

## Fla.-based chain making a comeback

By AMANDA BALTAZAR

**E**xcitement is building around Winn-Dixie, and it seems this Florida-based retailer is poised to make a comeback since emerging from bankruptcy in the fourth quarter of last year and cutting its store count from 920 to 521. This has allowed it to concentrate on its core markets, renovating its remaining stores and rebuilding its image.

To this end, last month Winn-Dixie opened its first renovated store in Macclenny, Fla., which will serve as a prototype for upcoming remodels.

"We have a new color palette with warmer colors, brighter lighting, wider aisles, a larger pharmacy, more perish-

ables and more center store items," Robin Miller, director of brand communications, said.

Forty remodels are under way and between 15 and 20 likely will be completed by the end of the company's fiscal year in June. From then on, plans call for 75 remodels annually, until the new look prevails throughout the chain.

The new stores are expected to see a 15 percent jump in sales, Miller said. "I think it will come from more traffic in the stores because there will be more excitement."

Pharmacies are a big focus of Winn-Dixie's renovation plans. "We are looking to make the pharmacies more accessible," said Mike LeBlanc, director of pharmacy. "We're moving walls [in some stores], so the customers are not separated from the pharmacist"

As part of the pharmacy overhaul, Winn-Dixie is planning to increase its in-store health screenings and events for conditions such as high cholesterol and heart disease.

The chain also is placing emphasis on its medication therapy management programs. "[MTM has] really helped to improve patient outcomes because nobody gets to relate more often to a patient than a pharmacist," said Daniel

Rodriguez, professional services manager for Winn-Dixie pharmacy. "We get to help them immediately and take an active role in any issues we see. Our positive patient feedback has been overwhelming."

Leaping in with a current trend, Winn-Dixie had opened three WellSpot clinics in the past year, but that deal has since fallen apart. The plan, according to LeBlanc, is for Winn-Dixie to find another clinic partner.

Technology has been a big focus for Winn-Dixie, and will continue to be, going forward. In the last six to eight months it has switched to electronic prescribing in all 402 of its pharmacies. The switch to e-prescribing has led to improved patient safety and helped make Winn-Dixie's pharmacists more efficient by reducing calls to doctors, said LeBlanc. It also brings the stores into compliance with the Centers for Medicare and Medicaid Services, under the Medicare Modernization Act, and the paperless system will be mandatory in 2009.

Winn-Dixie also started using computer-based training for all pharmacists.



Focusing on improving pharmacy, Winn-Dixie is making its pharmacies more accessible by making a more open store layout.

"Our pharmacy staff prefer it," said Rodriguez, "for its ease of use, instant feedback and its interactive format."

Winn-Dixie's turnaround seems to be going smoothly. However, in a state where it's competing with both market leader Publix and Wal-Mart, some industry watchers say Winn-Dixie needs more differentiation.

One key area in which Winn-Dixie will look to distinguish itself is through pharmacy, Miller told *Drug Store News*. "We are very focused on the needs of the neighborhoods we serve, he said. "We are tailoring all of our offerings, and our MTM program is one of the ways we are demonstrating how involved we are with our customers."

### Winn-Dixie

**Headquarters:**  
Jacksonville, Fla.  
**2006 sales:** \$7.2 billion  
**% change vs. 2005:** 2.7%  
**No. of stores:** 521  
**No. of stores with Rx:** 402  
**Avg. store size:** 45,537 sq. ft.  
**Rx sales:** \$750 million  
**% of sales from Rx:** 10.4%  
**Sales per store:** \$1.85 million



Going forward, Duane Reade will expand initiatives such as in-store medical testing labs and skincare centers.

## N.Y. mainstay readies new initiatives

year, is about returning to the fundamentals of the business, and centers on stabilizing and improving its current assets.

To better meet the health care needs of its patients, the company has set its sights on several key initiatives—in-store medical testing labs, a diabetes center and skin care centers.

Through an exclusive agreement with medical testing laboratory LabCorp, Duane Reade now operates in select locations about 20 patient service centers, which are operated by LabCorp staff. For 2007, LabCorp has committed to opening an additional 20 such centers.

In an effort to help the approximate 700,000 New Yorkers impacted by diabetes, Duane Reade opened earlier this year its Diabetes Resource Center, a training and educational facility for those with diabetes. The first of its kind one-stop shop offers a full range of services and educational training to help promote long-term good health. The program is managed and taught

by licensed pharmacists and certified diabetes educators and consists of educational classes, scheduled appointments and walk-in services.

While Dreiling is optimistic about the center, he said the company will monitor its success before moving forward with additional centers.

In late 2005, Duane Reade teamed up with InterFit Health's RediClinic to open two in-store health clinics but earlier this year quietly pulled the plug on the partnership. However, Dreiling stressed that the company is currently evaluating an alternative solution.

To further bolster the front end and strengthen its position as a beauty destination among trendy New Yorkers, the company is expanding its relationship with L'Oréal, Dreiling said, and will grow its skin care centers from about four locations to at least 20 stores this coming year. He noted that the centers will have a new look and feel but, as of press time, said it was too early to disclose details.

In addition, the retailer is working to bring in some exclusive European beauty brands and has opted to dis-

continue its private label apt. 5 cosmetics line.

These efforts are just a few of the many taking place throughout the company. While some of the changes may be more noticeable than others, they all play an integral role in the company's evolution to date.

"We started off with a bunch of random notes and we almost have a tune now, and maybe in a while we will have a real symphony," Dreiling said. "I tell everyone that in an attempt to explain that, while the numbers are improving, we still have so much upside in what we can do with the chain."

**R**ick Dreiling, chairman, president and chief executive officer of Duane Reade, is a self-proclaimed "evolutionary guy" versus a "revolutionary guy," which is clearly reflected in the retailer's methodical yet steady turnaround.

"With regard to Duane Reade Full Potential, we started off a six-point strategy and my goal for 2007 is to take those six key points and continue to advance them down the road," said Dreiling, who took the helm at the Manhattan-based chain in November 2005.

As previously reported by *Drug Store News*, the company's turnaround plan, which Dreiling unveiled last

**Headquarters:**  
New York  
**2006 sales:** \$1.6 billion  
**% change vs. 2005:** -.3%  
**No. of stores:** 248  
**No. of stores with Rx:** 248  
**Avg. store size:** 6,987 sq. ft.  
**Rx sales:** \$736 million  
**% of sales from Rx:** 46.5%  
**Sales per store:** \$6.39 million

### Duane Reade