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JENNIFER CHATMAN

Roche Pakistan (B): Results, Challenges, and the Future

By July 2017, Farrukh Rehan, the Managing Director (MD) of Roche Pakistan and his team had launched a successful cultural transformation and achieved a number of critical business results in just a little over a year. Danish Siddiqui, Market Access Head reflected: “I really don’t think we could have done any better of a job than we did, in this amount of time.”

Olaf Schulzeck, General Manager of the Middle-East II Region at Roche said: “I am very impressed to see the energy, passion, and innovation mindset of the Pakistan team today. The progress this team has made under Farrukh’s leadership in a short period of time is remarkable. I am quite struck by the confidence the team has gained, the effect of the cultural transformation on the employees, and our impact we can now make to improve access of innovative medicines for patients in Pakistan. And while there is still much work to be done, they are on the right track.”

As Rehan looked forward, however, there were a number of key challenges, both external and internal, that could cause difficulties for Roche Pakistan’s future growth.

Cultural Transformation Results

By July 2017, Roche Pakistan had achieved a number of specific results. The organization achieved its annual budget for the first time in three years, and stopped the decline in sales. It succeeded in its internal PDQA audit (as mentioned in the (A) case). It launched its first large-scale Access Program that had two components: A partnership with Pakistan Bait-ul-Mal for the neediest patients who could not afford treatment at all, and a separate Patient Support Program for patients who could buy a part of the treatment themselves. Initial feedback from doctors was very positive, and they were very supportive of much broader access for patients to Roche’s leading drugs.

The move of the previous Oncology Head to lead a revitalized Regulatory Affairs team also paid off with the launch of Actemra®, the first new product launched in many years. Several other products were in advanced stages of approval by DRAP and were awaiting approval by the Federal Cabinet. Finally, Roche Pakistan had launched a major effort to focus on educating doctors, nurses, and other healthcare professionals on the key safety, quality, and efficacy

Professor Jennifer Chatman prepared this case study with assistance from Case Writer Victoria Chang, as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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benefits of its reference products and now the field-based employees of Roche were better prepared to compete effectively.

Structurally, the organization was aligned with the four Strategic pillars (described in the A case) according to Rehan. He said: “A dedicated CR (Competitive Readiness) lead was in place. A new Access team had been created that was focused on deploying the Patient Support Program, and on exploring new partnership opportunities. The Medical team was expanded to serve customers more effectively, and capability-building of both medical and commercial teams was a priority.”

An anonymous internal survey conducted in January 2017 revealed that 100 percent of respondents believed that management was listening to them, and 98.6 percent believed that Roche Pakistan was headed in the right direction. The majority of respondents (77.1 percent) stated that they felt that their current line manager fully displayed the values required in the new Roche Pakistan culture (i.e. transparency, humility, collaboration, and employee-centricity).

The 2017 Roche-wide GEOS (Global Employee Opinion Survey¹) also indicated success, with employee engagement growing by 22 points over the previous GEOS for Roche Pakistan. GEOS scores on senior leadership had increased by 30 points, and management effectiveness was up by 23 points. Moreover, in an EEMEA² cultural survey run by Professor Jennifer Chatman at the University of California, at Berkeley’s Haas School of Business, Roche Pakistan had the smallest gap between its current culture and the culture it needed to execute on its strategy.

Wahaj Saeed, the Specialty BU Head reflected on the changes: “Before it was easy to say, ‘this is a non-reimbursed market and that’s why we’re not getting results.’ But now people ask bigger strategic questions like, ‘should we go into the new geography, new businesses, new segments altogether?’” Mahrukh Awan, Sales Manager in an Oncology Business Unit felt similarly: “Our field people now think outside the norm. They have full ownership of the business and the territory. The culture change has gone from top to bottom. I believe this transformation has given us freedom of speech and freedom of work.”

Asma Kamran, Medical Head noted the spirit of collaboration within Roche Pakistan: “The level of interaction and teamwork among different departments is something I have not seen in any previous organization I have worked at.”

Mohammad Siddiq, Sales Manager of the Specialty BU in the Central region provided a sales perspective: “I feel very motivated to work hard because I feel completely empowered. I know that my BU head isn’t watching me 24/7, but I feel motivated to give my best every day in the field.” He added: “Since the cultural transformation, we are achieving higher sales in our region and seeing unprecedented growth.”

The new product launch process was a specific example of how the cultural transformation led to cross-functionality, collaboration, and inclusive decision making. Noman Gul, Product Manager in the Specialty BU said: “We’ve created an internal advisory board that is multi-departmental and cross-functional that includes the Onco BU Heads, medical people, and access colleagues. This has enabled us to move fast while gaining insights from many different perspectives. Now

¹ Conducted by Aon Hewitt.

² Comprises countries in Eastern Europe, Middle East, and Africa.

the regulatory department submits the paperwork much faster, we collect market insights much faster, and we invite people from other departments to view our plans and challenge us so that we can improve our thinking. Previously, I would be trying to do this just by myself, or within my Unit. But the cultural transformation has taught us that collaboration is always helpful.”

A second Women’s Forum took place in February 2017. Rehan said: “By this time, we had three women in the LT, a female sales manager, a transportation service for those women who didn’t have cars, a five-day work week, full flex time and expanded maternity leave. We sat for an hour-and-a-half and the women told me that they ‘didn’t have anything more to ask—the company had done its part and now it was on them to seize opportunities and deliver on their potential.’ I was very proud of that.”

