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## Genentech Immunology & Ophthalmology (GIO): Measuring Performance and Focusing on the Business (B)

By 2012, Jennifer Cook, Senior Vice President of the Immunology and Ophthalmology (GIO) business unit had worked hard with her team to develop a cohesive culture to tie together GIO's four brands, as she believed that culture fundamentally would drive the performance of her group and it was too important to leave to chance.

In the process, she had faced a series of pressing questions such as how to bring her team together; what might affect the group's performance; what features of culture were at play; and what stood in the way of positive change?

Throughout the culture change process, she focused on measuring performance, especially given how much quantitative data was valued at Genentech generally. Thus Cook and her GIO team emphasized measuring GIO's culture efforts in many different ways and at various times not only to check how they were doing, but also to communicate to the organization what was working and what needed more attention.

### **Measuring Performance**

Business results since the culture efforts begun far exceeded expectations and in fact, performance exceeded plans so much that in early 2012, Cook and her team changed the 2015 three-year goal from three franchises, 300,000 patients, and \$3 billion in revenue to four brands, 400,000 patients, and \$4 billion in revenues because the team had already hit the goal long before 2015.

Cook discussed sales performance and how it relates to culture: "I can't say what's causal, but I think that there's a reasonable case to be made that they're related. For one thing, we know what's going on in our environment, we know how we set our forecast, we know what we're up against and these were

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Victoria Chang prepared this case study under the supervision of Professor Jennifer Chatman as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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not cake-walk years that we were in. But every one of our teams beat their forecast and I don't think that's a coincidence. At least in the face of difficulty, they certainly didn't fail or lag."

In 2012, the GIO team repeated the Organizational Culture Profile audit. The results showed that three cultural pillars, focus on people, patient-focus, and integrity, really moved upwards. However courage and innovation did not and thus the team planned to focus on courage in 2013 and beyond. "We plan to really understand what about courage didn't move as much and what does that actually mean," said Datt.

The Leadership Team also planned to investigate from a theoretical perspective, why it was so hard to get courage to move. Datt said: "I am going to pick up where the Culture Advisory Board left off and focus on the definitions that we put on the placemat for courage to see if they still apply and then what would it really take to move that forward so that people talk about it and act upon it."

In early 2013, Khurem Farooq, head of Rheumatology conducted his own survey of his own franchise and its nearly 300 people. The survey had an 85 percent response rate and the scores had moved significantly in 18 months based on "a lot of the work that GIO and the franchise did," according to Farooq.

The survey showed higher scores for many components of the culture work. "People are in a good place and I think when people are in a good place and know that you have leadership on board with them, I think generally people perform better, they want to do the right thing, they want to operate in the right way, and they want to help each other. It creates an environment of success and success fosters further success and creates a great environment and a lot more camaraderie across the group, which didn't exist three years ago."

The Culture Advisory Board too conducted several "pulse checks" in order to see if culture was helping people in their day-to-day decision-making. "When faced with challenges, are they able to deal with those challenges and actually impact the number of patients and revenue? The answer was yes, based on our surveys," according to Datt.

Patricia Pino, Sales Representative for Xolair talked about qualitative measures such as the elevation of GIO's status and reputation within Genentech: "Everyone used to want to go over to Oncology as the coveted area in Genentech, but now the tables are turning and some of the Oncology people want to get into GIO." She added: "Since Jennifer has come, we all feel like we are part of a larger organization. She has brought us all together and there is cohesiveness and an understanding of other brands." Likewise, a product manager on Glassdoor.com reviewed Genentech as having a "strong inclusive culture, particularly in GIO," with the advice to senior management as, "continue patient and science focus".<sup>1</sup>

## **The Future: Focus on How Culture Impacts Business**

To kick off 2013 culture initiatives, Cook and her Leadership Team reviewed the "Nifty 50" concepts from the 500 ideas that the GIO organization had come up with, and all had been completed in some way, shape, or form. "We looked at our initiatives, what state they were in, whether we needed new sign-ups and volunteers, and what new ideas we have," said Cook.

The Leadership Team came up with seven new ideas for 2013, focusing on business ideas—leveraging culture to change business outcomes and business processes, and focusing on obstacles that get in the way from a business operational perspective. Cook said: "What was interesting to me is that

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<sup>1</sup><http://www.glassdoor.com/Reviews/Employee-Review-Genentech-RVW1196228.htm>.

during the first year, all our ideas were culture-based and during our second year, we had a mix of business questions and culture questions such as segmentation, patient adherence, and how we do our planning. In our third year, all the new ideas are business ideas and how to leverage the four pillars to change our business practices and improve our outcomes.”

One example of a business issue that came up was related to compliance issues—what sales reps could talk about in the field. Datt elaborated: “Sales reps are always concerned about making sure that they are not out of compliance in any communication. But when they are faced with a challenge in a physician’s office, they want to be able to see if there is a way for them to address the issue or the challenge.”

Although GIO had a compliance hotline for sales reps, there was a belief permeating from the field that Genentech was very risk averse and “if sales reps asked certain questions, they would get investigated for being out of compliance,” said Datt. “This doesn’t really resonate with our pillars at all. Although integrity is very important, it doesn’t mean to make sure that people stop asking questions altogether. Where is the courage, the innovation? We were telling people to be innovative and have courage, but on the other hand, we have to deal with compliance which inhibits innovation.”

Another cross-franchise business issue that emerged was patient adherence—the issue of chronic disease patients not complying and taking medication when they were scheduled to take them to get the most benefit. The initiative team focused on segmenting patient populations regionally. “We used the pillars to frame the challenge—what is the challenge of patient access, not what is the challenge for you to hit your numbers,” said Datt. “This might seem subtle, but it makes a huge difference in terms of how people start to identify issues and challenges.”

Cook also created a team that focused on the courage and innovation pillar because in the survey results, that pillar didn’t “move that much”. “All the rest moved, but that one didn’t,” said Cook. “And I didn’t want to give up on that because the group had identified it as important.”

Further, another product that focused on cystic fibrosis joined the GIO business unit in 2013. The franchise had a sparser patient population that was very dispersed across the country. “We’re going to have a team to consider how best to address this kind of highly dispersed, smaller customer base, because we have another disease area that is similar,” said Cook. “As long as those kinds of issues keep coming, we will still form teams and get people working cross-brand on those issues.”

As Cook reflected on her three years leading GIO, she was exceptionally proud of her team for making the implicit culture explicit, from the ground up and across franchises. She said: “Our engagement score (by Hewitt Associates) went up to 84 percent, one of the highest in the company. Our baseline in 2011 was at 67 percent, so we have another validation that the culture work really made a difference. That, combined with 35 percent revenue growth over the last three years off a base of \$3 billion, and the hundreds of thousands of patients we helped with our medicines, makes me very proud of our team and the work we did.” In July 2013, Cook was named the head of Roche’s Region Europe, overseeing 28 countries.