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Dean's Executive Leadership Series - 2008-2009

Transcript of Presentation (Part 1) with Priscilla Stewart-Jones, Senior Vice President of Human Resources for McKesson Corporation's U.S. Pharmaceutical Group

About DELS: The Dean's Executive Leadership Series at the [Graziadio School of Business and Management](#) features in-depth audio or video interviews with today's top business practitioners and thought leaders. [Listen](#) or [subscribe](#) to the podcast to hear their views and insight on the current challenges and opportunities facing the business community.

Start

Narrator: The Graziadio School of Business and Management at Pepperdine University proudly presents the Dean's Executive Leadership Series. This podcast invites top business practitioners and thought leaders to share their view on the real world of business.

Dean Linda Livingstone: Well, good evening everyone, welcome to our Dean's Executive Leadership series. This is our second, I guess, installment of this series in Northern California. Last year, how many of you were at Bob Simpson for Jelly Belly last year? Did you take home those nasty little Jelly Belly's he gave us and eat them? Oh man, those were bad! <laughs> It was like right after Halloween and he had leftovers and it was bad. Oh, goodness. But the pomegranate ones, those are good, so you should try some of those. But it is such a pleasure to have you here. We are always so glad to be in Northern California, we have such a wonderful alumni group here and so we appreciate you being here tonight. And I know that you will enjoy so much our speaker. I do want to mention a couple of things as updates before I introduce Priscilla to you. First, I want to recognize Farmers Insurance Group. They continue once again this year to sponsor our Dean's Executive Leadership Series and we appreciate their generosity so much. They also help sponsor our education to business program which is a wonderful live case program and we couldn't do these kinds of things without support from organizations like Farmers.

I also want to mention as we certainly continue- as you all are experiencing these challenging economic times, we are also really encouraging our alumni to help us in a couple of ways. One, to refer prospective students to us. We have done some analysis and find that our best students in all of our programs come

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from referrals from alumni because you know us, you know what kinds of people will do well, and you know who you'd like to have as a fellow alum. And so we do have actually a special scholarship program which you've probably gotten something about if you're an alum, where if someone is referred to us by an alumni and enters our program either in the summer or in the fall they will receive a \$2500 scholarship in your name. So certainly be thinking about people that you think would be good. Let us know. And there's a place on the website where you can go and submit that information. That would be fabulous. And then also we have students graduating in April. We have alums that are looking for job opportunities. If your company is hiring either interns or people into permanent positions, certainly think about hiring Pepperdine alums or students first. And you can go on our website, we have a web presence called Graziadio talent online where those can be posted. We certainly have staff that can work with you as well as we try to support one another and work through these challenging times.

We just recently had a business plan competition that we host on the Malibu campus in southern California. And I mention that tonight because for the very first time ever in the history of that competition, and we've been doing it for- is this the fifth Debbie? Fifth year. We had an executive MBA team win the competition and that executive MBA team had a student from northern California on the team. He is Pratih Shah. I don't know if any of you know him or not but he actually couldn't be here because he was in southern California yesterday with us at a golf tournament and is actually doing some business down there. But his company is called Air View Golf. How many golfing fans do we have in the audience? Okay. So you need to go on iPhone app store and look for Air View Golf and they have this cool application that you can download all of the golf courses- satellite photos of all of the golf courses and get your yardage and all of that cool stuff. So for you golfers with iPhones, help out a fellow alum and go to the app store- the iPhones app store.

While I'm talking technology you can also go to iTunes and YouTube and see any of our previous DELS events that we've had this year. They're on video at YouTube at YouTube University. And we have the podcast on iTunes and you can certainly see Priscilla later both on YouTube and iTunes. Those are wonderful resources particularly for those of you that aren't physically in southern California and don't have quite as many opportunities to see some of these speakers. And I did mention our golf tournament and we did have that yesterday. It's the Friends of George Graziadio Golf Tournament that we hosted at Trump National Golf Course. And I mention it particularly because golf tournaments in times like this are extremely challenging ways to raise money. But I want to say that yesterday we raised over \$130,000. Mike Simms and his staff put it on. The most we have ever made on our golf tournament and so we're just thrilled. It's going to help support scholarships, help support careers resources. So it's just a testament to how much our friends support us, the work that Mike and his staff did to make that a success. One last question for you before I introduce Priscilla.

