

Present and future of glaxosmithkline pakistan



**ASSIGN
BUSTER**

We have a challenging and inspiring mission: to improve the quality of human life by enabling people to do more, feel better and live longer. This mission gives us the purpose to develop innovative medicines and products that help millions of people around the world.

We are one of the few pharmaceutical companies researching both medicines and vaccines for the World Health Organization's three priority diseases - HIV/AIDS, tuberculosis and malaria, and are very proud to have developed some of the leading global medicines in these fields.

Headquartered in the UK and with operations based in the US, we are one of the industry leaders, with an estimated seven per cent of the world's pharmaceutical market.

But being a leader brings responsibility. This means that we care about the impact that we have on the people and places touched by our mission to improve health around the world.

It also means that we must help developing countries where debilitating disease affects millions of people and access to life-changing medicines and vaccines is a problem. To meet this challenge, we are committed to providing discounted medicines where they are needed the most.

As a company with a firm foundation in science, we have a flair for research and a track record of turning that research into powerful, marketable drugs. Every hour we spend more than £300, 000 (US\$562, 000) to find new medicines.

We produce medicines that treat major disease areas such as asthma, virus control, infections, mental health, diabetes and digestive conditions. In addition, we are a leader in the important area of vaccines and are developing new treatments for cancer.

KEY FACTS ABOUT GSK

Every second...

We distribute more than 35 doses of vaccine

Every minute...

More than 1, 100 prescriptions are written for GSK products

Every hour...

We spend more than £300, 000 (US\$562, 000) to find new medicines

Every day...

More than 200 million people around the world use a GSK brand toothbrush or toothpaste

Every year...

Our factories produce 9 billion Tums tablets, 6 billion Panadol tablets and 600 million tubes of toothpaste

PAKISTAN OVERVIEW

GlaxoSmithKline Pakistan Limited was created on January 1st 2002 through the merger of SmithKline and French of Pakistan Limited, Beecham Pakistan (Private) Limited and Glaxo Wellcome (Pakistan) Limited- standing today as the largest pharmaceutical company in Pakistan

As a leading international pharmaceutical company we make a real difference to global healthcare and specifically to the developing world. We believe this is both an ethical imperative and key to business success.

Companies that respond sensitively and with commitment by changing their business practices to address such challenges will be the leaders of the future. GSK Pakistan operates mainly in two industry segments:

Pharmaceuticals (prescription drugs and vaccines) and consumer healthcare (over-the-counter- medicines, oral care and nutritional care).

GSK leads the industry in value, volume and prescription market shares. We are proud of our consistency and stability in sales, profits and growth. Some of our key brands include Augmentin, Panadol, Seretide, Betnovate, Zantac and Calpol in medicine and renowned consumer healthcare brands include Horlicks, Aquafresh, Macleans and ENO.

In addition, GSK is deeply involved with our communities and undertake various Corporate Social Responsibility initiatives including working with the National Commission for Human Development (NCHD) for whom we were one of the largest corporate donors. We consider it our responsibility to nurture the environment we operate in and persevere to extend our support to our community in every possible way. GSK participates in year round charitable activities which include organizing medical camps, supporting welfare organizations and donating to/sponsoring various developmental concerns and hospitals. Furthermore, GSK maintains strong partnerships with non-government organizations such as Concern for Children, which is also extremely involved in the design, implementation and replication of

models for the sustainable development of children with specific emphasis on primary healthcare and education.

GSK PAKISTAN

UK

(HQ)

CEO

M. SALMAN

TECHNICAL DIRECTOR

DR. MUZAFFAR IQBAL

DIRECTOR MEDICAL SERVICES

DR. ATIF MIRZA

DIRECTOR MARKETING AND BUSINESS DEVELOPMENTMS. ERUM

DIRECTOR FINANCE, IT, AND LOGISTICS

DR. JAWED

HEAD OF HR AND OD

MS. FARIHA

DIRECTOR SALES

MR. PERVAIZ, MR. MAQBOOL

DIRECTOR LEGAL AND REGULATORY AFFAIRS

MR. SHAHID MUSTAFA QURESHI

HEAD OF QUALITY MR. Z. U KHAN

HEAD OF PROCUREMENT

MR. HAJI MUHAMMAD HANIF

DOTTED LINE REPORTING:

Quality Assurance, procurement and HR reports to technical director
Muzaffar Iqbal.

