

Global integration for Teva

# Enabling the Globally Integrated Enterprise

Collaboration for a new era



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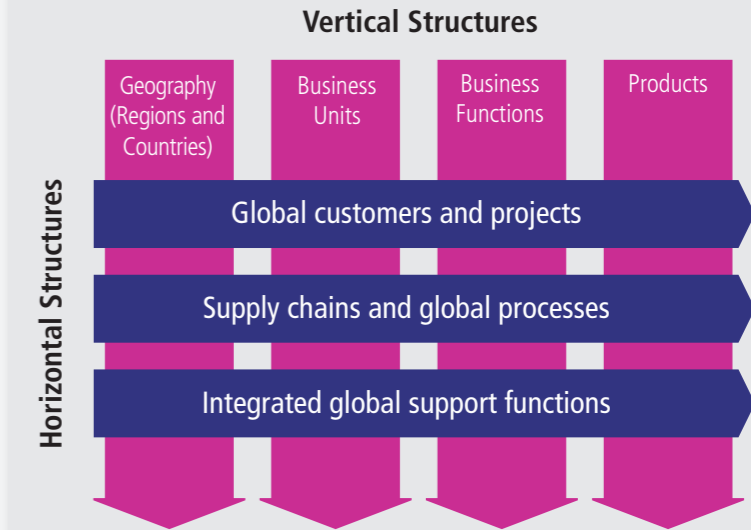
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# 1 Welcome to a new era

With ever-evolving demographics, growth in patent applications, increasing connectivity and pharmaceutical demand changes worldwide, it's clear that massive change is disrupting the pharmaceutical (pharma) industry.

This change has been labeled "Pharma 3.0" by Ernst & Young. To succeed in this new era, pharma companies need to adapt by simultaneously developing multiple business models to meet the needs of a broader and more fragmented customer base.

## A Matrix Organization



Global Integration is helping pharmaceutical companies around the globe address the complexities of operating in this new Pharma 3.0 world by bringing cross-functional and cross-organization collaboration to the heart of their way of working. Building the globally integrated organization.

Applying this approach, Global Integration believes it can make a real difference to Teva across the following themes:

