No way.

MR. RUBENSTEIN: No, you don't get eight hours? OK. So today what do you think the biggest health care challenge is for Americans? Is it that we're overweight, we take too many drugs? What is the problem?

MS. BREWER: Yeah. So I think it's two pronged. One is that, yes, obesity is a big problem. But I think it's negligence, but it's not intentional. I think people are confused about the cost and access of health care. And they think it's going to cost them a lot. And when people have variable employment, as we've seen across these last several years is that, you know, they're not quite sure what their insurance will cover and not cover, and what their out-of-pocket expense will be. So, they avoid going to the doctor. And I think that is something we've got to bring clarity to, which is why, you know, the digital side of health care is going to become very important, so that we can all look at our mobile devices and understand what's going on with our bodies.

MR. RUBENSTEIN: So, you're running a global company, in effect, that's more than the United States. So how do you do all the travel you have to do. You're traveling half the time, or something like that?

MS. BREWER: Yes. I travel quite a bit. And, you know, because of my retail background, I go to stores a lot. I love to – I love to walk in stores.

MR. RUBENSTEIN: So, if you walk into a Walgreens today, would they know you?

MS. BREWER: It depends. If I worked out that morning, no, because they don't recognize me. But sometimes no, sometimes yes. And sometimes I can hear them say that I'm in the store. You know, I can hear them chattering – yes.

MR. RUBENSTEIN: Oh, so when they – so when you walk into a store though, and if you don't like something you call the manager and you say: This isn't good? Or you just sort of tell them when you get back to the office?

MS. BREWER: So really what I do is I take a picture of it, and I send it back to my team at the office and say: I wonder why this is happening, right? Because usually it's a decision we've made that is causing something to happen. Nine times out of ten, it's something we've done versus what the store has done.

MR. RUBENSTEIN: So, your competitor, the principle one, is CVS, I think, probably their largest competitor, some people would say. If I – if CVS is right here, and Walgreens is right there, and I could go to either one, why should I go to Walgreens over CVS? I can pick either one. Why are you better than CVS?

MS. BREWER: I'm so glad you asked me that question. You know, I believe our customer experience model is stronger. I think that when you walk into a Walgreens store, you may not have this happen to you every time, but I think you get a nice greeting from our cashiers. And I think our pharmacists are second to none.

MR. RUBENSTEIN: OK. And to be a pharmacist, is that a job where people tend to do it their entire career? Or do they leave, do something else?

MS. BREWER: Well, we have many members of our management that are pharmacists. And so, they come into our corporate entities and so they can migrate through the company. And so, we do have, you know, progression for our pharmacists.

MR. RUBENSTEIN: How do you make certain that the pharmacist isn't maybe taking little pills off of the side and maybe, you know, giving it to himself or giving it or selling it? Do you get controls to make sure that all your pills are there?

MS. BREWER: Well, we do have controls. We have controls on our inventory. Inventory management is really key. There are cameras in our stores. And so, we monitor that very, very effectively.

MR. RUBENSTEIN: So, if you need a prescription, do you have to wait in line?

MS. BREWER: I do. I have to wait in line.

MR. RUBENSTEIN: You wait in line?

MS. BREWER: I do.

MR. RUBENSTEIN: You ever say, I'm the CEO of this company, I'm waiting in line?

MS. BREWER: No. [Laughs.] Absolutely not, no. But usually there's not too much of a line. So, but and I know the best hours to show up too, so.

MR. RUBENSTEIN: OK. So as we talk today you're in Washington, D.C. I presume you're here to meet with government officials to some extent. Do you find that an uplifting experience when you do that?

MS. BREWER: You know, I find – I find quite a few teachable moments for both of us. You know, I try and bring the real-life experience of health care to legislation so that when the right decisions are in front of them, they make great decisions.

MR. RUBENSTEIN: So, what is the principal thing that, say, the drug store industry would like to have the Congress do?

MS. BREWER: You know, first and foremost, you know, I would love to see our pharmacists to operate at the top of their license. And so, for them to pass legislation that will allow pharmacists to both test and treat, so that there's not a second step. And, you know, just imagine a mom who has to take a child out of school and take them to pick up a prescription, only to find out that the child is still sick and go back to the doctor. So, if it's an ear infection, strep throat, we can do a test in the store to figure out. And then pass on the prescription, and the recovery period is smoother, and everyone goes –

MR. RUBENSTEIN: You need legislation for that?

