

**Sandoz Australia & New Zealand**  
August 2020



# **Sandoz AUNZ: A culture journey to Inspired, Curious & Unbossed**

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# Sandoz, as a Novartis Company

As a total group...  
In 2019 our products reached

**799** Million  
**PATIENTS**<sup>1</sup>  
worldwide



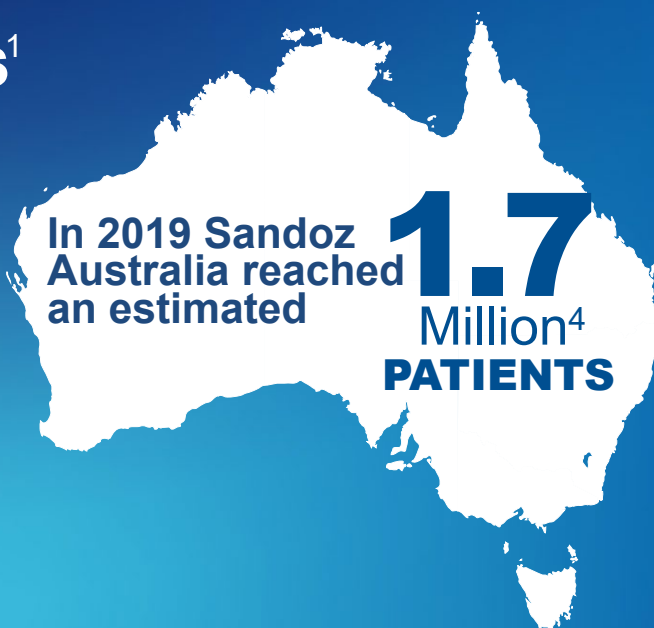
We are the world's

**2<sup>nd</sup>** **LARGEST**  
pharmaceutical  
company<sup>2</sup>



And we are the world's

**3<sup>rd</sup>** **LARGEST**  
**GENERIC**  
pharmaceutical company<sup>3</sup>



## SANDOZ AU

**#3** GX Market  
Player

Full range of Hospital &  
Retail Pharmacy  
medicines



Preferred GX supplier for  
Australia's largest retail  
pharmacy group

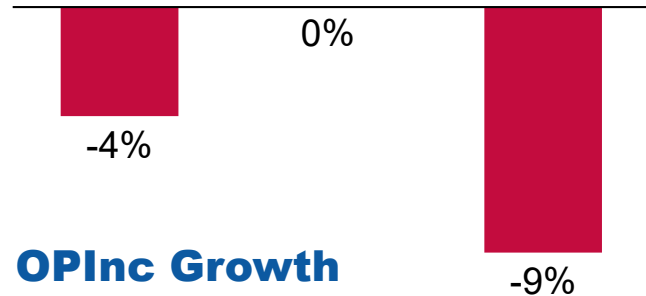
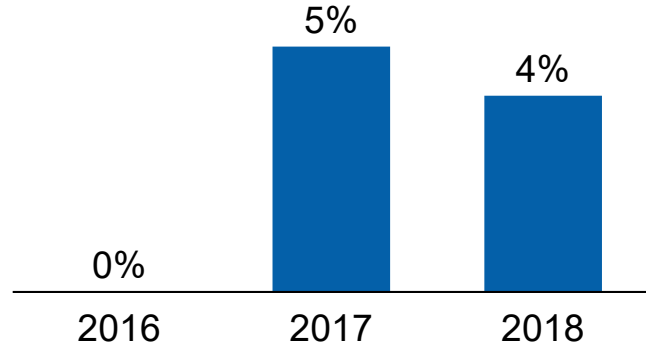
Supplying Australia  
since 2003

In 2018

Sandoz AU/NZ had minimal sales growth & declining profitability



### Sales Growth



# We needed to identify what was driving this poor performance...



**Market  
Fundamentals  
were fine**

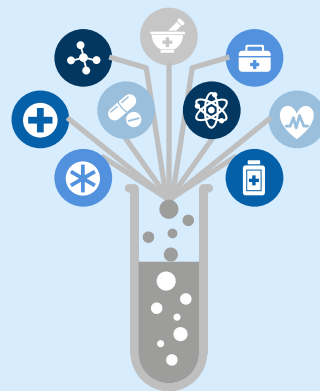
Universal Health Care  
system

Committed  
government funding  
and policies to drive  
Generic & Biosimilar  
Medicine usage