SOLID LINE REPORTING:

Quality Assurance, procurement and HR reports to UK.

MERGER AND ACQUISITIONS OF GLAXO COMPANY:

In 1957 Glaxo started working in Pakistan. than in 1996 glaxo merged with Wellcome and became GlaxoWellcome. in year 2002 Wellcome acquired SmithKline French and beecham and company became GlaxoSmithKline. 2 months back GSK has acquired the branded generics business of Bristol Myers Squibb (BMS) in Lebanon, Jordan, Syria, Libya and Yemen and also acquired Sirtris pharmaceuticals.

PRODUCTS

Leading products:

â™ | Augmentin â™ | Amoxil

â™ | Panadol â™ | Ventolin

â™ | Ampiclox â™ | Betnovate

â™ | Calpol â™ | Zantac

â™ | Septran

Vaccines include:

â™ | Engerix â™ | Typherix

â™ | Infanrix â™ | Mencevax

â™ | Fluarix â™ | Havrix

â™ | Varilrix â™ | Hiberix

â™ | Tritanrix â™ | Priorix

Tooth pastes include:

Mcleans

Sensodyne

STAKEHOLDERS OF GSK:

A stakeholder is best defined as “ a person, group or organization that has direct or indirect stake in an organization because it can affect or be affected by the organization’s actions, objectives, and policies”

The major stakeholders include:

Employees

Communities

Shareholders

Investors

Government

Suppliers

Labor Unions

Government regulatory Agencies

Industry Trade Groups

NGOs

Prospective employees

Prospective customers

Local communities

Public (Community)

Competitors

The relationship they have with a wide range of other organizations is an important part of their business. GSK has a number of policies and initiatives that enable us to work effectively with these stakeholders.

STAKEHOLDER CONFLICTS:

GSK do not face conflicts with stakeholder but there are two operating units where conflicts usually arises they are:

- Commercial unit
- Global manufacturing and supply

Commercial unit includes sales and marketing whereas global manufacturing and supply includes engineering department and quality assurance.

Sales department frequently demands more supply from the manufacturing department which is main problem between the two heads because often the demand is much higher while the employees are less. So at that time often the conflicts occur. Commercial unit is the one who directly faces the customers both the departments have to report separate heads.

EVALUATION OF EMPLOYEE PERFORMANCE:

At GSK employee performance is evaluated at the end of the year. They develop a plan known as performance and development plan (PDP) in which each employee sets two objectives:

Hard core objectives

Soft core objectives

Hard core objectives are the targets that the employee has to achieve till the end of the year.

Soft core objectives are based on the 12 high performance behaviors.

Outstanding achievements of employees in any of 12 High Performance Behaviors underpin the continual success as individuals and collectively as an organization.

High Performance Behaviors

Information Search

Creating Business Solutions

Flexible Thinking

Influence

Building Confidence

Communication

Building Relationships

Teamwork

Developing People

Enable & Drive Change

Continuous Improvement

Customer Focus

GSK Spirit provides employees with an opportunity to recognize or be recognized for outstanding achievement where ' Top Achievers' can receive significant monetary awards for both individual and team achievements.

For each role, in addition to relevant experience and qualifications, GSKA is looking for employees that can demonstrate the attributes of our High Performance Behaviors.

Innovative Thinking

Information search

Creating business solutions

Flexible thinking

Collectively describes how to collect and share relevant information which helps GSK people to form new ideas and create innovative options whilst taking into account the complexity of the context in which we operate. It maximizes the chances of creating and sustaining increased performance for GSK.