MS. BREWER: We absolutely do, yes.

MR. RUBENSTEIN: OK. And do you meet people from the administration as well, or?

MS. BREWER: I do. You know, most recently there's members of Senate that are primary care physicians. And so, I know who they are. So I meet with them regular. because they understand this best and help us carry the message, you know, throughout.

MR. RUBENSTEIN: So, the average person who goes to a primary care physician in one of your facilities, how long are they there? Is it an hour, or two hours, 10 minutes? How long?

MS. BREWER: No. They're usually there somewhere between 20 to 25 minutes, which is really a little bit longer than if you were in, you know, some other –

MR. RUBENSTEIN: And what's the most common thing that people come in for?

MS. BREWER: Usually it's something respiratory. You know, especially right now, that's usually an ongoing thing. Or usually, most people are monitoring a chronic issue. So where maybe diabetes and high blood pressure are coming together. And there are issues around kidney issues and things like that. And so, it's just a combination of more than one thing happening to them.

MR. RUBENSTEIN: So, in your career what has been a bigger problem, being a female or being African American, or neither?

MS. BREWER: You know, I would have to say being African American. I think that it is still, you know, an issue in our environment to accept people of different races, more so than it is gender. I think I've seen a lot of progress with women in corporate America. And I'd like to see more progress with people of color.

MR. RUBENSTEIN: So, when you are in a board meeting or a nonprofit or other kinds of organization, are you often the only female or often the only African American, or often the only female African American.

MS. BREWER: Yeah, so that's a good question. Usually the only African American female, for absolutely sure. And then secondarily, I would say African American. I look at our board, our board is approximately 50 percent women, the board of Walgreens.

MR. RUBENSTEIN: Really? So you're not discriminating against men who are qualified and want to be on that board, right?

MS. BREWER: Absolutely not. It's 50 percent. So, the other 50 percent are men. So I think that's fair.

MR. RUB. TEIN: OK. So obviously you've had an incredible career. Are your parents – did you parents live to see your success?

MS. BREWER: You know, it's interesting. If I could describe my dad, my dad would define my success as what I did in my – you know, throughout my education. My dad was a father that showed up to everything. If I was getting the yellow ribbon and not the gold ribbon, he was still there rooting me on. And so, he really knew who I was as an individual. You know, he – we talked about that a lot. He passed away six weeks before I finished Spelman. And he – we had conversations. He saw something in me, and he let me know that. So I think he is looking down. I think he kind. knew something good was going to happen. My mom definitely lived through a good part of this. And then my siblings are sharing in, you know, the excitement in our family.

MR. RUBENSTEIN: But your siblings, you were the youngest. Your siblings say, well, when we were beating you up, we didn't really mean it, or? [Laughter.]

MS. BREWER: Oh, yeah, the days my brother – right, right. The days my brother would throw me across the room, yes. But we're very close now.

MR. RUBENSTEIN: OK. And they have to wait in line for prescriptions.

MS. BREWER: [Laughs.]

MR. RUBENSTEIN: So today when you look at the American health care situation, would you say the Affordable Care Act has worked reasonably well, or not so well? Or what would be the major improvements, if any, that you would like to see in it?

MS. BREWER: You know, I think that the Affordable Care Act was – it hit at a very good time. And it was what I would call a pivot in the right direction, because now the conversation – you know, the Obama administration studied health care. And they brought to light the problems of health care. And so now it's clear. And the outcome was the ACA. And I think it was a good start. And I think there's some components of it that are still, you know, existing today, and then we're looking for next generation. But I think it was the right decision at the right time, and it opened the eyes of many.



MR. RUBENSTEIN: So, when you need to get health care checkup or something, do you go to one of your primary physicians that is owned by Walgreens, or do you go to another doctor you have for a long time?

MS. BREWER: I have a relationship that I've had for a long time.

MR. RUBENSTEIN: OK. So you don't want to tell him to sell his practice to Walgreens?

MS. BREWER: [Laughs.] Not yet, but we'll see. [Laughs.]

MR. RUBENSTEIN: OK. So today, you know, you obviously have an incredible career and you're still very young. Certainly, by my standards you're very young. So, have you ever thought about going into government, running for office, or Cabinet, or something like that?