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How many graduating students do we have here that will be graduating a week from Saturday? I know there's one- two, right here. Yes! Congratulations to you both. That's fabulous. <applause> They will be coming to Malibu to join us for the graduation. And you may not know this yet but we're actually honoring John Figueroa who Priscilla works with. He's the president of McKesson Pharmaceuticals and he will be receiving our distinguished alumnus award at that ceremony. So you get to hear two McKesson people speak fairly close to one another. And then we are actually doing something we haven't done before, we're honoring two individuals to receive honorary doctorates at our graduation. We're doing a husband/wife couple this time. And we'll be honoring Mark Burnett and Roma Downey. And if you aren't familiar with those names Mark Burnett is the producer who does Survivor and Are You Smarter than a Fifth Grader and all of those many, many shows that he does. And then Roma is probably best known for her starring role in Touched by An Angel. And they're Malibu residents, love Pepperdine and we're so- it's going to be a fabulous weekend. So we're glad you guys are going to be there and I look forward to congratulating you and shaking your hand then. Well, tonight we have a very special guest with us and I think this is going to be a very interesting discussion given what's going on with healthcare, what's going on just in human resources generally in the economy today.

We're just very privileged to have with us Priscilla Stewart-Jones who is the Senior Vice President of Human Resources for McKesson US Pharmaceuticals. McKesson Pharmaceuticals has over \$80 billion in revenue and operations in 30 states and Puerto Rico. Priscilla oversees the development and implementation of human capital strategies for talent acquisition, succession planning, workforce development, organizational effectiveness, and mergers and acquisitions. These programs really help support all 6500 of the associates at McKesson Pharmaceuticals. Priscilla has been with McKesson since 2001 in a variety of leadership positions. She moved into this role in 2006 and she's created and successfully led people strategies for multiple mergers and acquisitions resulting in the expansion of McKesson's market share and over \$4 billion in incremental revenue.

She has many years of human resources experience prior to coming to McKesson in industries such as consumer-packaged goods, hospitality, and banking. She went to school at the University of Memphis in Tennessee and has an MBA from St. Mary's <clears throat> College. It's really, really difficult for me to say in public here but I will. We will forgive her that one error in her life. But no. <laughs> No, but it is such a privilege to have Priscilla with us. I did get to interview her earlier for the podcast and I know that you are going to enjoy so much hearing from her. She is going to share some remarks with you and then we will- I will join her up here and have a brief conversation, then we will open the floor for questions so be thinking about what you would like to know from her around healthcare or around what's going on in human resources area. And we'll have a wonderful conversation tonight. So Priscilla, wonderful to have you with us.

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Priscilla Stewart-Jones: Thank you Linda. I don't have Jelly Belly's though so I'm going to have to figure out what I can give you. You know, being with a drug company I'm not quite sure if there's anything legally I can give you. So, we'll keep that in mind. As I was preparing for the discussion today I was thinking about a lot of different things, but I read an article in the newspaper on Sunday and actually there was an editorial cartoon that really caught my attention. And I have to describe it. And I am a person that uses a lot of gestures so hopefully that will not take away from the comments that I'm going to share with you. But in this particular cartoon the individual was red faced and he was leaning against it almost looked like a pane- a windowpane, and he was just upset. And he said, "You know what, with all of these government bail outs and with all of these monies and the intervention from the government and with all of these bonuses that are being paid I am just mad as hell and I'm not going to take it anymore. I am mad as hell and I'm not going to take it anymore." That was the first pane. In the second pane we saw a little bit more of this individual and the room that he was in. And he was actually seated on a couch and he was continuing his monologue and he continued to say, "I'm mad as hell and I'm not going to take it anymore as long as I don't have to write my congressman, as long as I don't have to form an opinion, as long as I don't have to march a protest, as long as I don't have to really get off my couch and turn off my TV. So maybe I'm not as mad as hell, and maybe I will just have to live with the conditions that exist today." So, as I saw that cartoon I thought it was very apropos because part of what you are going to hear from me tonight is to not accept the status quo and to really get involved and to really get engaged, especially around an issue that is important to everyone. And that is around healthcare, one of the most pressing issues of today's time.

