



HEALTH CARE
COMPLIANCE
& PRIVACY

Establishing a Culture of Compliance in Emerging Markets

“ Set your expectations high, find men and women whose values you respect, get their agreement on a course of action, and give them your ultimate trust. ”

John Akers

Compliance is an outcome...

Integrity is about doing the right thing,
even when no-one is watching.

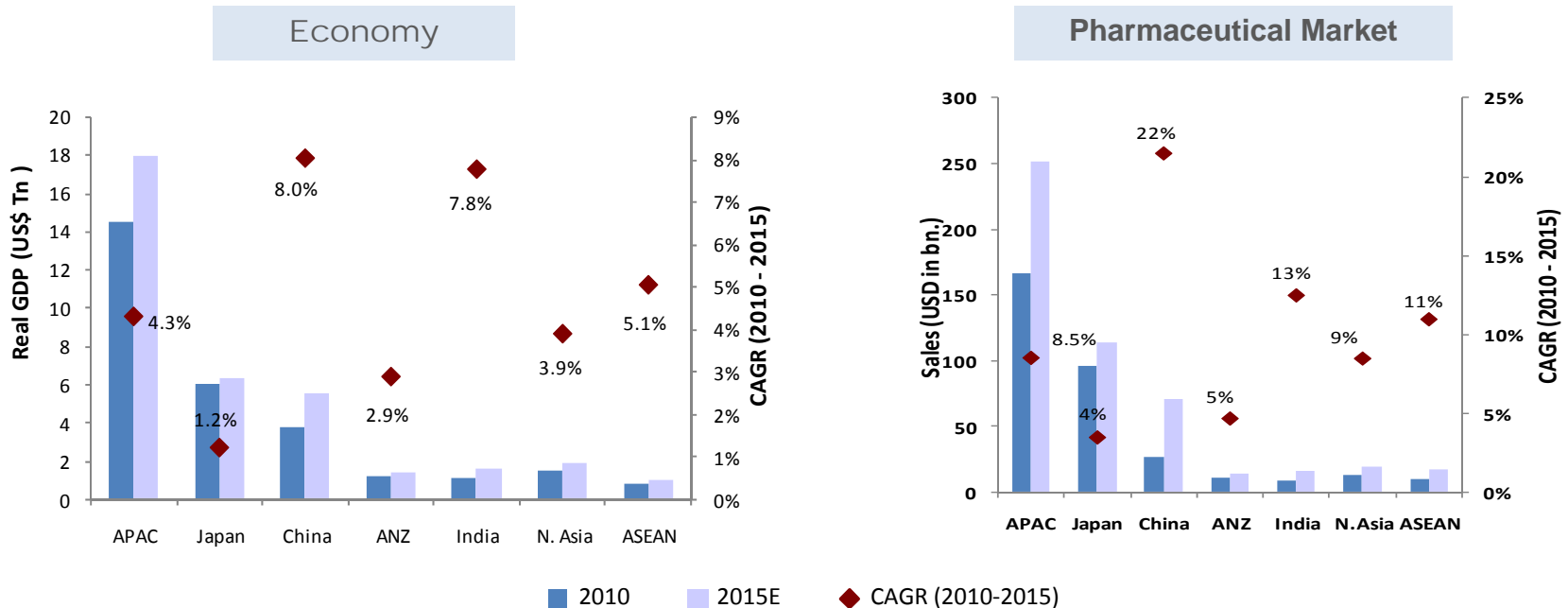
Expectation + People + Process

Expectations

- **Heavy investment by multinational companies in emerging markets**

Continued Global Shift Towards Asia Pacific

17% of global healthcare market today and forecast to reach ~25% share by 2018.