MS. BREWER: Absolutely not.

MR. RUBENSTEIN: Why? You don't want to serve your country?

MS. BREWER: I would love to serve my country, but on the other side of – outside of the –

MR. RUBENSTEIN: As a taxpayer?

MS. BREWER: Yes. I'm fine being a taxpayer and influencing in any way I can. But I find – I've been very effective in my role in having good conversations in this seat that I'm in, so.

MR. RUBENSTEIN: So, if the president of the United States called you up and said: I'd like you to be secretary of something or another, you would say?

MS. BREWER: I'd have to think long and hard, to be honest with you.

MR. RUBENSTEIN: OK. So maybe you might consider it. You're not looking for a job.

MS. BREWER: No, I wouldn't sign up for that, no.

MR. RUBENSTEIN: OK. So you have some children. Your children, are they interested in the health care business?

MS. BREWER: No. They're not. They're not interested in health care businesses at all. I have a son who's, you know, in the – in the corporate environment and I have a daughter in college.

MR. RUBENSTEIN: OK. And do they look to you for advice all the time, and say, well, you know, you're doing this right, or you're doing this wrong, or –

MS. BREWER: Yeah. Ten text messages a day from each of them. But sometimes a lot of it doesn't have to do with corporate. It's all over the board.

MR. RUBENSTEIN: So, for some people you're obviously a role model. For young women, or young African Americans, or for anybody, what would you say is the key to success in rising up in the corporate world that you would advise people they should do?

MS. BREWER: You know, I really advise people as I'm mentoring them is that – you know, is to look at these roadblocks as opportunities. Because you're going to have them. And sometimes I get a little frustrated because, you know, some will – you know, people that I mentor believe that this is, like, a conveyor belt, like it's just easily going to happen. And, you know, sometimes you have to look at – you know, in my career I took probably three lateral jobs and probably maybe even more setbacks financially, just to get the development. You know, like I said, I left Kimberly-Clark as group president and came into Walmart as a regional vice president. But, you know, it was important for me to learn a new skill set. And I hope that this generation is patient enough to make those decisions.

MR. RUBENSTEIN: OK. Now, sometimes headhunters have called you and said would you be interested in this job or that. If a headhunter called you now for another corporate job, you're –

MS. BREWER: No, I would not. I really, truly think this is – the culmination of everything I've done in my life is coming to bear right now. This is what I want to do. I'm being – we're being very intentional about impacting medically underserved communities. That's important to me.

MR. RUBENSTEIN: So, you're finishing up your 10th year as chair of Spelman's board. So, what's it like to go to the college and become the chairman for 10 years? And what are the biggest problems that college students have at a place like Spelman these days?

MS. BREWER: One is affordability. The cost of higher education is escalating. And so, I would say that affordability is one of the issues. And then second, if I look at this point in time right now, we have what I will call the pandemic teenagers attending college right now. And they had a lot of social and emotional impacts. And so many college campuses are addressing that with increased counseling, because it's real.

MR. RUBENSTEIN: OK, so your company is more in the U.S. than anywhere else. But are you trying to expand it outside the U.S.? I know you have the English part, but what about Asia, Latin America? Are drug stores in Asia, Latin America, Europe much different than they are in the United States?

MS. BREWER: Yeah, they're – just because the health care regulations are different around the world, that it does impact how you dispense meds around the world. And, you know, you look at our Boots unit, and I would say it's more of a cosmetic and beauty company that happens to have pharmacy aligned with it. So, I think you'll see us become more of a U.S.-based health care company over time. We've been very transparent about, you know, the potential sell of the Boots business, which we attempted in the last year or so. And due to, you know, capital markets, we pulled away from that strategy for now.

MR. RUBENSTEIN: So, the outlook for the industry you're in is reasonably good? I mean, you think people are going to keep buying the kind of things you're selling?

MS. BREWER: Yes. I actually do. You know, I think that health care is going to be local. The majority of our stores – 90 percent of our stores are within 15 miles of the household. And so, access to pharmaceuticals and then eventually we'll have 3,000 what we call health corners in our stores. Those are areas in our store where you can just come and talk about your health care needs. And then we'll have the Village MD portion. So, we'll have points of care in at least 50 percent of our buildings in the future.