So I want you to be engaged and informed about the challenges facing healthcare. It touches everyone at some point in their life. I'm also here to talk to you about McKesson Corporation because for some of you until you got the invitation or signed up to attend this event, you may not have been aware about McKesson Corporation, one of the best kept secrets in the Bay area. Also though, as an employer even in healthcare McKesson faces some of the same challenges of other employers in terms of making sure that we provide quality healthcare for our employees. And I'll talk about some of the things that McKesson is doing as an employer. And then I was asked by Linda and team to also talk about and share a few insights from my journey as an executive and how I got to be where I am today. It's interesting how early in life some of the experiences can prepare you for decisions that you make later in life. While I didn't start my career in healthcare, it's fortuitous that I am working in the industry today. I was a PK growing up. Now, for those of you in the room- and I did stack the deck, there are a few people here from McKesson with me as well as my husband so you know the answer so you can't share with the rest of the folks.

I was raised as a PK. How many of you know what a PK is? Ahh, a few hands other than Linda and you can't tell either. So, that left one other person that raised her hand. What is a PK? How do you know

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what that is? Ahh, you're married to a P. So tell me a little bit about the P in terms of denomination. That should be a tip. Wonderful. <laughs> So PW, nice to meet you. And I am a PK or a preacher's kid. So growing up in that environment, being the daughter of a pastor and also my mother was the oldest of 14. So you can imagine there was a lot of rigor but there was also a lot of love in that environment. And one of the things that occurred in that environment though is that my father and my mother gave away more money than they actually kept. And so it meant that while I was in college I actually worked. And the very first job that I had was a part time job and it was intake for an emergency room at a general hospital. Now, if you've ever been to an emergency room in a general hospital then you know what that environment is like. It is not only traumatic, there is also a lot of drama that occurs in the emergency room.

So if you can picture this: I was 18 years old and I was working the evening shift as the intake coordinator in this hospital. In this particular instance there was a gentleman that came in. He had a head wound. And this head wound, it was just bleeding profusely and you could tell he was dazed. He was actually by himself. And so it was clear that he needed help. And I was trying to remain calm and I asked him his name. And that's all I remember until I heard someone asking me my name. I looked up and they're like, "Are you okay Priscilla? Are you okay?" I knew then instantly that I would not be a medical practitioner and that I needed to find a different job. So some of this around emotional intelligence, I knew then I needed to find a different job and I did very shortly thereafter. However, even with that brief experience, I knew that there was something special about healthcare and obviously there was a need. And it's interesting that later in life I find myself back in healthcare, although thankfully not in a hospital setting, thankfully not as a practitioner and not around blood and probably people that would have been my patients are also thankful. Given that though, healthcare is very important. We read about it almost everyday. It's certainly top of mind for the administration and for our President. Did you know that medical errors account for more than 100,000 deaths a day in the US? Did you now that? Well, that's a 747. And I said a day, it's actually yearly. That's a 747 that falls from the sky almost daily. Think about that. Think about the outcry that would occur if a 747 was falling on a daily basis. That's a very sobering statistic. Well, the outcry is really building right now for healthcare and we're hearing about it. While it might be building slowly, it is an outcry nonetheless that we need to make drastic changes within the healthcare system and that really does require everyone to be engaged in the dialog as well as the debate.

