

Safeguarding the lifeblood of American healthcare: An interview with the CEO of AmerisourceBergen

Steve Collis reflects on the resilience of medical supply chains, remote leadership during a crisis, and the importance of purpose as a unifying force.

Steve Collis is acutely aware of the critical role his company plays during a pandemic such as COVID-19. AmerisourceBergen is responsible for the smooth delivery of drugs, medical equipment, and other healthcare supplies to more than 100,000 providers across North America. “If hospitals aren’t receiving their medications,” said Collis, “then they won’t be able to do their jobs effectively.” The company plays its role on a massive scale—with \$180 billion in revenue last year, it ranks tenth in the Fortune 500—and also quite locally, through its sponsorship of Good Neighbor Pharmacy, a cooperative network of nearly 5,000 independent drugstores.

Although AmerisourceBergen’s headquarters is in Pennsylvania, Collis spent the spring of 2020 in Los Angeles, where he was celebrating a relative’s wedding when lockdowns and travel restrictions took hold. It was from afar, therefore, that he strove to

provide steady, clear-sighted, empathetic leadership. Collis quickly instituted a daily executive meeting and a COVID-19 emergency leadership team to ensure that life-saving medical supplies could get where they needed to without interruption. He also took the time to personally call employees with family members stricken with coronavirus to encourage them. In June, as he and his leadership team navigated a tentative reentry to the workplace, Collis took the time to share and reflect on his “CEO moment” with McKinsey’s Drew Ungerman.

The Quarterly: *What are some of the roles AmerisourceBergen is trying to play in addressing COVID-19?*

Steve Collis: AmerisourceBergen is in the center of so many things in healthcare. I often say our three “holy grails” are the community physicians, veterinarians, and pharmacies

that we provide services to. We literally touch everybody—we send out deliveries to about 100,000 providers in North America a day. We're the largest manager of call centers that help patients access medications, and we bring new products to market. So access is absolutely critical to us. If hospitals were not receiving their medications, and if we didn't do everything we could to make sure that they had the drugs they needed on hand, then they wouldn't be able to do their jobs effectively.

We're also trying to enable continued access to medications in a more automated way, whether it's applying for patient-assistance programs or trying to verify insurance benefits. One little example I can give you is that we've learned how to help our small customers fill out their CARES [Coronavirus Aid, Relief, and Economic Security] Act application at scale. We quickly pivoted to help bring some of our customers who didn't know how to provide digital patient care into the digital world.

The Quarterly: *With thousands of global associates and multiple stakeholders, how do you create alignment, especially during such a turbulent period?*

Steve Collis: We've been able to use all these communication tools to get our message out. From very early on, we started having a lot of webinars on the manufacturer side, on the provider side, and on our associate side to tell them all what was going on. We had a supply-chain discussion with manufacturers that 2,000 people attended. We set up our first pharmacy site so community pharmacists could tell their story, what they're doing. We've had massive participation. Internally, our global calls have had 6,000 people participate. Every one of them was critical.

The Quarterly: *There's definitely an increasing reliance on videoconferencing. How has your experience been with that? What else has changed—and remained the same—for you as CEO?*

Steve Collis: I'm extroverted, and so I'm dying to go back to face-to-face meetings. It's hard as a CEO to make sure that all your board members are with you when two of them aren't on the video screen. But we've all had to learn to adapt. One of the smartest things that we did the first week was to set up a daily executive-management meeting at 5:00 p.m. That's important from a decision-making point of view, but it's even more important for touching base and showing empathy. We're now in each other's homes—you're seeing my study, and we've met each other's families.

I've read that other CEOs feel like they've been more hands-on than they've been in many years, and that resonated with me. It's absolutely true. From an internal perspective, I've probably been as up to date as ever, getting constant updates from colleagues. From an external perspective, I've been a beneficiary of amazing calls with other CEOs who have been willing to share their knowledge. This has been such a growing experience.

The Quarterly: *Has leading in this time of crisis led you to discover new strengths and vulnerabilities in yourself or your management teams?*

Steve Collis: It's felt like my personal group of seven or eight has been in the foxhole together—I'm not exaggerating. Initially, we had a one-hour, two-hour discussion every night, although we dialed that back a bit. It's been truly one of the most bonding social experiences I've been through. I knew that my leadership team is dedicated to AmerisourceBergen, but I've been impressed by how my direct reports' direct reports have been stepping up. They've created a COVID-19 emergency leadership team, and have shown clear decision making.