By June 2017, almost half of the LT members were women—the Medical Head, HR Head,³ Compliance Officer⁴, and the Finance Director. “This is unusual in the pharma industry in Pakistan and also in Pakistan in general,” said Shafaq Kamran, the new HR Head. Rehan believed this to be the highest percentage of women in leadership at any pharma organization in Pakistan.

By July 2017, about a third of Roche Pakistan’s recruits were women. “Now we have to retain and develop them” said Kamran.

External Market Challenges

On challenges, Rehan said: “My greatest concern is related to handling the simultaneous challenge of expected new competition, multiple new launches by Roche, and the successful implementation of the Access program in 2018. On all three fronts, the Commercial, Medical, and Access teams are operating on full throttle.”

Cross-functional teams were busy finalizing launch plans for new Roche products, and the Access team was looking at other partnership opportunities with the government or NGOs to expand the patient coverage. Rehan said: “Our hope is that our people are so energized and prepared that we can be successful on all fronts. Disengaged employees cannot succeed in achieving multiple objectives in such a complex environment. Our people need to be invested in our culture and company.”

Internal and Cultural Challenges

Rehan felt that the impact of Roche Pakistan’s culture was clear, not just in sales numbers and survey results, but in terms of interactions with employees, particularly the commercial teams. New employees would often seek out Rehan and express their “surprise and delight in joining an organization which was so different from their previous experiences—an organization that prized humility and people-centricity in its leaders, was inclusive, and where everyone called each other by first name.”

Khurram Nawaz, Onco BU 1 Head reflected: “In other companies in Pakistan, Senior management are perceived as distant and high above the rest of the employees. But in Roche

³ The prior HR Head retired in April 2017 and the new HR Head joined in July 2017.

⁴ Promoted internally in October 2016.

Pakistan, during meetings and other events Farrukh is sitting throughout the sessions with us, leading workshops, chatting during breaks, challenging us, and willing to be challenged. Other LT members do the same, and the impact is that our teams feel very close to their leaders, and everyone has a sense of being on a mission together. The energy and excitement among teams is palpable, and the transformation in attitude and outlook is simply remarkable—and we clearly see it in our sales results.”

Rehan believed that Roche Pakistan’s culture was now a source of competitive advantage for the organization and his main concern was to ensure cultural sustainability. “The biggest challenge will come when I move on and someone else leads the organization—ideally we elevate someone from within who is an advocate and believer of our special culture, and then our sapling will continue to mature.” Rehan emphasized developing his people as a priority: “One of my most important responsibilities is to develop the next MD (or several of them) so that they continue the work we have started.”

On cultural sustainability, Hafsa Shamsie, Finance Director said: “Our existing people can appreciate the cultural change from last year to this year. But as time passes and new people join the organization at a new start point, how do we make sure we don’t become complacent?” Shamsie also commented on performance: “I think we can’t just have culture change, but it needs to go hand-in-hand with performance accountability; otherwise, business performance won’t come.”

On the topic of culture and performance Rehan commented: “I see trust, empowerment, recognition, and reward as one side of the scale, and performance and accountability as the other side. Both have to be in balance to be sustainable. But the Roche Pakistan results of the first year show that the right culture combined with a clear strategy can lead to extraordinary results.” On the sustainability issue, HR Head Shafaq Kamran said that Roche Pakistan needs and plans to focus on institutionalizing the culture. “We need to formalize our culture into an induction program—as well as develop other programs about our culture beyond all the other training we already have.”

On cultural challenges, Rehan felt that the cultural transformation hadn’t spread across the organization uniformly. “The GEOS survey had high engagement scores, but the levels weren’t the same in different departments. I don’t regret prioritizing the commercial teams last year as they are the engines of growth, but now we need to ensure that all departments keep pace with the change.”

On the physical office to support the culture, Shamsie and her team were also working to find a new office with an open plan and hoped to have a new office by Q1, 2018. “It’s expensive, but I think it is necessary for our long-term success. We saw how putting people together in one room helped us in the PDQA audit. If we can have everyone in an open space, it will make collaborating that much easier,” she said.

Reflections and Future

As Rehan reflected on the organizational journey of the past 18 months, he was proud of what his team had achieved in a short time. In 2017, for the second year in a row, they expected to exceed their targets, and had put Roche Pakistan back on a growth path. Moreover, an Access Program had launched. The cultural transformation story, the business turnaround, and the initial results of Roche Pakistan had garnered a lot of attention within Roche, according to Rehan. Still, Rehan felt a great responsibility for Roche Pakistan’s future. He wondered: “Are we prepared enough to

deliver sustained results? Have we transformed enough? And could the transformation of an organization transform the lives of cancer patients in Pakistan?”

In a presentation to all employees on January 3, 2017, Rehan summarized his vision for Roche Pakistan: “Not a one man show, but a true team; not comparable to any organization in Pakistan, but aspiring to be best in class globally; an elite organization, which is seen as a benchmark in Pakistan and the region; an exporter of talent across EEMEA; an organization that is seen as a great place to work; and an organization that serves thousands of patients and helps them and their families.”⁵

⁵ “The Car and the Driver,” January 3, 2017.