McKesson
A Heritage of Delivering Better Health
McKesson
A Heritage of Delivering Better Health

McKesson took root in the earliest days of the United States, when organized healthcare was just emerging across the country. Over the past 185 years, we’ve played a significant role in shaping the evolution of healthcare. From our company’s early leaders to more recent events, this book offers a tour of the people, innovations, values and purpose that continue to drive McKesson as we strive to improve lives by bringing better health to healthcare.
In the 1830s, the United States of America was a young country with just 24 states. Populist Andrew Jackson was its strong-minded seventh president, and New York City had grown into a bustling metropolis of 220,000 people. In 1861, the Civil War commenced, dividing the country during President Abraham Lincoln’s term. The Pony Express began later in that decade, and the transcontinental railroad reached the Utah Territory. In 1879, Thomas Edison invented the first light bulb.
John McKesson and Charles Olcott, two young entrepreneurs, opened Olcott & McKesson, a drug import and wholesale business located on Maiden Lane in Manhattan. The company quickly thrived with its first customers — captains of the tall-masted clipper ships that docked nearby.

Franz Ludwig Gehe founded his chemist and dye business, Gehe & Co., in Dresden, Germany. Later known as Celesio AG, it was acquired by McKesson in 2014.
Daniel Robbins, who originally started as an apprentice in 1833 after walking 80 miles to answer McKesson’s first help-wanted ad, became a partner, and the company was renamed McKesson & Robbins.

McKesson & Robbins pioneered the development of gelatin-coated pills, which were immediately in great demand around the world. In 1873, the company received a medal of merit at the Vienna Exposition for “the finest drug and pharmaceutical preparations,” and in 1876, it won a gold medal at the Centennial Exposition in Philadelphia for the famous pills.
Gelatine-Coated Pills,
MANUFACTURED BY
McKesson & Robbins

Trade Mark.

Process and Machinery Patented.

FOR PRICE LIST, SEE PAGE 57.

Important Facts about McKesson & Robbins' Gelatine-Coated Pills.

Every Physician will recognize the importance of knowing the character of the house manufacturing Pharmaceutical Preparations, which they prescribe, and every Druggist should be as careful in filling prescriptions.

The reputation we have gained for our Gelatine-Coated Pills may induce others to put upon the market inferior preparations and introduce them through our previous advertisement. In such an event, we propose to protect ourselves and the public, as far as possible, and would respectfully ask both Physicians and Druggists to specify McKesson & Robbins' Gelatine-Coated Pills in ordering.

1st.—They are reliable, being made strictly in accordance with formulas, and of the best materials.

2d.—They are soluble; the gelatine, in the temperature of the stomach, being speedily converted into jelly, and the contents of the Pill left free to act.
The early 20th Century was marked by the Industrial Revolution; America’s entry into World War I; the social decadence of the Roaring 1920s fueled by Prohibition; and the election of the longest-serving president in history, Franklin D. Roosevelt, in response to the crippling Great Depression. In addition, the first radio broadcasts arrived along with Charles Lindbergh’s first transatlantic flight.

A nationwide distribution network was created when several large wholesale drug distributors became McKesson & Robbins subsidiaries.
The Fox-Vliet Drug Company was founded. In 1983, the company name was changed to FoxMeyer Drug Company, Inc., and it eventually became the fourth-largest pharmaceutical wholesaler in the U.S. based in Carrollton, Texas. McKesson acquired the company in 1996.

The National Drug and Chemical Company of Canada was incorporated in Montreal. Later known as Medis Health and Pharmaceutical Services, it was acquired by McKesson in 1991.
Dr. F. Donald Coster purchased McKesson & Robbins for $1 million. Although his 13-year tenure was laden with fraudulent business dealings, the company thrived during this time, adding liquor distribution with the repeal of Prohibition in 1933. Coster’s true identity, an ex-convict named Philip Musica, was revealed in 1938 when it was discovered that he embezzled $3 million from the company. This later became the subject of the book titled “Magnificent Masquerade.”
Despite the Great Depression, the company achieved unprecedented sales of $140 million with profits of $4.1 million and sustained steady growth with the addition of wholesale drug companies in 42 cities in the U.S. and Canada.
1931

Foremost Dairies, Inc., was established in Jacksonville, Florida. The company was an offshoot of a firm co-founded by the legendary retailer James Cash (J.C.) Penney, who named the company after one of his prize bulls, Foremost. Foremost later merged with McKesson in 1967.
1940s-50s
Era of Experimentation

America emerged from World War II a world superpower and the North Atlantic Treaty Organization was formed. While the Cold War raged in the shadows, innovations at home were changing the lives of millions: Dr. Jonas Salk developed the polio vaccine, rock and roll music emerged, and a new media format was taking the country by storm — television.

Early 1940s
At McKesson Laboratories, experimental production of penicillin was carried out under license by the government. The company received a citation from the War Production Board for its part in this wartime activity.

1943
The McKesson Foundation was established to support employees’ community involvement efforts and improve the health of patients by providing programs such as disaster relief funds, matching gifts, scholarships and grants.
Tartan lets you Tan never burn!