**Sandoz competed  
from a position of  
strength**

#3 GX Player  
20% Market Share



**Sandoz had a  
competitive  
portfolio and  
good pipeline  
products**



**Extremely  
knowledgeable,  
experienced team  
with great access  
to customers**

# There were a number of clues that culture was at the root cause...



## 'Performance' based culture

- Focus purely on the numbers, not on what needed to be done
- Inordinate amount of time spent on justifying numbers, defending results
- Failure punished to the fullest extent and success never celebrated



## Key process where set up to be adversarial

- Emphasised challenging others thinking, finding where it wouldn't work
- Success was defending your idea and ensuring it 'won'
- Little collaboration or generating alternatives and building on one another's thinking
- Emphasising threat of the negative consequence vs potential benefits of achieving



## Leadership lacked credibility

- 2018 Great Place to Work Leadership Credibility Score was 41%
- Associates had little trust in leadership



## There was a lack of focus and too many 'priorities' (28)

- Leaders could not agree on priorities, so everything was included

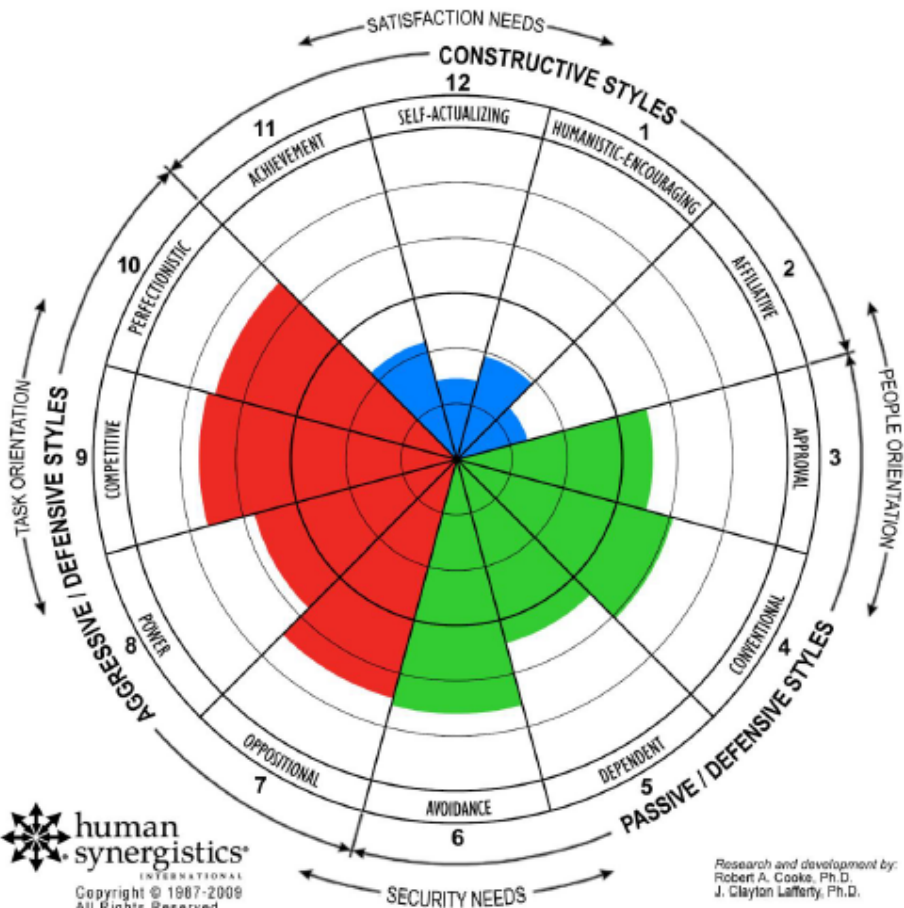


## Associates were tired and burnt out from constantly 'fire fighting'

- Reactive, work long hard hours and put the job above everything else
- Turnover (25%)

# SANDOZ AUNZ OCI 2018

## ...and our OCI Results Confirmed it



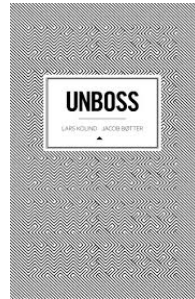
 **human synergistics**  
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Research and development by:  
Robert A. Cooke, Ph.D.  
J. Clayton Lafferty, Ph.D.