**Redefining collaboration for Pharma 3.0**

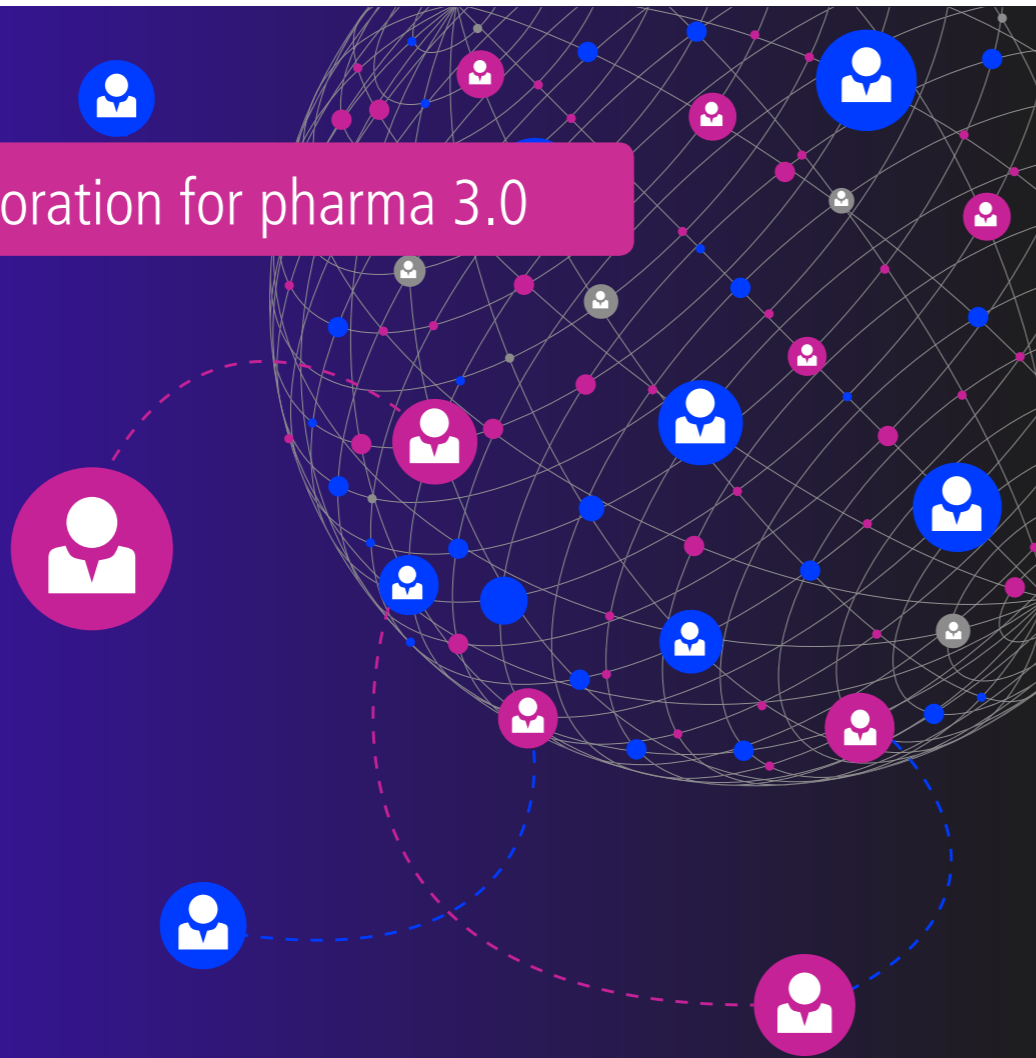
**Aligning behavior to global systems**

**Creating a culture for global success**

**Balancing innovation and regulation**



## 2 Redefining collaboration for pharma 3.0



Success in Pharma 3.0 demands radical collaboration with other players, such as information technology companies, medical technology companies, food companies and retailers, to deliver patient-centric products and services. It also demands greater collaboration within and across internal business processes, ensuring these cut horizontally across the global business – not just vertically.

For Teva, the globalization of commercial lines to create brand leadership structures is a priority. So too is the optimization of operational capabilities and processes.

Working with hundreds of complex organizations, from FMCG to pharmaceutical, Global Integration has learned what makes a complex, matrixed organization successful in practice. From an understanding of your corporate goals, Global Integration looks at people capabilities and ways of working, identifies the gaps and helps define the best way to collaborate for your organization – both internally and externally with partners.

“Teva touches the lives and improves the health of people all over the globe every day. We are committed to changing the rules of the industry once again.”

**Erez Vigodman, President and Chief Executive Officer, Teva**

Global Integration improves the collaborative interfaces required to deal with increasing complexity and provides Teva with a toolbox that effectively closes the gaps. Ultimately, this improves interaction within the company, drives operational efficiencies, and reduces timelines for critical deliverables such as clinical trials.

### Getting radical with collaboration

Radical collaboration also means working more closely with external partners. Global Integration works with internal and external networks, communities, teams and groups to develop and implement new ways of working across corporate, functional and national cultures, distance and organizational boundaries.



“ These new entrants to the healthcare sector have different ways of thinking about solving healthcare problems ... Pharmaceutical companies need to recognize the value and impact of these disrupters and learn from them. ”

McKinsey & Company<sup>1</sup>

For example, Teva recognizes the importance of developing partnerships in emerging markets – specifically India and China. Global Integration can support Teva’s emerging markets strategy, ensuring it has the best processes in place for effective collaboration with partners.

### POSITIVE OUTCOMES

- ✓ Streamlines collaborative processes and improves collaboration skills
- ✓ Drives cost effectiveness across the organization
- ✓ Equips your people and organization for the new reality of Pharma 3.0
- ✓ Strengthens cooperation between virtual and cross-functional teams from different organizations
- ✓ Builds a more open corporate culture that other organizations find easier to cooperate with.

