



# Leadership and Compliance

*'Nothing Great Was Ever Achieved Without Enthusiasm'*

R.W. Emerson

*Guy Lebeau*

*Company Group Chairman EMEA - J&J*

*Chairman of EUROMED*

*Paris, 26 May 2008*

**Johnson & Johnson**

**Eucomed**  
Medical Technology

# Why am I working in this Industry?

- Because the pace is great
- Because Innovation is everything
- Because the ROI is big
- Because people are nice...
- Because I did not have any other choice...

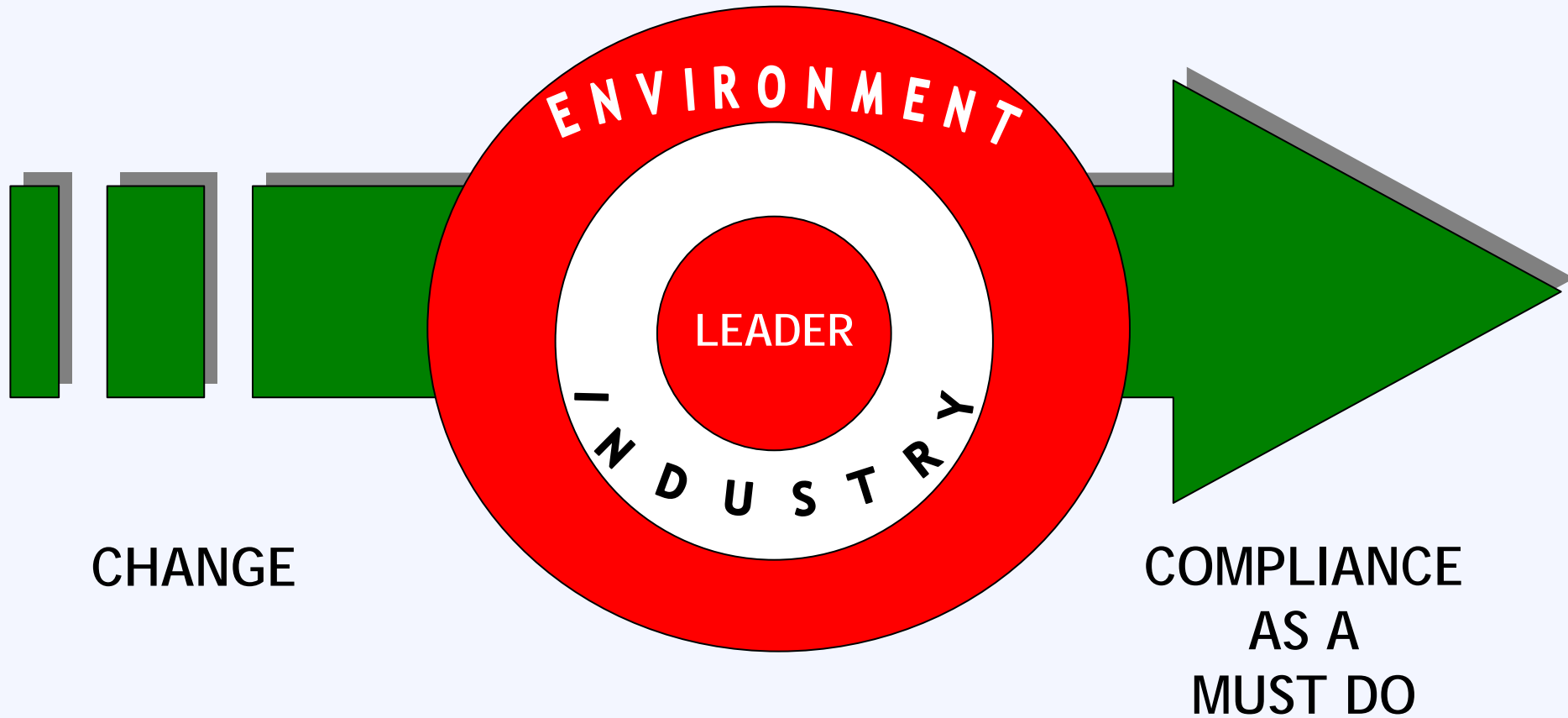
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*Because Patients Are Waiting For Us,*