# But we had 3 things going for us...

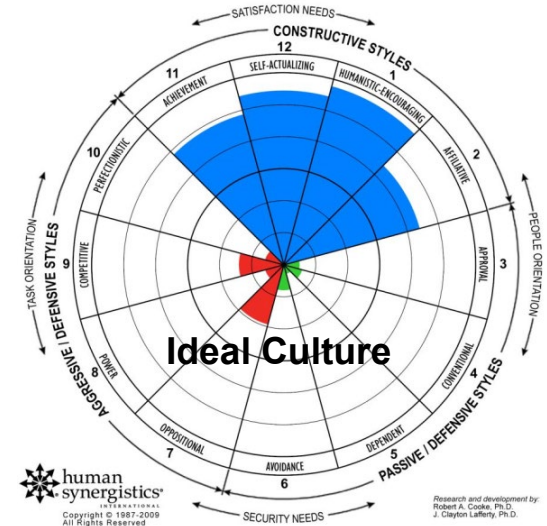
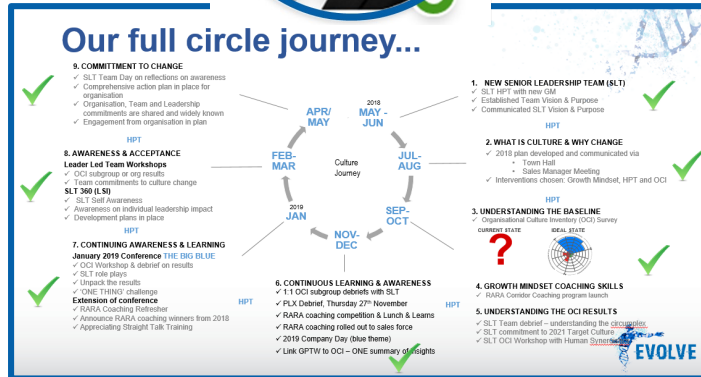
A new CEO committed to developing the right culture...



A local HR Head who was passionate about culture and had a detailed plan...



And associates who wanted the change.



# We needed to move to an Inspired, Curious and Unbossed culture quickly



## Inspired

- Engage others in our purpose
- Connect associates' work to shared purpose
- Role model values



## Unbossed

- Create clarity and accountability
- Empower and support others
- Remove obstacles



## Curious

- Be a learner, not a knower
- Foster a learning culture
- Encourage others to challenge your views and assumptions



## Self-aware

- Manage your energy and impact
- Be clear, present and focussed
- Develop trusting and respectful relationships



# We got clear on our mission, purpose and priorities, with culture at the heart of everything we do...



## Our Vision

Improving the lives of all Australians & New Zealanders by increasing sustainable access and addressing unmet patient needs. **Improving the lives of all...**

## Our Purpose

Driving a growth mindset so we succeed now and in the future, by providing clarity and empowering our people.



### Strengthening Portfolio

LOE coverage, gap filling and source VAMs



### Pricing Excellence

Using global best practice to deliver improved pricing



### Submission excellence

Drive increase in submissions



### Continue Culture Journey

Move to a Blue - unbossed, inspired and curious culture



### Introduce Life Cycle Management

Drive TPC improvements



### Expand Core

Grow core Gx and OTC business



### Execute Project Woomera

Supply chain as a competitive advantage



### Drive differentiated portfolio

Drive existing differentiated portfolio, implement launch excellence with future launches

# We developed our people and self-awareness. Built vulnerability based trust in the organisation. We also made difficult decisions...

Everyone has a handprint in culture



Culture change is personal



Growth Mindset



Know your impact



Better discussion



Share stories



Candid conversations



Ride the wave



# We include our cultural expectations in every day business, with the belief that culture eats everything for breakfast!

## We aspire to be



**Inspired**



**Curious**



**Unbossed**

## Our expectations...

- Engage others in our purpose
  - Connect associates' work to shared purpose
  - Role model our values
- 
- Be a learner, not a knower
  - Foster a learning culture
  - Encourage others to challenge own assumptions
- 
- Create clarity and accountability
  - Empower and support others
  - Remove obstacles



