

Carrie Cox

Executive Vice President
and President
Global Pharmaceutical
Business

Building the New



Schering-Plough

“Three things can be said about change in today’s environment: it’s hard, it’s necessary, and most people are bound to resist it. The question for leaders, then, is what makes change happen? . . . the answer is teaching.”

Noel Tichy (1999)

Don't Wait for a Turnaround

- I've adopted these principles through experience in turnarounds and mergers
- They apply to healthy businesses too
- Take every opportunity to challenge your own status quo and energize your people towards greater performance

Set New Priorities

- Focus on “Must-Win” markets
- Put muscle behind key products/services
- Build teamwork and collaboration
- Align your interests with your customers’
- Re-allocate resources against key priorities



**DRIVE TOP
AND
BOTTOM
LINE
GROWTH**

Focus On People

People who can lead a successful or stable organization may not be the same people who can envision, lead, or thrive in a turnaround or change effort

The “Natural Selection” Process



The “Natural Selection” Process

- People who can't accept or adapt to the magnitude of the change
- People without the “new” skill sets
- People who hang on to the past
- Talented people who need to start over due to lack of “philosophical fit”
- Some good, “hate-to-lose” people get away...

Focus On People

Talented, entrepreneurial people will be attracted to the opportunity AND will be energized by being a part of it!

These are the people you need to be successful

Performance Management



To drive Schering-Plough's transformation to a high performance culture, support new rewards system, and fuel our success

Our Compliance Program

We are building a best-in-class Compliance organization . . .

...for a new Schering-Plough

- **Centralized, visible organization with resources, focus and mandate**
- **Cultural change program to educate employees about the value of Compliance to improve business**

Schering-Plough has Implemented a Common-Sense, User-Friendly Code of Conduct



- ◆ **How** to ask questions about the Standards of Business Practices (e.g., elevation to Compliance, Legal, HR personnel)
- ◆ **When** to raise concerns (e.g., before risks become problems)
- ◆ **To whom** to raise concerns (e.g., contact information for Compliance Officers, HR personnel)
- ◆ **Integrity Action Line** (e.g., 24-hour communication Hotline)
- ◆ **Disciplinary actions** (e.g., clear and consistently applied consequences)

Executional Excellence Will Ensure Continued Process Improvement

An internal group of trained professionals dedicated to

Building Compliance into business processes

Instilling Compliance and efficiency

Strengthening mindsets and skill sets

Providing problem solving and project management

Driving continuous improvement



Regulators

- Determine the level of support you have among key regulators and government agencies
- Strengthen these relationships by keeping them informed of the challenges and the strategies
- Actions should communicate a long term commitment to the “new way of conducting business”...be it quality, safety issues, sales practices, etc.
- Where appropriate, seek their input on determining the best course of action

Wall Street

- Investors are seeking clarity on the company's return to profitability
- Credibility is earned by regularly meeting or exceeding expectations
- Setting reasonable expectations is critical
 - ◆ Outline the turnaround / change strategy and timing
 - ◆ Identify the challenges and steps planned to overcome them

Customers

- In our business, doctors and pharmacists are critical to our success, among others
- No matter who your customers are, success hinges on your ability to maintain their trust
- Arm frontline employees with the tools and information they need to keep customers in the fold
- Support these efforts with communications from senior management to illustrate holistic change

Leading Your People Through Times of Change

*Communicate,
Communicate,
Communicate*



Leading Your People Through Times of Change

*Catch people doing the
right thing*





Earn **TRUST**

Build **GROWTH**

Building the New



Schering-Plough

Thank You!