*Compliance is Obvious*

“Leadership is influence”

J.C. Maxwell

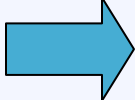
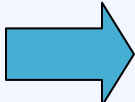
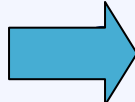
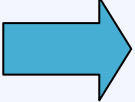


# As Industry in the Environment (I) “Challenges”

- Targeted population for our products → Right Product - Right People
- Improve productivity of R&D (incremental?) → Closer relations with HCP
- Research & Development → Influence of Patients and Governments

# As Industry in the Environment (II)

## “Challenges”

- Price / innovation sustainability  Full Transparency
- Value for money within the healthcare system  Trusted partner, Evidence-based reimbursement
- New system constraints (Post marketing study)  Transparent Data Management
- Demands for more equitable and extensive access to medicines  Partnering

# The end of a business model ...

## We don't sell anymore ...

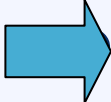
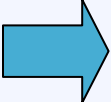
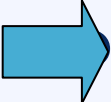
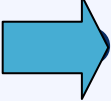
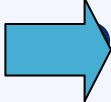
*We prove*

- Clinical facts
- Best solution available
- Socio-economic values

*Compliance is not an option*

*"You can't build a reputation on what you are going to do"*  
- H. Ford

# A Company in the Industry

- Different views on the future  
(Countries, HCS, History)  Face the Future together
- Different types of players  
(Agents, Start-ups, Multinationals)  Help the Group change
- Mosaic of markets  
(Specific History Orthopedics)  Benchmark behavior
- Increase competitive pressure  Change P&L
- Change in the core competency  
(Relationship to Science)  Change in the Talent Profile

# The end of an Industry Model

Leave me alone ...

The Industry has to act together

- ⊕ EUCOMED & National Associations
- ⊕ Explain the change
- ⊕ Educate players
- ⊕ Share lessons learnt
- ⊕ Negotiate the time to change as one industry



# As a Leader in a Company

*"Watch your thoughts;  
they lead to attitudes.  
Watch your attitudes;  
they lead to actions.  
Watch your words;  
they lead to actions.  
Watch your actions;  
they lead to habits.  
Watch your habits;  
they lead to character.  
Watch your character;  
it determines your destiny."*

- Unknown

Compliance is a business decision

- + Communication
- + Measurable goals
- + Follow-up

But Why?

Those who lie for you  
will also lie to you ...

# As a Leader in a Company

## Why?

90% of how people learn is visual  
9% is verbal  
1% other senses

33% of Managers admit to  
distorting Or concealing  
Information from their  
bosses

1. Environment
2. Protect our company
3. Growth of the Company
  - ✦ Good ethics is Good business
  - ✦ Generate Credibility
  - ✦ Faster decision-making
  - ✦ Create loyalty
4. Personally
  - ✦ A Good Leader?
  - ✦ Good for my career
  - ✦ Decrease my stress ...

# As a Leader in a Company

1. Create Clarity on Role and Responsibility
2. Set-up appropriate structure to assure compliance
3. Teach how to make decisions ...

*“Compliance is all about doing what we are required to do ...*

*Ethics is all about doing what you should do because it is Right”*

# Ethics-Based Decision Process

## Recognize the Moral Challenge

- ✦ Is there a conflict between two “goods?”
- ✦ Proactively address the issue
- ✦ Avoid rationalizations
- ✦ Gather pertinent facts

## Search for a Good Solution

- ✦ Weigh conflicting interests
- ✦ Assess motives/intent
- ✦ Assess impact of alternatives on Stakeholders
- ✦ Review long-term credibility of statements

# Ethics-Based Decision Process

Test your  
provisional  
decision

Act with  
Courage

## *Ask yourself:*

- Does it pass the “Tell All” test?
- Could you explain it to those affected, to your family, your peers?
- Will it harm the Company’s reputation if reported in the media?

## *Talk with others:*

- + Use your management, others at corporate as a sounding board

- + Accept the discomfort
- + Acknowledge any downside

## *Decision Timing:*

- + Tired?
- + Stressed?



*'Luck is the Residue of Design'*  
*B. Rickey*

Johnson & Johnson

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Medical Technology