That's why I believe strongly now is the time for everyone to get involved in the conversation around healthcare. McKesson Corporation, the company I work for, is involved. As a matter of fact, it's in the middle of healthcare and able to contribute solutions in a very positive way. As Linda said, McKesson is a multinational healthcare organization. We have revenues in excess of \$100 billion. We have 35,000 employees throughout Canada, the US, and Europe. Today, McKesson is number 18 on the Fortune 500

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list. McKesson Corporation is really comprised of two major segments. There is the distribution segment and there is the technology segment. The US pharmaceutical distribution business, which is the segment that I work for, is responsible for 90% of McKesson's revenue. Think about that. As well as McKesson's EBIT. No small feat and there is no pressure in terms of what has to be done on a yearly basis. You may not know this but McKesson is actually 176 years old. Today we deliver vital medicines, medical supplies, care management services, automation and health information technology solutions. We touch the lives of over 100 million patients in healthcare settings in the US and Canada every single day. Our qualifications though don't end with our years in service. We employ hundreds of medical professionals, doctors, nurses, pharmacists, whose deep clinical knowledge ensure expert trusted support for the clinicians that we serve and for our customers that we partner with. And we offer the industry's most patient safety solutions for hospitals and systems in an end-to-end integrated program built by years of close collaboration with our customers.

Now, I just said a lot in a very compressed timeline about McKesson, so if I tested you would you remember what I just said? No hands go up. Hmm, so we'll have to save those prizes until the end. So as I think about it, here's really what I want you take away. McKesson is the largest healthcare services company in the world. Not the US, the world. We're the oldest healthcare company in the US. We deliver more than one third of all medicines in the US. We have deep clinical technological process and supply chain expertise. And we're the only company offering solutions at every point in healthcare. What do I mean by every point of healthcare? Think of it as the players along the healthcare continuum. And there are a lot of players but I'm going to talk to you about just a few. First, there is the government. And you can think of it as federal and state. And you can think of Medicare and Medicaid but obviously there's also the influence of policy. There are payers. Those are primarily the health insurance companies and providers. There are the medical providers, the doctors, the clinicians, the nurses. There's a delivery system, which would be the hospitals and the clinics, long-term care facilities. There are large intermediaries and this may be a term you're not familiar with. These are pharmacy benefit managers. Think of them as the air traffic controllers of healthcare. They really connect the payers, the insurance companies with the doctors, and they connect the insurance companies with the pharmacists. They basically help to keep the planes, if you will, in the air. So the PBMs.

And then there are the consumers or the patients. Now, each of these players is really under a lot of significant pressure: pressure to reduce cost, pressure to increase efficiency and effectiveness. But having said that, which of these players do you think is really the most important? And she raised her hand and she said it, she knows it, and the answer is the consumer: the patient, the public. Because candidly, if we are engaged, if the public is engaged asking the right questions, forcing a change in how we look at healthcare then the other five players along the continuum will get it right. So the more we are engaged the more likely that that will effect a positive change. This evolution is really complicated

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though. Here are a few facts to consider. The US healthcare system is valued at approximately \$2.3 trillion. That's equal to the GDP of the country of France. That's a lot of money. The government is the largest single purchaser of medicine and medical services in the US. However, they are also challenged to find ways to operate more efficiently and more effectively just like employers are. They have limited resources and face many of the same issues. But as I mentioned earlier, the government also plays another role. The government can influence or create policies that standardize care, cost of care, healthcare technology, and other areas that really have a positive impact on healthcare. The other players though are also under similar stressors in terms of reducing costs and improving efficiency. And they're also facing significant administrative complexities and pressures that lack connectivity and they also lack resources. These players operate though very independently. Candidly they operate in silos. I was having a conversation during the reception in terms of what are some things that we might do differently to really improve healthcare. And everyone is struggling with that conversation, struggling with that debate.

But these players that really can have a positive impact not only do they operate independently, they actually lack the incentives to align even basic connectivity to foster alignment, innovation, and to improve efficiency. So you might ask yourself, well how does McKesson actually help each of these players? We have software and programs that effectively reduce errors and increase workflow efficiency. We have clinicians and programs that provide disease management and medication therapy management. This also helps to improve the health of patients as well as reduce cost. We have consulting services to optimize efficiency. We have expertise in supply chain management to ensure appropriate medicines are available on time as needed. We have partnerships with payers as well as the intermediaries, the PBMs. We have the largest contract with the US government through the VA. We partner with providers such as physicians as well as touch the delivery system through partnerships with hospitals, clinics, and long-term care facilities. In essence, we offer a 360-degree perspective for our customers and our partners. We help with access, we help with quality, we help with safety and efficiency. All of this results in better and more accessible healthcare. We are the only healthcare corporation in the US that can say that. Let me give you an example. There was a hospital in the Bay area, and I won't name them, but they came in for a quarterly business update. And during this discussion they talked about the fact that they have 35,000 patients a year at this particular location. Because of the robotics and because of the software applications that they have from McKesson in that one location, they've been able to identify and prevent errors for at least 600 patients a year for the last three years.