## Our BLUE journey...

**Self-Actualized  
Humanistic-Encouraging  
Affiliative** >>

**Humanistic-Encouraging  
Achievement  
Affiliative** >>

**Achievement  
Humanistic-Encouraging  
Self-Actualized** >>

## ...linked to drivers of motivation

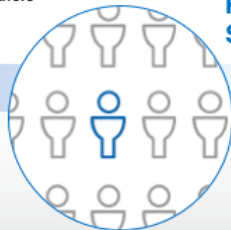
**Purpose**

**Mastery**

**Autonomy**

**There is no organisational change...**

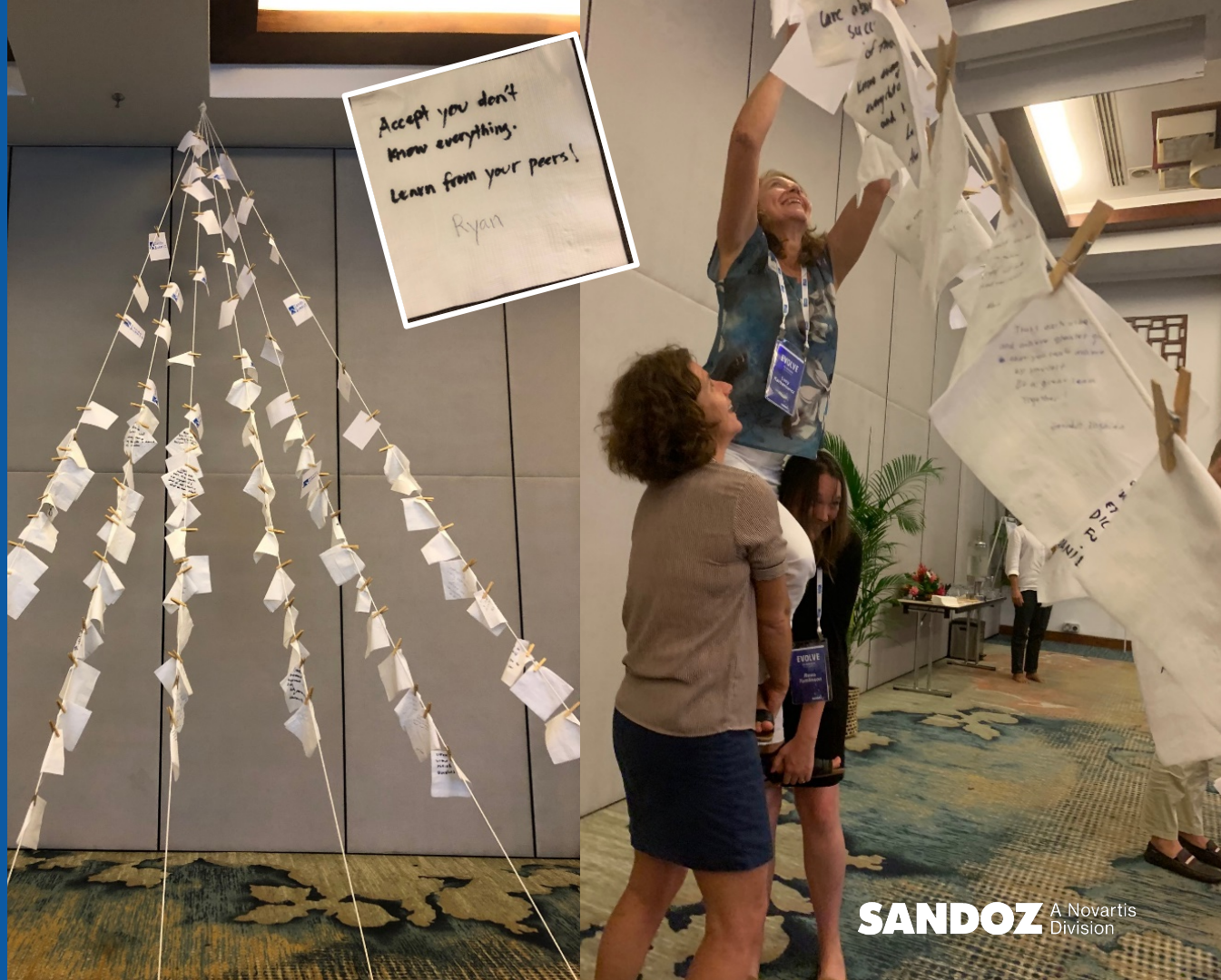
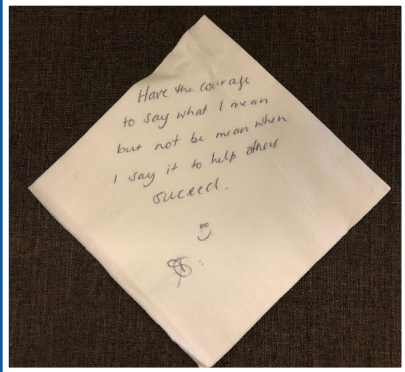
**...unless there is individual change**