MR. RUBENSTEIN: So, is the most important thing, for people who want to go to a drug store, is it access to being close to where they live, or is it the price? Is price more important than access, or?

MS. BREWER: So, I would say convenience is first. And I think the relationship with the pharmacist is second. They spend a ton of time, once they're – you know, you leave a doctor's office, and you have an early diagnosis of something. You leave there in a daze. But by the time you're handing that script over to that pharmacist, the reality is setting in and you begin to ask the real questions. And our pharmacists have to be able to answer those questions.

MR. RUBENSTEIN: And so, I know you can't talk about price competition and antitrust-related things, but prices seem to be almost the same at Walgreens and at CVS. Is that just there's only a limited amount you can change for these products, or? Because they seem to be relatively the same.

MS. BREWER: Well, you know, I think, you know, there's market pricing for a lot of, you know, commodities. And so, I think we probably fall in the same line. I mean, if you look at your customer base and, you know, you price according to what your customer can bear.

MR. RUBENSTEIN: So back to my razor blade phenomenon, I notice if you want to buy really nice razor blades, they're locked up. But, like, they have these little things where you can buy 20 at once in a little plastic bag, which are just not the best ones. They're not locked up. So, should I conclude they're not as good or nobody wants to steal them?

MS. BREWER: [Laughs.] They probably don't have a lot of good resale value, yes. That's the way to think about it, yes.

MR. RUBENSTEIN: Oh, I see. OK. So what's the greatest pleasure of being – other than doing interviews like this – the greatest pleasure – the greatest pleasure of being CEO of Walgreens?

MS. BREWER: You know, I think for me the greatest pleasure has been this transformation we're in to become a health care company, and really thinking about the needs of most Americans and taking care of themselves gives me great joy, you know, to think that we might possibly be able to turn the corner on health outcomes, and the cost of health care, and create new relationships that are uncustomary. You know, the idea that a drug store now, you know, owns primary care physician practices is novel. And I hope it answers and responds to, you know, the growing inequities in health care.

MR. RUBENSTEIN: And what will you hope ultimately your legacy to be when you retire 40 years from now? Forty years from now, you can still be young enough to be president of the United States, right? So?

MS. BREWER: Imagine that. [Laughs.]

MR. RUBENSTEIN: What would you like your legacy to be?

MS. BREWER: You know, I hope that people can talk about, you know, the opportunity they had to work at Walgreens. I am – you know, I was that person that was low on the totem pole that needed to escalate. I hope that people can talk about what their experiences were as an employee. I really would hope so.

MR. RUBENSTEIN: OK. So I'm going to go to my local Walgreens today and say: I just met with the CEO. And she said it was OK to buy this at a discount. And she said I don't have to stand in line, and things like that. She said that that's OK? He won't mind?

MS. BREWER: Yeah. Just let me know which store you're going to. I'll try and call ahead. [Laughs.]

MR. RUBENSTEIN: OK. OK. All right. Thank you very much for an interesting conversation.

MS. BREWER: Thank you, David.

MR. RUBENSTEIN: I have a little gift for you.

MS. BREWER: Oh, thank you! David, that's not little. Oh, that's lovely.

MR. RUBENSTEIN: This is a map of the District of the Columbia.

MS. BREWER: Wow!

MR. RUBENSTEIN: OK.

MS. BREWER: Isn't that nice!

MR. RUBENSTEIN: Thank you.

MS. BREWER: Thank you!



**Rosalind Brewer**  
**Chief Executive Officer**  
**Walgreens Boots Alliance, Inc.**

Rosalind (Roz) Brewer joined Walgreens Boots Alliance, Inc. as Chief Executive Officer in March 2021. She also is a Director on WBA's Board. Ms. Brewer most recently served as Chief Operating Officer and Group President at Starbucks from October 2017 to January 2021. Prior to Starbucks, she served as President and Chief Executive Officer of Sam's Club, a membership-only retail warehouse club and division of Walmart, Inc., from February 2012 to February 2017. Ms. Brewer previously held several executive leadership positions with Walmart beginning in 2006.

Prior to joining Walmart, she served as President of Global Nonwovens Division for Kimberly-Clark Corporation, a global health and hygiene products company, from 2004 to 2006, and held various management positions at Kimberly-Clark beginning in 1984.