When Tartan Sun tan lotion is used as directed — you can have fun in the sun with safety. Tartan, the new suntan lotion, gives you complete protection — never a burn — and beautiful tan. Tartan's proved and tested protection means:

1. NO PARASITE BURN! Tartan screens out 90% of the sun's burning rays (the rays before 370 nanometers).
2. CLOSER TAN! Tartan admits 90% of the beautiful tanning rays of the sun (the rays above 370 nanometers).
3. ITS WATERPROOF! Tartan remains on busses or hiney — keeps hands, feet, and hairline clean.
4. ITS CHEAP! Helps you look your best when you're on the beach. Tartan's durable protection dries in minutes — doesn't clog up your skin.

The Suntan Lotion Recommended above All Others by Leading Resort Hotels.

A McKesson & Robidas Production.
Richmond Surgical Supply was founded by Max H. Goodloe and Jack Enoch. The company changed its name to General Medical Supply in 1965 and was later acquired by McKesson in 1997.

McKesson & Robbins was the only national wholesale distributor of liquor, serving some 60,000 package stores, hotels, taverns and restaurants. Net sales in the Liquor Division represented 30% of the company’s total sales and a quarter of its profits.

**1945**

McKesson & Robbins created a separate chemical division to meet the post-war needs of the nation. McKesson Chemical Company became a diversified national distribution leader representing more than 100 companies by 1955.

**1950**

Richmond Surgical Supply was founded by Max H. Goodloe and Jack Enoch. The company changed its name to General Medical Supply in 1965 and was later acquired by McKesson in 1997.

**1957**

McKesson & Robbins was the only national wholesale distributor of liquor, serving some 60,000 package stores, hotels, taverns and restaurants. Net sales in the Liquor Division represented 30% of the company’s total sales and a quarter of its profits.
Antibiotic NEO-AQUA-DRIN lozenges

CONTAINS LOCAL ANESTHETIC
Quick relief for minor throat irritations

Mc Kesson’s
Fine Products Since 1833

FOR SCIENTIFIC WEIGHT REDUCTION
The KESSAMIN PLAN

Guaranteed

United Nations

TAKEN ONE
The Cuban Missile Crisis, assassinations of John F. Kennedy and Martin Luther King, Jr., and success of the moon landing defined an era of turmoil and triumph. While the Vietnam War raged abroad, America saw the zenith of the Civil Rights Movement at home, the first personal computers, and the Watergate break-in that led to the resignation of President Richard M. Nixon. The Medicare and Medicaid programs were established to help the underprivileged and senior citizens receive healthcare services.
Sparkletts Drinking Water Corporation, a pioneer in the marketing of bottled water, joined Foremost Dairies.

McKesson entered the hospital and surgical supply field with the formation of Gentec Hospital Supply Company. During this same period, Foremost acquired Alhambra National Water Company.

McKesson and Foremost Dairies merged to form Foremost-McKesson, Inc., becoming the largest U.S. distributor of pharmaceutical drugs, alcoholic beverages and chemicals. Three years later, McKesson moved to its new corporate headquarters at One Post Street in San Francisco.
Barcoded shelf labels and Economost™, the first electronic order transmission system, revolutionized drug distribution and enabled pharmacists to order products electronically using a handheld pad and a telephone line.

Foremost-McKesson achieved $1 billion in annual sales volume — a first in the pharmaceutical wholesale industry.
Foremost-McKesson acquired Armor All, the company that launched the automotive protective products market. By the early 1990s, this division captured 90% of the U.S. market with sales in more than 50 countries.
1980s-90s
Focus on Healthcare

The U.S. soared with the launch of the first space shuttle and the end of the Cold War. The era was marked by the birth of the World Wide Web, the first dot-com boom and a personal technology revolution.
McKesson Drug Company positioned itself strongly in the home healthcare market with Sunmark® home care items and durable medical equipment.

The industry embraced technology, and more than 95% of McKesson’s customer orders were transmitted using computer systems that were first introduced in the early 1970s.

McKesson acquired Zee Medical, Inc., and sold C.F. Mueller, the country’s largest pasta maker, along with Foremost Dairies, accelerating its move toward a more streamlined portfolio of businesses. In 1983 alone, more than one-third of the company’s holdings were divested to focus on healthcare-related products and services.

The company was renamed McKesson Corporation.
McKesson Agrees to Buy Assets of FoxMeyer’s Drug Distributor

McKesson Corp. said it agreed to acquire substantially all of the assets of FoxMeyer Health Corp.’s drug-distribution business.

McKesson said it will pay as much as $80 million in cash for the unit, FoxMeyer Drug Co., which filed for protection under Chapter 11 of the federal Bankruptcy Code on Aug. 27. Upon approval of a federal bankruptcy court in Wilmington, Del., McKesson said it would provide FoxMeyer Drug with $30 million in new financing, allowing it to buy as much as $100 million in badly needed inventory...

1986

Univar Corporation bought McKesson Chemical for $76 million. Proceeds of the sale provided funding for subsequent acquisitions of healthcare-related companies.