1. [http://www.mckinsey.com/insights/health\\_systems\\_and\\_services/a\\_digital\\_prescription\\_for\\_pharma\\_companies](http://www.mckinsey.com/insights/health_systems_and_services/a_digital_prescription_for_pharma_companies)

### 3 Aligning behaviour to Global Systems



From ERP and digital to mobile, Teva is already investing in the systems and technologies required to be more connected both internally and externally, for example, Teva's ongoing IT transformation including its enterprise SAP implementation.

**Informa's Ovum forecasts global life sciences technology spending to reach US\$40.8bn by the end of 2017.<sup>2</sup>**

These investments are already changing the nature of how you work. But culture and people change often lags behind and is much harder to achieve. Are you making the same investment in changing your culture and way of working?

“ We expect much of this predicted growth to come from investment in business intelligence (BI) and analytics, as institutions look to collect, clean, manage, and analyze the vast amount of data from sources such as social media, electronic medical records, and genetic sequencing. ”

**Andrew Brosnan, Senior Analyst,  
Healthcare and Life Sciences, Ovum**

2. <http://www.informa.com/Media-centre/Press-releases-news/Latest-News/Ovum-forecasts-global-life-sciences-technology-spending-to-reach-US408bn-by-the-end-of-2017>

Value creation is becoming horizontal and cuts across the organization. However, the legacy behavior of people is often still focused on the old vertical silos of function and geography. This creates a disconnect between your systems and behaviors.

To ensure you get the full return on your systems investment and drive sustainable change in ways of working, Global Integration assesses the gaps between the behavior of your people and your systems to improve your capabilities for horizontal working.

**Global Integration understands that Teva's "Transforming the Way We Work" initiative is a top priority and can support this program at Teva.**

“Today we stand on the cusp of the next big wave in improvements in health outcomes – driven not just by new products, but by behavioral change.”<sup>3</sup>

**Ernst & Young**

### POSITIVE OUTCOMES

- ✓ Leverages the systems investment you are already making
- ✓ Makes your systems and people more effective
- ✓ Achieves a more connected enterprise
- ✓ Aligns your way of working to unlock cross-functional synergies

<sup>3</sup>. <http://www.ey.com/GL/en/Industries/Life-Sciences>





## 4 Creating a culture for global success



More integrated cross-functional and horizontal business working means more people work internationally, remotely and across business boundaries, this new work environment changes the nature of leadership and collaboration.

### The Challenges and Barriers:

#### Distance

People are working routinely with colleagues in different locations and time zones who they rarely meet and may not know well. This has huge implications for communication, effectiveness and trust. Virtual team working is now the norm for managerial and professional people who need to understand how to deliver collaboration remotely.

#### Cultures

Teams and projects cross national, corporate and functional cultures, which can cause misunderstanding, delay and frustration. In M&A, a clash of corporate cultures is one of the top three reasons for failure to integrate successfully. Building awareness, understanding and the ability to resolve these differences into more effective and inclusive ways of working is essential.

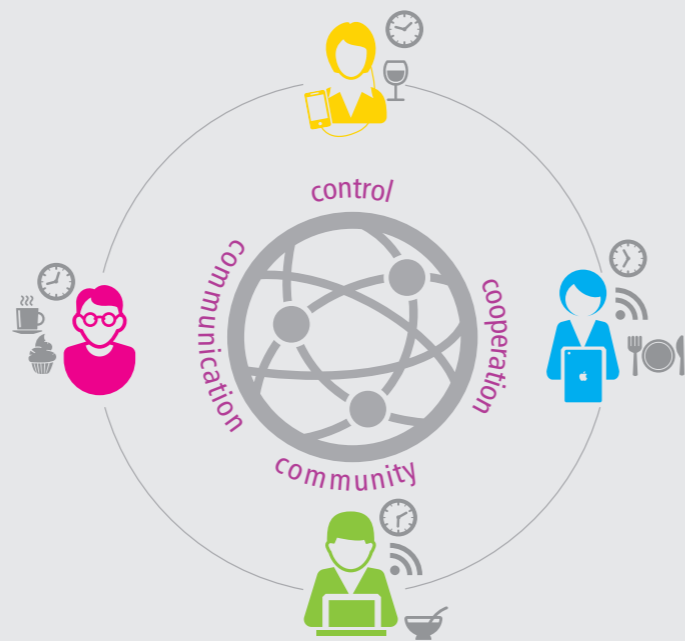
#### Technology

While technology is an enabler to remote working, it can also create unnecessary work – poorly run meetings, web conferences and unnecessary emails. Taming the technology can help your people cut out unnecessary work, communicate in an engaging way, and encourage wider participation.