So that's 1800 lives that were positively impacted because of programs and or automation and other services including robotics in that hospital. That's just one location. Think if that was actually in place in every hospital in the US. That's the power of McKesson. With the challenges facing today's healthcare system, McKesson is really uniquely positioned to help improve healthcare. We leverage scale and

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resources on behalf of our customers. We are vocal in the national dialog on healthcare issues. Our CEO John Hammergren, as an example, serves as the chairman for the Healthcare Leadership Council, which is an affiliation of CEOs from all disciplines within healthcare working with Congress to jointly develop policies. So as you can see, McKesson is really everywhere along the healthcare continuum. Now you can see why I really like working for this organization. We make a difference that you can see, touch, and feel on a daily basis. Now, I've talked a lot about McKesson as a leader of healthcare, but since I'm the SVP of HR I probably should spend just a couple of minutes talking about from an employer perspective what are the things that we are doing to make sure our 35,000 employees are provided quality healthcare benefits. Here are some interesting facts that are really impacting all employers. Healthcare cost increases are holding steady at 6%, same as last year. While it's down compared to 2006, and also compared to the double digits of the '90s, these increases continue to outpace inflation. As a matter of fact, it's double inflation.

Employers today are actually paying 29% more for healthcare costs for their employees than they were paying five years ago. For most companies healthcare consumes a large portion of the total benefit expenses for the organization. However, even with those cost pressures, employers need to balance the savings with comprehensive health benefit offerings to attract and retain key talent. Absolutely necessary. So how is McKesson really addressing some of these challenges and what are the some of the basic principles that guide our decisions? Like most companies we have a vision and value statement. But unlike some companies I've worked for where those vision and values were on a placard on a wall, they really were never integrated, the values at McKesson are really reflected in everything we do and really greatly influence our culture and our success. The values are ICARE. I for integrity, C for customer centered, A for accountability, R for respect, and E for excellence. And we really do live those values. It's fortuitous that I work for a company that has a value system that's very similar to the values that I was taught during my formative years.

Now, as I said, my father was a minister and my mother was the oldest of 14 kids. So the I for integrity. In my house it was do the right thing. If we're looking at accountability, it was work hard and make sure you deliver against your word. If we are looking at respect, well, do unto others, follow the golden rule. Or in some cases, the platinum rule, not just do unto others as you would have them do unto you but as they would want to be treated. And then excellence, get the job done right, produce the results that are reflective of your ability. So very consistent. When I started with the organization one of the things that drew me to McKesson is that the value structure within McKesson was very similar to the values that I had grown up with. The same value system, combined with our commitment to healthcare, ensures we provide access, quality of care at the right price for our employee population. To make this happen, over the next three to five years McKesson is focused on prevention, education, quality of care, and cost

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management. Now being at a business school I probably should start with cost first and what we're doing to address cost.

Last year we began consolidating and leveraging offerings across the US. And we did this really to negotiate better pricing with our healthcare providers, not only to ensure better cost for the company but also better pricing for the employees. The target was to lower cost across the entire spectrum. We also refined our review process to more effectively measure the impact and value of health programs, assessing and offering only those programs that have demonstrated better outcomes especially around disease management and treatment. This also included targeting chronic conditions. These are the conditions that all have proven clinical protocols that can save thousands of dollars for the company but more importantly improve the health of the employees. Let me give you another example of what I mean. A diabetic that is not adhering to their prescribed regimen can actually cost greater than \$10,000 a year in terms of their treatments and their medical follow-up. If, however, the diabetic follows the prescribed regimen they can actually reduce that cost by at least 20% to 25%. This is one person. They can reduce the number of absenteeism days by 3 to 5 days per year and they can also increase presenteeism, the act of really being engaged or being focused on what they can do. That's just one person, that's just one chronic condition.