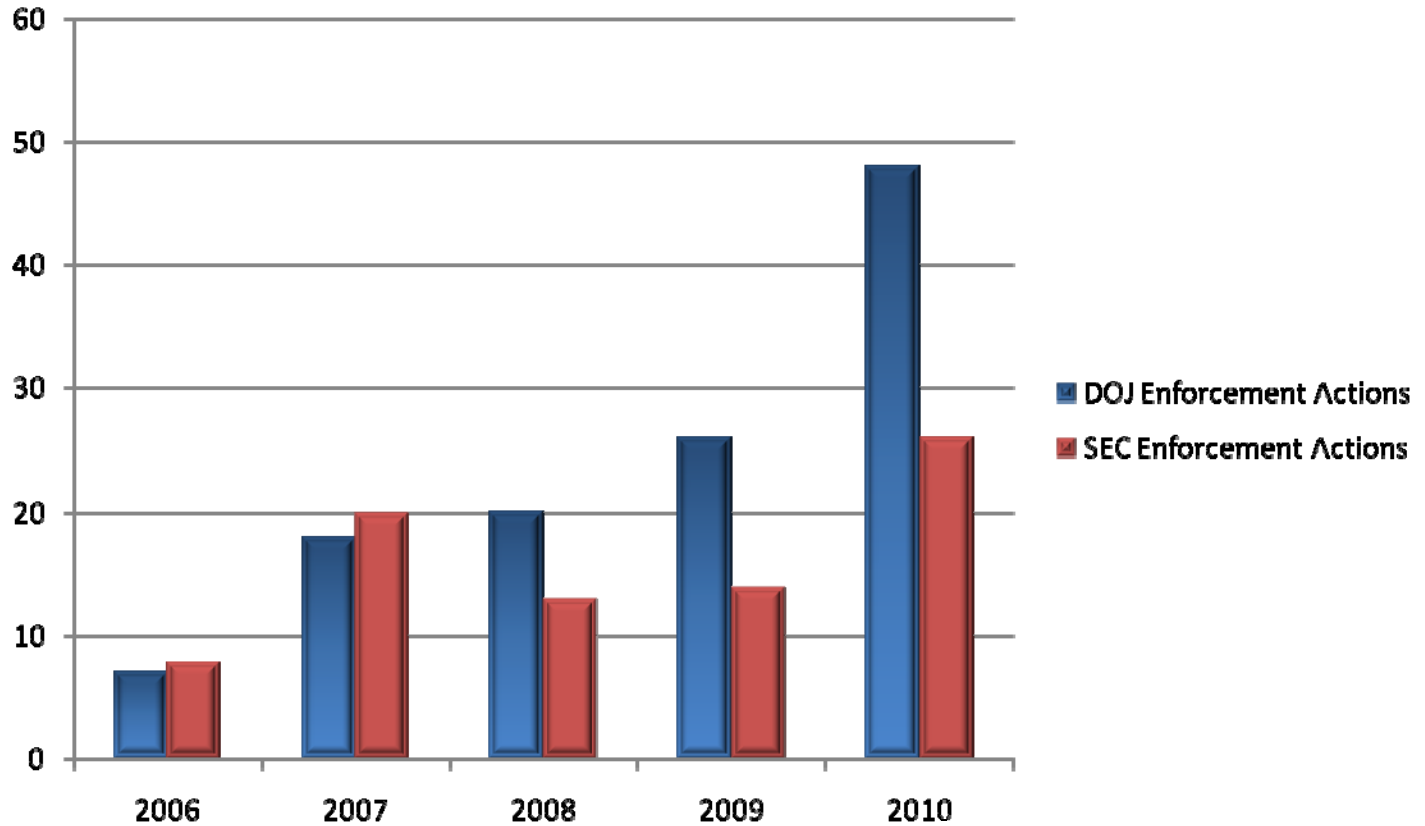


Source: EIU, Espicom, F&S, Secondary Research

Expectations

- **Heavy investment by multinational companies in emerging markets**
- **Increasing regulation in response to financial crisis**
 - Enhanced enforcement capabilities (FBI, DOJ, KFTC, AIC ...)
 - New and far reaching regulatory structures (e.g. UK Bribery Act 2010)

Enforcement Actions Brought by DOJ & SEC



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- **Compliance lapses are costly**
 - Multi-million dollar fines are common
 - Loss of reputational capital
 - High remediation costs

People

- **Tone at the top : leadership modelling behaviours**
 - Clarity & consistency
 - Accountability
- **Recruitment**
 - Attract talent exhibiting the right values and behaviours
- **Education**
 - What (industry / company codes, regulations)
 - Why (ethics and business integrity)
 - How (processes and procedures)
- **Communication and reinforcement**
 - Integrity in delivering business results
- **Encouragement to speak up**

Process

Programme

Governance

Transparency

Compliance Programme

- **Dedicated resources**
- **Documented clear policies and procedures**
- **Effective education & training**
- **Reporting mechanism (Hot Line)**
- **Monitoring**
- **Corrective action**
- **Enforcement & support**

Governance

- **Compliance Committee**
 - **Appropriate structure**
 - Single (small operations) vs.
 - Multiple bodies (larger more complex organisations)
 - **Membership**
 - Includes business leader
 - Chaired by Compliance Officer
 - Cross-functional
 - **Clear responsibility and objectives**

Transparency

- **Promotional activities**
 - On-label vs. off-label (strictly prohibited)
 - Congresses, exhibitions & Speaker engagements
- **Education**
 - Meeting genuine needs
 - Bona fide programmes
 - Venues and location
- **Third Party Intermediaries**
 - Compensation
 - Operational management
 - Due diligence
- **Hospitality & gifts**
 - Set standards (modest and customary)
 - Management and control

What Can Make The Difference

- Depth of knowledge of cultural norms & nuances
- Disproportionate investment in risk management resources vs business size
- Balanced commercial decisions
- Foundation of values & integrity

Healthcare compliance...

It's the right thing to do.

Establishing a Culture of Compliance in Emerging Markets