### Organizational complexity

Working in complex organization structures brings additional challenges with multiple stakeholders and reporting lines, competing goals and accountability without control. Radical collaboration extends this complexity outside the organization to include partners and suppliers around the world. This demands a new mindset and skillset to manage this complexity.

### Global Working



### Global Integration understands that Teva's "Transforming the Way We Work" initiative is a top priority and can support this program at Teva.<sup>4</sup>

Teva operates in a global environment where there is significant competition for talent. Training with Global Integration will ensure the strategic development of your organization's talent by building the capabilities and ways of working needed for global, matrixed and virtual leadership and collaboration – building a talent base for the future.

“ The people we employ in Zagreb know they are not just part of a local operation. They are right at the heart of something much bigger. They are driving highly complex projects, requiring intimate knowledge of international regulatory requirements and working hand-in-hand with a truly global team. This enables us to meet the needs of our patients worldwide. ”

**Dr. Michael Hayden, President, Teva Global R&D and Chief Scientific Officer**

4. Teva Corporate Social Responsibility Report 2013, "Meeting Our Patients' Needs"



## POSITIVE OUTCOMES

- ✔ Enables better understanding of the barriers to leadership and collaboration
- ✔ Breaks down boundaries between individuals and national, functional and business unit cultures
- ✔ Builds capability and confidence in leading and collaboration in this more complex environment
- ✔ Speeds up the delivery of horizontal projects
- ✔ Streamlines and reduces travel and meeting costs
- ✔ Achieves positive and active engagement in virtual, horizontal and international collaboration
- ✔ Delivers a higher return on talent management



## 5 Balancing innovation and regulation

Developing a new medication can cost billions – and it's getting ever more challenging. In recent years the industry's R&D success rate has been under pressure and pharma companies need to increase innovation to deliver to shareholders. Distributed R&D organizations need to collaborate and innovate faster and at lower cost within a tight regulatory environment.

Global Integration can add value here by speeding up and simplifying collaboration and decision making, identifying the right balance of control and autonomy/empowerment by and improving remote communication between development team members.

Ultimately, creating a mindset and skillset where everybody has the freedom to innovate or do something differently – "disruptive leadership". Fostering a culture of game-changing innovation that provides the framework and motivation to generate ideas and execute solutions while satisfying the regulators.

### POSITIVE OUTCOMES

- ✓ Enables faster and lower cost collaboration between virtual and cross-functional teams
- ✓ Improves communication and collaboration
- ✓ Supports truly global ways of working within R&D
- ✓ Clarifies global standards and local autonomy

## 6 Enabling the globally integrated enterprise

### Step change

Working with you, Global Integration's consultants and trainers will diagnose your needs and develop tailored programs and campaigns to:

1

Support senior managers leading the transformation with insights, tools and coaching

2

Build the capabilities and skills to lead and collaborate effectively in the globally integrated enterprise

3

Change and embed new ways of working across the organization



## WHY GLOBAL INTEGRATION

Global Integration understands the pharmaceutical industry and can also bring a broad understanding and successful practices from other industries such as FMCG, Technology, Industrial, Software and Business Services.

- ✓ Global Integration is a thought leader and innovator in creating the globally integrated organization
- ✓ 20 years of credibility and success working with over 300 major multinationals in matrix management, virtual teams and global leadership
- ✓ Every consultant is a deep content specialist in Global Integration's niche and has practical experience of working in large multinationals
- ✓ Focused on delivering tangible business benefits
- ✓ The capability to deliver programs globally either face-to-face or through technology.

## Notes

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