So, given that, McKesson actually instituted the use of disease management and we also launched a medication management therapy pilot. And the purpose of the pilot really is to ensure that even at the point of interaction with the pharmacist that the employee is starting to get counseling to make sure that they are being compliant with their regimen. So these are just a few examples of what we are doing. However, the most significant focus is really on education and prevention but this requires a change in behavior. However, studies have shown that the most effective way to really mitigate or reduce cost is prevention as well as early detection. So to help in this effort in terms of the behavioral change, we offer cash incentives to encourage participation in wellness, we have no copays for certain preventative screenings, and we also offer discounts for certain programs if assessments are completed. Over the last two years we've begun to provide more consumer choice and more consumer directed programs: getting the employees really involved in understanding the cost of their healthcare and also understanding more importantly the cost of their choices. Getting them engaged. However, for this to be successful it really does require access to information to make informed decisions.

Let me give you a personal example. My husband is here with me and we have a 12-year-old son. How many of you are parents? Oh, a lot of parents. Well then you'll be able to relate to what I'm about to share. One of my worst fears is not being able to protect our son. Last year I was attending a conference in southern California and my husband called to say that our son was having severe abdominal pain.

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Initially we thought it was minor and it was not going to be a problem. But he called me back a couple of hours later and said, "I'm at the emergency room." So needless to say I left the conference immediately and I came to see what was going on. It got so severe that he was actually hospitalized and put on a morphine drip. Now he's 12 years old. Well, at that point he was 11 and he only weighed 80 pounds so to be put on a morphine drip at 11 years old obviously was an indication of the seriousness of the illness at the time. Unfortunately the doctors were not able to identify the issue. They were never able to identify the issue. What I can tell you though is that he recovered miraculously, and maybe there was some divine intervention but he is okay and everything is fine. But that personal experience really pulled me into the healthcare debate in a very real and different way. Until then I actually thought I knew a lot about the challenges and the disconnects within healthcare, especially working for McKesson and candidly being the SVP of HR. However, this personal situation quickly took me from the philosophical discussion to being in the middle of the debate. It also forced me to become even more educated about healthcare options and, frankly, to be more engaged in the process. It also highlighted how McKesson's offerings could have mitigated some of the challenges we face in the situation. Had the hospital, the lab, the specialist been more connected using some of McKesson's technologies, some of the delays and the miscommunication regarding my son's treatment would not have occurred. Now, what I can also tell you though is that our relationship with that particular provider has changed. I don't think it had anything to do with my personal situation, wink, wink. Healthcare can be very complex and full of uncertainties or variability, especially regarding treatment options because most individuals aren't equipped to address.

You don't have the information and there aren't standards that exist that would make that information available. It's very, very different than conducting research to purchase a car or to purchase a computer or to purchase clothing where information is readily available and you can do comparisons. But even with those limitations, employers can still provide access and information to help educate employees about wellness programs, preventative measures, and also help them understand other options that are effective and at a better cost not only for themselves but also a better cost for the company. So, if there are any employers in the room, and I know there are some because I met a few earlier today, hopefully you're already working on these types of initiatives. And if you're not I would challenge you do so. And for employees that are in the room, if your employers are not talking to you about these sorts of initiatives, please ask them the questions. Remember, it's about being engaged. Now, I want to shift my comments to how I came to this position of leadership at this very extraordinary company. As I think back on my journey there are a few key learning's that I'd like to share.