The leadership team contracted a virologist to help us navigate the reentry back into work in a very thoughtful way while being cautious about the health of our associates, reputation,

and prioritizing our frontline workers. We had to shut down three distribution centers for two to four days for extensive cleaning, and we made sure everyone had a clean bill of health before reopening. Overall, we've done pretty well. We have 22,000 global associates and had about 80 cases, and I believe 50 have come back to work.

I got some good advice early on, which is to reach out to people. I asked all my direct reports, "Is there someone who wants me to reach out to someone who's doing a great job or someone who's struggling? Maybe someone who has a relative with COVID-19?" Sometimes all that's needed is a word of encouragement to show you care. It's been a great gift to be able to do that for the people in AmerisourceBergen.

The Quarterly: *How are you taking care of yourself?*

Steve Collis: I now have a more consistent schedule and eat better because I can't eat out. I've also been making much more use of my gym. I enjoy walks—if I can get 15, 20 minutes outside, whatever the weather, I take it. It helps with concentration and focus. I'm trying to think more and listen to music, to put away my iPad at night and read a book. I used to do that for years, but that got away from me in the last two or three years. I'm also working on better communication with my family.

The Quarterly: *If you were to reimagine the future of how business is run, what will change and what will remain the same after COVID-19?*

Steve Collis: Virtual working is not for everybody, but I think we've all learned lessons about how you can work from home and be engaged and present. Some of these tools are only going to get better even when we're out



Steve Collis

Steve Collis is chairman, president, and CEO of AmerisourceBergen. Collis joined the company in 1994 and was elected president and CEO in 2011 and chairman in 2016. He serves on the board of the International Federation of Pharmaceutical Wholesalers and is a founding vice chairman of the American Cancer Society's CEOs Against Cancer Pennsylvania chapter. Collis is a graduate of the University of the Witwatersrand, Johannesburg.

of crisis mode. The return to the workplace is going to be complex. You're going to see a lot of this carry on for a long time. Frankly, I'm concerned about global travel, which is a lot more complex than local travel. I'm interested to see how things pan out.

Because of COVID-19, there has been unprecedented collaboration going on in search of a vaccine. When we create a vaccine, it'll be the quickest vaccine to ever come to market. People are sharing their research online, and everyone is vested in shared success. I hope that will continue.

In my area of healthcare and pharmaceuticals, I think you're going to see more emphasis on stockpiles, transparency in the global supply chain, and how we can make sure, if there's another pandemic, that we're going to have all the ventilators and medical equipment we need. The importance of the medical supply chain has never been clearer. My hope is that after this crisis, we'll have an enduring discussion about the supply-chain function. How can we create high-quality, robust, safe, and transparent supply chains? Those are big discussions that AmerisourceBergen and I would be delighted to be a part of.

The Quarterly: *What societal challenges has this pandemic exposed—and what role will CEOs and businesses need to play to address them?*

Steve Collis: You need health systems to be resilient and inclusive, with as few disparities as possible, so everyone has good healthcare. My daughter, who's in a smaller area, got tested last Tuesday, and we're still waiting for the results. When I had to be tested in

Philadelphia, I got the results back in 18 hours. There should be some sort of consistency in terms of requirements.

I think the business community has to step up. Successful companies need to share their message of antiracism, of caring for their associates, of not being greedy. There have been far too many negative incidents—we're better than this! I believe that 99 percent of people are trying to do the right thing. The CEOs I speak to, they have a broad view of who their stakeholders are.

The Quarterly: *Looking back at how you've steered AmerisourceBergen through COVID-19, what would you consider your proudest achievement as CEO?*

Steve Collis: I'm most proud that we have absolutely applied our purpose of being united in our responsibility to create healthier futures. When other board members encouraged us to adopt it [as a purpose statement], it was something I had to get accustomed to because I felt that it goes without saying that this is just how we should behave. You treat people with respect. You treat people with dignity. But purpose has since become a unifying rally. We started this hashtag, #neverprouder, and people have been taking pictures with that, putting it on their shirts. I'm just proud of how everybody's come together and put the company first. In the first month of the crisis, so many people, myself included, have said, "I've never been prouder to be working at AmerisourceBergen." Q

This interview was conducted by **Drew Ungerman**, a senior partner in McKinsey's Dallas office.

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