Achieving Excellence

Enable and drive change

Continuous improvement

Customer focus

Describes the ways in which continuously improved performance by keeping focused on ways of achieving GSK's goals and delighting the customers. This ability to deliver performance levels beyond expectations distinguishes us from competitors.

Leading People

Influence

Building confidence

Communication

Describes how engaging and inspiring others to embrace the ideas by communicating effectively. It results in generation of shared and collective belief in GSK's future success.

Engaging and developing others

Building relationships

Team work

Developing people

Describes ways in which GSK can develop open, trusting and collaborative relationships with a diverse mix of people both across and outside GSK, and ensure that these relationships develop collective capability to perform better. Through engaging each other and truly working together we will grow and enrich GSK's potential.

After developing the objectives each employee discusses it with the manager and after agreeing the plan is signed by the manager and the employee.

Midyear review of the plan is also done to check whether the plan is going on the track.

EMPLOYEE MOTIVATION:

Rewards & Recognition

GSK's remuneration and reward programs are competitive with some of the best companies within and across our industry. Superior performance is recognized with both financial and non-financial rewards. Thanking people for a job well done is central to GSK's culture.

Performance and reward

GSK reward systems support high performance and help to attract and retain the best people. Performance-based pay and bonuses, share rewards and share options align employee interests with business targets.

Compensation & Benefits

GSKA adopts a Total Compensation and Benefits approach in the design of its salary packaging model. This aim to provide:

Optimum flexibility

Choice; and

Targeted incentive programs to provide us with the best opportunity to attract and retaining world class employees.

Bonus Plans are an integral component of the GlaxoSmithKline Total Compensation and Benefits Philosophy. A Long Term Incentive Scheme is offered to Senior Managers.

Employees are able to participate in the GlaxoSmithKline Australia Employee Share Plan on reaching the eligibility criteria.

Employee Assistance Program

GSK values the well being of its employees and, as a result, has made available an Employee Assistance Program to enhance well being, both personally and in the workplace. The Employee Assistance Program provides professional assistance and counseling for any work related or personal problems. The service is fully confidential and free of charge to employees and their immediate families.

Professional Development

GSK recognizes that our people determine the success of the business and we are committed to developing this precious resource. Whatever your role, you will be supported through our Performance & Development Planning process in your efforts to enhance your core capability, performance and ability. You will be assisted to achieve both your short and long term career goals through GSKA talent management initiatives.

Training & Development

In order to reinforce the Performance & Development Planning process GSK offers employees the opportunity to participate in a range of external and internal development courses as well as offering support for further Tertiary Education.

Leadership Development Program

GSK Leaders set the tone for employees' experience of GSK as being a place where they are truly valued. GSKA Leaders ensure the organization's business strategy and people practices are aligned with the GSK Mission, Strategic Intent and Spirit. This is achieved through the consistent

application of our 12 High Performance Behaviors. Furthermore, a suite of high performance leadership development programs, including “Foundations of Leadership” has been developed to support all people management roles at GSK and will be linked to the recruitment and succession planning of future leaders.

Talent Review

The Talent Review process is a component of the GSK Performance & Development Planning Program. It is one of GSK’s Talent Management initiatives and consists of a series of workshops where GSK Leaders come together as a team to review and discuss their employee’s performance, development and career aspirations.

CHALLENGES FACED BY GSK:

The environment in which the Consumer Healthcare business operates has become ever more challenging:

consumers are demanding better quality, better value and improved performance

retailers have consolidated and globalised which has strengthened their negotiation power

Cycle times for innovation have reduced.

The pharmaceutical industry is experiencing a time of unprecedented challenge. Patent expiries, regulatory issues and increased pressures from healthcare providers have combined to create an environment where pharmaceutical sector is associated with lower growth and higher risk.

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KEY CHALLENGES

The patents on many medicines that have driven sales growth in our industry over the past decade are coming to an end. These medicines may not be replaced by products of equivalent financial size. In addition, there are increasing pressures on pharmaceutical companies to deliver products with demonstrable benefits over current treatments. No longer do we merely have to discover and develop products that help people do more, feel better and live longer. We now have to justify that our products represent the greatest value for healthcare providers.

