



AstraZeneca Leads the Way to Enterprise Engagement

AstraZeneca has been named one of the 100 Best Companies to Work for by San Francisco-based Great Places to Work Institute, it's on the list of the top 100 Best Companies for Working Women and was designated one of the nation's most admired companies by *Fortune* magazine, among numerous other kudos.

And while this certainly demonstrates its commitment to human capital, customer satisfaction and employee performance, investors appreciate the apparent connection to the bottom line: AstraZeneca recently reported year-to-date sales gains of 8% at constant exchange rate. Sales in the U.S. rose 10%, half of which were attributed to Toprol-XL. Core operating profit increased 28% during this same period to \$6.9 billion, which the company partially attributed to its sales growth and operating efficiencies. For the last five years,

AstraZeneca has shown consistent gains in sales, earnings per share and dividends – pretty amazing, given the economic environment.

Behind all of these dazzling stats and awards is a culture of engagement that extends from new employees all the way up to the executive level – to people like Melanie Lewis, AstraZeneca's Director of Sales Engagement. In her new capacity, Lewis is responsible for the development, execution and measurement of the company's field sales engagement strategy. Her initial focus is on leadership development, and then on integrating engagement principles into the process of early training for new employees. She will be advising on ways to build a clear link between sales training, management development and engagement strategies for the field, as well as identifying areas that need attention based on the company's employee and

customer surveys, noting that part of this involves “exploring, understanding and sharing external research on engagement theories and the impact on business results.”

INTERNAL AND EXTERNAL

AstraZeneca defines engagement as a “belief in and support for the organization's goals and values; pride in working for the organization; willingness to work beyond expectations to help the organization succeed; and intent to stay for long tenure.”

The company measures engagement from two perspectives: Internal and External. In the past, AstraZeneca conducted employee surveys every two years, but it's moving to annual surveys going forward. “We have an Engagement Index we created in 2005 based on 10 factors of employee engagement,” says Lewis, noting that since the company started measuring sales employee engagement it has seen a 21-point increase in total favorable responses to engagement factors.

The Enterprise Engagement Alliance (EEA) is a coalition of companies and associations dedicated to the idea that engagement is an enterprise-wide endeavor that “begins with people and ends with profitability.” The EEA's primary mission is to research and promote the importance of engaging people in business, including customers, employees, channel partners and managers. The organization's first research project, “The Economics of Engagement” was released in June 2009 and is available at: www.incentivecentral.org/pdf/Final_Economics_of_Engagement.pdf. Contact info@enterpriseengagement.org for more information.

www.enterpriseengagement.org

External Measures are based on a Customer Engagement Index and several external surveys. In 2008, the company developed a Sales Representative Engagement Index of questions aligned with the Customer Engagement Index that already were a part of an external survey. The survey is a web-based, attitudinal survey of physicians related to their interactions with sales representatives, including execution, product message and other measures. It included 75,000 detail-interaction surveys with doctors in 2008.

ALIGNMENT IS KEY

Of course, engagement has no meaning and value unless it's aligned with the organizational mission. To stay true to the AstraZeneca mission – *“To make the most meaningful difference to patient health through great medicines”* – the company uses a balanced scorecard framework that outlines the objectives and targets in each of four priority areas. The balanced scorecard also includes details of the measures used to assess progress and of the initiatives in place to drive achievement of those objectives. Progress is communicated to all employees each quarter. All individual performance objectives (i.e., the personal scorecard) reflect these company objectives, so everyone at AstraZeneca can make a contribution to the common strategy and goals. This focus is reinforced by a number of tactics, including:

Reward and Recognition Programs. Rewarding and celebrating significant and creative business achievements by employees is another way of reinforcing the business strategy



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and leadership capabilities. Lewis says the company offers a number of programs designed to provide flexible, creative and meaningful opportunities for managers or peers to express appreciation to individuals for their contributions and accomplishments.

The Selling System and Customer Engagement. According to Lewis, in the past few years most pharmaceutical selling systems have been built on increasing the quantity of interactions with healthcare providers. Now, the focus is on *higher quality* interactions as perceived by the health care provider. AstraZeneca builds its approach to selling around key priorities and focusing on those things it has identified that drive success with the customer. The company uses account-based selling, allowing for the time and focus it takes to build stronger relationships with the office prescribers and key influencers. The model has to be flexible enough to evolve and optimize the company's current portfolio of products, while laying the groundwork for future products. In addition, over the past year the company has

developed and employed alternative ways to interact with our customers, aligned with their preferences for interaction.

Communication. With its own employees, AstraZeneca has multiple means to communicate and inform, and does so through multiple forms of media and platforms. The challenge of connecting with busy physicians is another matter, and AstraZeneca is employing alternative channels to enhance communication that Lewis would not disclose for competitive reasons.

Compensation. The core AstraZeneca bonus plan for eligible field-based employees is a performance-driven plan based on performance against personal scorecard objectives and leadership capabilities.

Customer and employee engagement cannot solve every problem, but Lewis is confident that AstraZeneca is on the right path: *“I believe we are well poised as an organization to face these challenges with a more confident, resilient, innovative and engaged sales force.”*