

Walgreens annual report analysis essay sample

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Each year companies get a chance to tell what their organizations have accomplished and what their future goals are through annual reports. The purpose of these reports is to deliver shareholders, possible investors, and employee's information on how a company has been performing and how it expects to progress in the future. Walgreens, a pharmacy-led health and wellbeing enterprise founded in 1901, is one such company that takes advantage of having an annual report. To convey its information, Walgreens uses three communication techniques and strategies. First, to show the strides it has made in creating a customer-centric retailing experience, Walgreens uses full sized photographs of people in its stores, followed by their stories. Second, to demonstrate its new global presence, Walgreens annual report uses a page full of statistics surrounded by small pictures about its new strategic partnership with Alliance Boots. Finally, to highlight its financial and business achievements, Walgreens uses bullet points about all of its milestones from 2012 in its annual report.

To give investors an idea of how Walgreens new customer-centric retailing experience provides benefits to both the customer and the company, Walgreens uses full-page pictures of its customers followed by their stories. For example, one photo is of patron Steve Gorgievski holding a shopping basket filled with an assortment of different products. The caption that reads after states, " Steve Gorgievski's shopping needs have changed. ... New features of Walgreens Well Experience store format, such as a fresh food section, upgraded beauty department, enhanced private brand selection and patient-centered health experience, can provide this husband and father with everything he needs."(Walgreens 2012 Pg. 8) Walgreens uses these

pictures and stories to show investors that it is not just an average drug store but one that has unique products and services that could have the potential to improve profits.

To attract investors by showing its new global presence, Walgreens Annual Report uses a page of statistics surrounded by small photographs of stores from its new strategic partnership with its European counterpart, Alliance Boots. By acquiring a 45% stake in Alliance Boots with the option of acquiring the other 55% in three years, Walgreens is positioning itself to be “the world leader in pharmacy-led health and wellbeing, with the largest international pharmaceutical wholesale network in the industry.” (Walgreens 2012, Pg. 6) For example, the report goes into detail about the strategic partnership saying, “together the two companies have more than 350, 000 employees (including associates and joint ventures) and generate more than \$100 billion in revenue across 26 countries.” (Walgreens 2012, Pg. 6) Above this statement is a small photo of an Alliance Boots worker who is moving inventory to his European work truck. The combination of the statements and photos show investors that Walgreens is making large strides in becoming the world’s leader in pharmacy-led health and well being retailers, which in turn could improve earnings.

Finally, to highlight its financial and business achievements to potential investors, Walgreens uses bullet points filled with statistics about its major milestones from 2012. To show the importance these achievements, Walgreens has made this the first page with writing on its annual report. The page contains ten bullet points on the left side that are clearly separated to show the distinction between each one. Each bullet point highlights a specific

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achievement that Walgreens accomplished during the 2012 year. For example its first bullet point states, “ Walgreens is the nation’s largest drugstore chain, with fiscal 2012 net sales of \$71. 6 billion and net earnings of \$2. 1 billion. The Company has 240, 000 employees,” (Walgreens 2012) which shows its strong financial position through the year. Other bullet points talk about cash flows, dividends released to shareholders, the strategic partnership with Alliance Boots, a multiyear agreement made with Express Scripts, and the expansion of its Well Experience pilot format to name a just a few. Walgreens smartly puts these at the front of its annual report because it knows by having all of its major accomplishments in an easy to read format, investors and shareholders can get a quick overview of the company.

In closing, Walgreens uses many visual and verbal strategies to convey its message to investors and shareholders such as full page pictures followed by stories, statistics about its new partnership, and bullet points highlighting its financial achievements in its annual report. Personally, I think that Walgreens use of bullet points in the very being of its report was the most effective use of its communication strategies. This puts all of Walgreens best attributes at the front for investors to read quickly and get an understanding of what Walgreens has and will accomplish.

Works Cited

Walgreens (2012). Walgreens 2012 Annual Report. Retrieved October 2013, from <http://files.shareholder>.

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