1991-1998

Medis Health and Pharmaceutical Services, Canada’s major drug wholesaler, was acquired.

McKesson purchased Automated Healthcare Inc., a manufacturer of hospital automation equipment that helped the company provide automated solutions focused on reducing preventable medication errors in hospitals.

McKesson acquired wholesaler FoxMeyer Drug Company. With this acquisition came the Health Mart® franchise that started with several hundred pharmacies and has grown to approximately 5,000 pharmacies strong.

McKesson bought General Medical Inc. of Richmond, Virginia, one of the nation’s largest medical supply and equipment distributors.

McKesson’s buying trend continued with the acquisition of BakerAPS, then the leading U.S. supplier of automated retail and outpatient prescription filling and dispensing systems.
Acumax®, a proprietary barcode warehouse management solution, was pioneered by McKesson and received the Computerworld Smithsonian Award for information technology innovation.

McKesson applied its expertise in barcode accuracy to introduce Closed Loop Distribution®, the industry’s first Palm-based technology for automated pharmacy receiving and ordering.
McKesson acquired HBO & Company, creating McKesson HBOC, Inc., the world’s largest healthcare services company. An accounting impropriety was discovered, and as a result, new leadership took over and the ICARE Shared Principles were introduced. In 2001, the company reverted to its former name: McKesson Corporation.
2000s
Growth and Expansion

At the turn of the century, the U.S. was home to more than 281 million people. The events on September 11, 2001, shocked the world and defined the decade. The smartphone arrived to change communications and provide instant access to information. The country mourned the loss of Michael Jackson, the King of Pop, but also elected Barack Obama, its first African American president, in 2008, who would sign the landmark Affordable Care Act.
McKesson Water Products was sold to Groupe Danone for $1.1 billion, completing the plan to focus on healthcare-related businesses.

St. Louis-based regional wholesaler D&K Healthcare Resources was purchased for $206.8 million.

McKesson re-launched the Health Mart pharmacy franchise, helping to level the playing field for independent retail pharmacies. Health Mart is now the nation’s largest network for independent pharmacies.

McKesson acquired McQueary Brothers Drug Company for $190 million, further expanding its momentum in the independent pharmacy segment.


The Centers for Disease Control and Prevention (CDC) expanded its contract with McKesson to include centralized distribution of the H1N1 flu vaccine — a program that ultimately delivered 126 million doses across the U.S.
McKesson acquired Celesio AG, a leading international wholesale and retail company with operations supplying 50,000 pharmacies and hospitals in 13 countries. The deal expanded McKesson’s footprint internationally to become one of the largest pharmaceutical wholesalers and providers of logistics and healthcare services in the world.

2014
McKesson announced CommonWell Health Alliance™, an independent not-for-profit organization that supports universal access to healthcare data through seamless interoperability, in partnership with other industry leaders.

McKesson purchased PSS World Medical, combining the business with its Medical-Surgical Division based in Richmond, Virginia, and strengthening its leadership in medical-surgical distribution.

2013
The Giving Comfort program was founded by the McKesson Foundation to provide cancer patients with care packages created by McKesson employees across North America during Community Days, McKesson’s hallmark volunteer event.

2012
US Oncology was acquired, and McKesson became the second-largest specialty company.

2010
The Giving Comfort program was founded by the McKesson Foundation to provide cancer patients with care packages created by McKesson employees across North America during Community Days, McKesson’s hallmark volunteer event.
McKesson launched ILEAD (Inspire, Leverage, Execute, Advance and Develop), a common set of leadership competencies. ILEAD and the company’s long-standing ICARE shared principles (Integrity, Customer-First, Accountability, Respect and Excellence) comprise McKesson’s company values.

McKesson acquired Rexall Health from Katz Group, strengthening its position in Canada’s pharmaceutical supply chain.

Employee Resource Groups (ERGs) were thriving, with a total of seven national ERGs. The voluntary, employee-led and company-sponsored groups were formed to serve as resources for both their members and the organization. These affinity groups offer employees opportunities to educate and build awareness, grow personally and professionally, and give back to their communities.
McKesson and Change Healthcare completed the creation of a new healthcare IT company to deliver wide-ranging financial, operational and clinical benefits to payers, providers and consumers. The new company combined substantially all of Change Healthcare’s business and the majority of the McKesson Technology Solutions (MTS) business.

2017

McKesson was named the #1 Most Admired Company in the Healthcare Wholesale Industry by Fortune Magazine and was also recognized as a “Best Place to Work” by the Human Rights Commission.
Together Improving Lives

While a lot has changed around the world, in healthcare and at McKesson over the past 185 years, the one constant has been our focus on helping customers achieve better business health so they can focus on what matters most — improving the health of their patients.

At McKesson, our 70,000 employees are driven every day to not only meet the different needs of our customers — small, large and in-between — but to create lifelong partnerships that help them succeed today and grab hold of tomorrow’s opportunities.

Because a healthy, vibrant healthcare system that improves lives is good for all of us.

All for our customers’ success. All to improve patient outcomes. All for better health.