

Good time to go, David Bloom insists

Decision to leave after company's "best year" is purely personal BY VICKI WOOD

Who can step into David Bloom's shoes? That question will likely keep the pharmacy industry buzzing until July 1. That's the day the Shoppers Drug Mart chairman and chief executive officer will retire, if his successor has been chosen by then.

The news that Bloom is retiring

after 35 years with Canada's largest drugstore chain shocked the industry—especially those who had just hours earlier seen Bloom host a gala fundraising dinner to honour Herb Binder, recently retired as Shoppers' vice chairman (see story below).

Bloom's decision came little more than a year after the company's sale to

an investor group led by New York-based Kohlberg Kravis Roberts & Co. (KKR). Canada's investment community anticipates that KKR will follow its past pattern in such deals by making an initial public offering (IPO) for shares of Shoppers in the near future.

Bloom had initially agreed to stay with Shoppers for at least five years after the sale took place, in order to ensure a smooth transition. But, says Shoppers senior vice-president of corporate affairs Arthur Konviser, the transition to the new ownership has been successful, freeing Bloom to follow through on a plan to retire early enough to pursue personal interests, including travel and hobbies.

A number of top Shoppers executives have retired in the past year,



David Bloom

including Binder; senior executive vice president of operations Fred Van Laare; Marty Belitz, vice president of

pharmacy and regulatory affairs (now at Taro Pharmaceuticals); Roman Niemy, president of corporate brands; and Ubbi Krakauer, senior executive vice president of pharmacy.

Konviser explains that many of the company's long-time executives, Bloom included, found themselves in the enviable position of reaching near-retirement age at the same time as they benefited financially from stock options offered by Shoppers' former owner, Imasco Limited, just before the company's sale.

The 57-year-old Bloom joined Shoppers 35 years ago, just four years after its founding, and has led the company for 18 years. A pharmacist whose first store in 1967 was a Shoppers Drug Mart pharmacy in Toronto's Yorkdale Mall, he has agreed to remain as a consultant to Shoppers Drug Mart and its Quebec counterpart, Pharmaprix. He will also remain a significant shareholder of the company, as part of a team of company executives who co-own the firm along with the KKR-led external investors.

Shoppers Drug Mart has just completed what Bloom describes as "the most successful year in its 39-year history." The company currently operates 837 outlets, employs 32,000 people and has annual sales of about \$4.5 billion.

Speculation has been rampant in the investor community about the effect Bloom's retirement will have on the success of the planned IPO. *Globe and Mail* investment columnist Andrew Willis wrote in his March 6 column that "his departure . . . makes an IPO unlikely." Konviser disputes that suggestion, saying that as a significant shareholder, Bloom will remain an important presence in the firm.

At press time, Bloom was out of the country on vacation and unavailable for comment. A spokesperson for KKR declined to comment when reached by *Pharmacy Post*. ❁