

A Pharmacy in Your Living Room

Text HEIKE LITTGER / Photo MARCO PROSCH

Walter Oberhänsli is a pioneering entrepreneur. But this successful businessman is not satisfied. He thinks digitalization still has many more opportunities in store for both pharmacies and customers.



Walter Oberhänsli

worked as a lawyer until late 2004, and then entered the pharmacy business. Born in Switzerland in 1958, he calls himself an “advocate of the principle of learning by doing.”

An important foundation for the future was laid by Walter Oberhänsli in 2016. That was when the founder and CEO of the Switzerland-based Zur Rose group opened the first brick-and-mortar shop for his online pharmacy business, at the central train station in Bern. The store has a modern industrial look. Behind a glass wall, robots retrieve packages of pills from the shelves. In a glass cabin labeled LAB, pharmacists mix salves. Customers can also pick up their purchases from vending machines when the store is closed. The products range from vegan muesli to prescription anesthetics.

Oberhänsli is a lawyer who landed in the pharmacy business by chance. His home village didn't have a pharmacy. But he owned a suitable piece of real estate, so he opened one himself. Today the Zur Rose Group is Europe's largest e-commerce pharmacy, with more than 1,300 employees and sales exceeding €1 billion in 2018. The Netherlands-based DocMorris e-pharmacy business, which the Zur Rose Group acquired in 2012, has itself increased in value more than fourteen-fold in the meantime. The German *Manager Magazin* has called Oberhänsli a genius and placed him on the same pedestal as Facebook founder Mark Zuckerberg and Amazon boss Jeff Bezos. So it only made sense to speak with him. Where is this market heading—one so contested that even Amazon is seeking to enter it in the foreseeable future?

The online pharmacy business is growing and will continue to do so, says Oberhänsli. If only for the reason that medications are ideally suited for shipping. They are small, light, prepackaged, and almost never returned. Yet this Swiss businessman thinks the future lies in combining online sales with brick-and-mortar shops and vending machines. He calls it the “Nespresso effect”—using modern stores and showrooms with a con-

temporary look to show “what you have and what you can do.” Building trust and listening carefully to what customers want and how they can be supported. The store at the Bern central train station is not the only one. Three more have been added under a shop-in-shop agreement with the Migros retail company.

That too was a future-oriented decision. Many health-related purchases these days are made between the produce and beverage sections in supermarkets. People don't want to wait until symptoms appear, but instead prefer to take precautions in advance. They want to stay in shape and eat healthy foods. And benefit from customized products and clever services.

That's where the DocMorris app comes in. It stores all relevant medication data for its users. If users receive emergency medical treatment, they can show doctors what drugs they've been taking. The app also reminds them when to take their medications and checks for interactive effects with other drugs. “A major issue,” says Oberhänsli. Especially in Germany, where prescriptions are issued on paper and no one can check what patients actually take.

One thing is clear, according to Oberhänsli—digitalization will advance. The amount of data available for every customer will increase. In addition to electronic prescriptions, which are expected to be introduced in Germany by 2020, the EU Commission will require electronic health records by 2021. They should contain all diagnoses, lab values, medication regimes, emergency reports, and vaccination records. They can also store information provided by customers themselves. Health apps measure heart rates and blood pressure, clock the number of miles jogged and calories consumed, and track weight fluctuations and illnesses. Intelligent articles of clothing with sensors are not far behind. Pharmacies need to consider how they will respond to all of these possibilities. What streams of data can and do they want to use? What added value can be offered to customers?

Artificial intelligence is also playing a greater role. Oberhänsli mentions a Berlin-based start-up called Ada Health. It created the Ada app, which analyzes symptoms and makes specific suggestions as to what they might indicate, which specialists might be appropriate, and whether users should simply visit a pharmacy or have a medical video chat with the company's call center. Seven years of research went into this app. It now knows several thousand conditions, has five million customers, and gets smarter by the day.

Doctors are interested in assistants of this type, as are health insurance companies. Pharmacies

should also be monitoring these developments and considering joint projects with data experts in order to improve services like online consultations or brick-and-mortar sales, to increase efficiency, and to reduce costs. For example, can the progression of certain illnesses be predicted with greater accuracy and thereby enable better planning of drug production, logistics, and storage?

Precisely that topic—the process chain—is what most interests Oberhänsli. “The greatest drugs are developed and prescribed, but no one can check how they work, or whether people even pick them up and take them,” he says. Many patients determine their doses themselves, discard unused drugs, and stop treatment programs prematurely. Those practices represent health risks. Patients with high blood pressure suffer strokes as a result, and those with diabetes have to undergo amputations—with enormous costs, not only emotional but also financial. IMS Health, a U.S.-based market research company, estimated these costs at \$500 billion worldwide in 2013. But what is the best way to address the problem? Oberhänsli is already experimenting with a pilot project for a smart medication box. It records whether and when patients take pills from it.

The changes underway cannot be stopped, says Oberhänsli. But we need “more political will and courage” in order to shape them. Instead, what we are seeing—particularly in Germany—are questions such as these: Should online pharmacies be permitted to continue selling prescription drugs? Should e-commerce in this sector be forbidden? Should discount prices be allowed? “These are precisely the wrong signals to be sending in an age of digitalization,” says Oberhänsli. “Instead of bans and protectionism, we need future-oriented solutions and clever pharmacies that adapt to the very different lifestyles and needs of their customers.”

POST-MERGER INTEGRATION

After the Zur Rose Group acquired the Dutch online pharmacy DocMorris in 2012, Porsche Consulting helped the Group establish an effective collaboration model, use synergy effects, and make structural preparations for further international growth. The group's headquarters were strategically restructured and now serve as a holding that provides key services including finances, IT, and purchasing to its member companies.