And I know most of you in the room are really well into your career but some, as I discussed with a few during the reception, are looking at making changes. So I think these rules would still apply or this advice would still apply. So first, I've had to make sure that I walk the talk and it was all about values and action and for me that's about integrity, that is about doing the right thing. And it really does resonate with the

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ICARE values of McKesson that are also my personal values as well. Secondly, it's about getting results. If you can't get results, you don't get in the door let alone getting a seat at the table so you absolutely have to get results. I was actually speaking at the HAS [ph?] Women In Leadership conference a couple of weeks ago and a young lady asked me a question. She said, "I'm really in a predicament. I am in a very small firm and at this firm I've had some challenges in my current role for the last three years and I really want to do something different. How do I get management to really be supportive of me? Or candidly, how do I leverage my internal network so I can find a job somewhere else?" And what I said to her very candidly and directly was, she first needed to show results because she had not shown results in her current role. And without showing results you don't even get in the door. So that was one lesson that still carries with me today. Next, know the business. And I really started the understanding of what that really means at Memphis State University.

While I was at Memphis State, or now the University of Memphis, the professor of organizational behavioral psychology, Dr. Matthew Jewett, was talking to me one day about what I wanted to be when I grew up, what I wanted to do when I graduated. And what I said to him is I wanted to do something that I loved, something that was challenging, something that would allow me to add value but also something that, frankly, would allow me to make money. So having said that, Dr. Jewett said, "Well, the first thing you need to know is get to know the business." So I wasn't quite sure what he meant by that although at 18 being in college I should have known a little bit more about that. But I decided to put it to the test. I started working for a company called Union Planters Bank. This was the south so some of the names are a little unique. And the bank still exists today although in a different form. And I worked as the employee relations assistant at this bank. And I decided that I would put his advice to the test. So, I interviewed managers, I interviewed other employees, I took continuing education classes, I volunteered for special projects. I made sure my name was out there, I made sure people knew who I was. But I also learned the business with everything that I did. I got noticed. I not only got a raise, I also got my name on the short list for some programs that the bank was looking at implementing. Now, needless to say I didn't stay in banking because if I did, and no offense to those of you that are in banking, I'd probably have a different story that I'd be sharing with you today.

So, I'm glad that I made the change that I made at the time. The next big lesson I learned was to find a mentor and also how to navigate within the organization. My first real mentor is actually in this room and her name is Gloria Evans. And she'll probably be upset with me. She doesn't know that I'm going to talk about some of this so I'll be limited in what I share. Gloria is a reformed lawyer. She is a general manager. She led human resources for Coca-Cola Enterprises and she's an entrepreneur, a consultant, I can go on and on. So, as you can tell, I have great admiration for Gloria. I first met her when we were both in the hospitality industry and I also worked for her a second time at Coca-Cola Enterprises where I really believe my career as a professional began. She taught me a lot about the business and she

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clarified for me what it means to know the business inside and out. But one of the things she said, and Gloria I don't know if you'll remember this and I'm looking at her because she's right here in the front row, but we were in her office and she looked at me and she said, "So you think you know the business about making soda pops?" And I said, "Well yeah, I think I do." And she said, "So you know the ins and outs of the business?" And I said, "Pretty much I think I do. I know the margins are thin, I know that the you put the fizz in the bottle along with the formula in the bottle, you add a little water, you bottle it, you sell it. You do some market analysis."

So I repeated to her what I thought I knew about the business. And then she said to me something, don't be upset with me, she said, "Girl, you need to follow the money trail and until you can follow the money trail you do not know the business. You need to know it from inside out, you need to know it from the standpoint of the competition, and you need to know it from the standpoint of the customers. And until you can do that in your sleep you do not know the business." So needless to say I had to go out and actually do a lot more research and homework. And it was the best advice- one of the best pieces of advice that I was ever given and I still live by that today. So, in that experience though I also learned what the true meaning of having a good mentor is, because not only are they a teacher and not only will they help you navigate, they will do course corrections with you in a very safe way so that you will continue to grow very effectively in the business. And she's also a dear friend still today. So thank you Gloria for that advice. By the time I joined McKesson I had a good foundation of tools: work hard, deliver the results, get to know the business, follow the money, have a good mentor. I started in human resources for US Pharma reporting to the SVP of HR. Now, this was also my first time working in the corporate office. How many of you work in corporate offices now or have? A few. Okay. And how many of you have only worked in the field not at corporate? Okay, a few. Well, here's what I will say. Working in the field and then working in corporate are two different animals. The dynamics are different, but the politics are very, very different. So cultural environment, protocols: very, very different.