1. Drive: The Surprising Truth About What Motivates Us, Dan H. Pink, Riverhead Books, Dec 2009



Through purpose,  
improving  
ourselves and  
empowering our  
people, we are  
reaching new  
heights



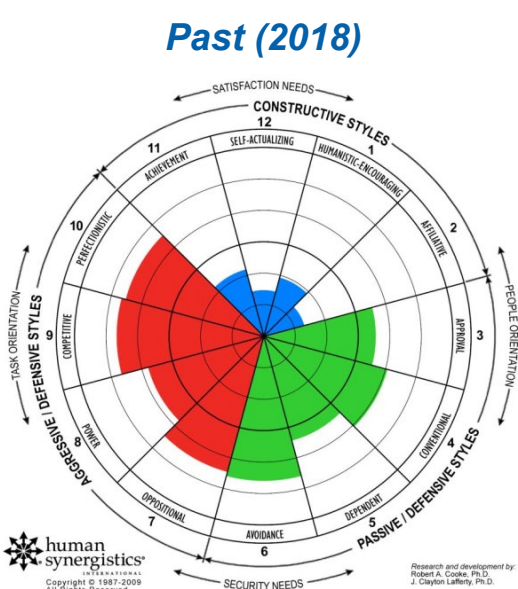


# Inspired, Curious & Unbossed culture delivering breakthrough results

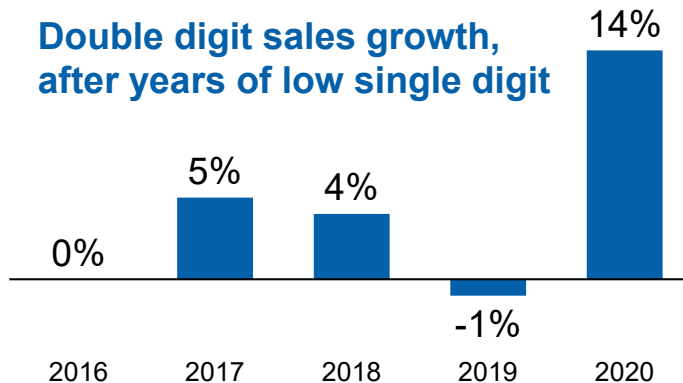
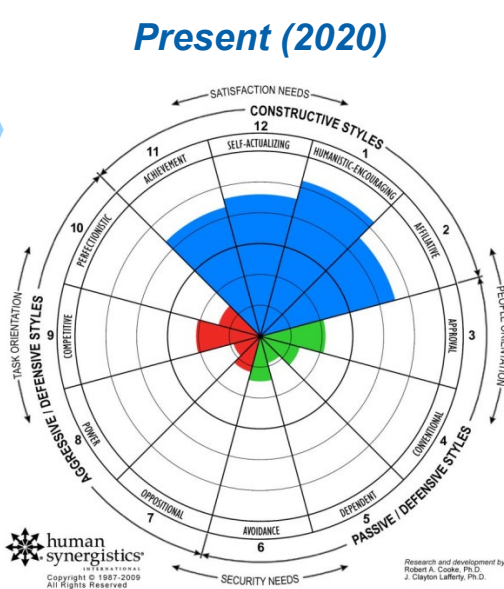
Complete transformation from aggressive/passive to construction culture

Double digit sales growth, after years of low single digit

Past (2018)



Present (2020)



Growing OPInc faster than sales

**30.9%** Vs. PY

# Thoughts when i saw the results...

How do we make sure we celebrate these results and enjoy our success?

How do we continue learning and use the momentum to make Sandoz AUNZ an even better place to work?

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*We must do everything to make this stick*

*We are winning and look good*

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*What will the regional or global team think?*

*What will happen if we go back to the old culture?*



# We want to continue nurturing a culture where people can thrive

## What we need to do

- Embed 'what worked' more deeply into the organisation
- Address processes and practices that can enable more constructive behaviour
- Include more people and inspire a self-authored mindset
- Continue enabling a safe environment for people to speak up, share and drive their ideas



## How we are going to do it

- Continue investing in our people through the **Everyday Leader Programme**
- Reimagine our Performance Management process completely **with a focus on impact**
- **Increase autonomy** through Choice with Responsibility
- Support and **enable our existing employee network groups**

**THANK YOU**



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