

→ by thinking in completely new ways – constantly challenging ourselves to surprise and delight our customers.



**“Be more innovative” is today’s business mantra. So what’s new? The advantage has always been with the companies that think ahead of the herd.**

Innovation has always been part of the Boots culture and it has served us well. We habitually launch around 2,000 new products a year, of which some 1,500 are developed in-house by BCM.

We’re constantly reinventing products and brands to meet changing tastes and needs. When you’re facing the kind of competition we see today, when you’re grappling with the new economy, and when you’re reaching out internationally, you have to evolve faster than ever.

Social and technological change is presenting us with unprecedented opportunities. To seize them we have to be quick, clever and determined. We are fortunate to have people of quality and commitment – but we must harness those qualities and drive them forward with even more ambition, inventiveness and willingness to take risks. The world is changing too fast to wait until we’re 100% sure before we act: someone else will step in when they’re 80% sure, and take first mover advantage. We’re rethinking Boots for a decade ahead, and we’re prepared to try out ideas to see which are the ones that will prove themselves in the market.

The change is more than skin deep. We began the process a couple of years ago by redefining our management style. We identified the kind of leadership we’ll need in future, and the senior management teams throughout the group are focused on leading the thinking, leading the pace and leading the team.

We’re addressing the process from the bottom up as well as the top down. BHI, for example, has involved its whole workforce in developing a set of guiding principles for the business

and determining how best to put them into practice.

The new economy is demonstrating how fast you can grow with less hierarchy and more initiative. We had handbag.com – now Britain’s premier women’s website – off the ground and onto the net within three months of seeing the opportunity.

We’re fostering openness and collaboration, and I’m delighted by the energy this has created: we’re unlocking people’s potential, freeing them to think more broadly and make more decisions.

Managing for value is still central to our approach. But now it’s not just what managers do – we’re working to embed it in everyone’s thinking. Boots people have responded with their customary enthusiasm, and it’s exciting to see the pace of the organisation quickening.

This is how we will reshape our business: not just with new products or brands or business initiatives but with new attitudes. Boots sees a great future ahead – and we’re impatient to make it happen.

**Steve Russell**  
Chief Executive