So for me I had more that I needed to learn and more I needed to add to my tool kit. So, my SVP of HR, what she said to me is having a mentor is necessary but having a sponsor is vitally important. And the distinction being that the mentor will be the person to help you in terms of learning and also course corrections and navigation and building your knowledge, the sponsor is someone that actually will be your secret weapon. They are the ones that will sell you, if you will, will market you within the organization, will make you aware of opportunities that you may not be aware of. And candidly will also make sure that your name is known by the real decision makers. So that was a key learning for me. One of my first sponsors was and is Jack Fragie, who is the SVP of national accounts. And Jack doesn't know that I'm going to talk about him either. So I'm probably going to have to buy some drinks after this session. Jack is, as I said, the SVP of National Accounts for McKesson and he is responsible for \$50 plus billion in revenue on an annual basis. And Jack is also in the front row. No real pressure for Jack and for his team

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either. I'll never forget the very first conversation that I had with Jack. I was making a customer call, so I was talking about the usual HR related human capital needs, talent development, succession planning, all of those sorts of things and then when we got past that I started asking Jack questions about the business. I wanted to know about the customers, I wanted to know the pricing strategy. I wanted to, frankly, see contracts. I was asking him all sorts of things and he finally said, "You sure do ask a lot of questions for an HR person that aren't HR related. Is there an investigation? Am I being interrogated? Is there something going on that I need to know about." And I said to him, "No Jack." But I shared with him the advice that I had been given by Gloria and by Dr. Jewett: know the business, follow the money. And I couldn't do that sitting in HR. I couldn't do that being isolated. I actually needed to get engaged and I needed to get engaged with also someone that had the largest segment of the business. Jack was nice and you don't know Jack but Jack doesn't suffer fools and he said to me, "I think you're sincere and I'm going to help you learn the business." And he, in fact, has been very kind and inclusive in making sure that me and my team are very much engaged in the business. And that was in 2001 and Jack continues to be a sponsor and a supporter today.

Finally, I had to learn about taking risk with my career. Originally I didn't think I was ready for this position. This was two and a half years ago. And part of what caused me to rethink whether or not I was ready for this position, I got to be the SVP for human resources for a multi-billion dollar organization and for US Pharma, that's 90 plus billion now that we contribute to the organization, I just wasn't sure that I was ready. Candidly, there was a little bit of a fear on my part. What I can tell you though is that John Figueroa is also a sponsor and he's also a friend. And John said, "I think that you are ready and I am willing to support you." And what happened over the next maybe two to three weeks and into a month or two after lots of discussions with my husband and some sleepless nights, I decided to take the risk. That was two and a half years ago. And arguably, at least based on the feedback that I get from him in my performance reviews, I must be doing a pretty good job. And I think my peers would tell me if in fact that was not the case as well.

So, that's the last piece of advice I would say is also taking risk whether you are mid career, whether you are starting your career, or whether you are looking at changing your career either by design or by events. Making sure that you are looking at risk. Plan for risk doing your research, putting together a plan and a strategy just as you would if you were selling a service or a product offering but taking risk. So now as a leader, my foundation for decisions on how I guide or lead is really our core values, ICARE. For me these are simply not just words. This is what makes it possible for me to provide a clear vision and to help ensure we run our business with integrity and respect. ICARE is embedded in everything that we do. It is leading by example, it is leading with intestinal fortitude.

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In today's volatile and uncertain environment it's no longer business as usual and it's no longer leading as usual. People are looking for leaders who are authentic. They are looking to work on important things. They are looking to make a difference. A strong leader is both authentic and bold while always being grounded in true values. So for me the one word that ties everything together that I just talked about is engagement and integrity would be the second word. Those of us in healthcare need you to be fully engaged. As a leader, your team is counting on you to be fully engaged. And if you are just starting your career or making a transition in your career you are much more likely to be successful if you are fully engaged. Thank you.

End