At the same time, the pharmaceutical sector has been exposed to controversy regarding ethical and patient safety issues. As an industry, we are in danger of eroding what trust we already have when we actually need to be building stronger relationships with governments, regulators and the general public.

These factors have combined to move the industry from one which was expected to deliver high growth at low risk, to the very opposite.

These challenges are being tackled through three key strategic priorities that will transform GSK into a company that delivers more growth, less risk and an improved financial performance.

Three strategic priorities

In 2008, the following three strategic priorities were established:

Grow a diversified global business

Deliver more products of value

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Simplify the operating model

These priorities will enable the organization to navigate the coming years successfully and retain the leading-edge position as a company able to meet patients' and healthcare providers' needs into the future.

GROW A DIVERSIFIED GLOBAL BUSINESS

GSK is reducing risk by broadening and balancing the portfolio, diversifying into new product areas that show potential, while also fully capturing opportunities for products across all geographic boundaries.

Specifically, to generate future sales growth by strengthening core pharmaceuticals business and supplementing it with increased investment in growth areas such as vaccines, biopharmaceuticals and consumer healthcare.

GSK is also seeking to unlock the geographic potential of the businesses, particularly in emerging markets and Japan.

PLANS

Drive growth in the pharmaceutical business in the core markets

Deliver ambitious vaccines forecast

Fulfill the potential of emerging markets

Expand business

Grow the Consumer Healthcare business

DELIVER MORE PRODUCTS OF VALUE

We are striving to build one of the strongest pipelines in the industry. We are transforming R&D to ensure that we not only deliver the current pipeline but are also able to sustain a flow of new products for years to come.

As we move towards a more diversified business we will concentrate on developing a higher volume of mid-size products for more clearly-defined patient populations. This will help develop a lower risk portfolio which is not dependent on the performance of one or two large products.

Positive steps have already been taken, with 30 late-stage assets currently in our pharmaceuticals and vaccines pipeline. Our objective is to sustain this throughput of products over the long-term.

PLANS

Focus on the best science

Diversify through externalization

Re-personalize R&D

Focus on return on investment

SIMPLIFY THE OPERATING MODEL

GSK is a complex organization. We recognize that we need to simplify our operating model further, changing the way we work, removing unnecessary processes and structures which slow us down and distract us from our mission.

Our global restructuring programme is a vital catalyst of our strategy. We believe it will radically change our business model giving us the capability to support a more diverse, growing business that is also expected to be more profitable in the long-term.

PLANS

Evolve the commercial model

Re-shape manufacturing

Streamline processes

Reduce working capital

For GSK brand pull is already present in the market as it is the #1 pharmaceutical company in the world. It is a most preferred company in terms of prescription by doctors and more than 1, 100 prescriptions are written for GSK products every minute. GSK is preferred by doctors only because of their quality standards. GSK has a good quality management system.

CORPORATE SOCIAL RESPONSIBILITY:

GSK is considered as one of the most active player in the corporate social responsibility. Some of the societal activities conducted by GSK are as follows

Partnering with the National Commission for Human Development for Primary Healthcare Extension:

GSK Pakistan has provided a grant of £144, 000 sterling (Rs. 12. 96 million) to the NCHD “ Primary Healthcare Extension Program” making GSK the largest corporate donor to this cause. The purpose of this grant is to contribute at the grass root level towards healthcare improvement of the Pakistani people. The great thing about the primary healthcare extension program is that it will be implemented in the areas generally recognized as difficult to access, hence often neglected due to harsh terrain, high levels of illiteracy and confined social setups.

Concern For Children Trust (CFC)

The Concern For Children Trust (CFC) is a non profit, non government trust established in 1997. Their mission is to promote the health and welfare of the Children of Pakistan, paying special attention to preventive and primary healthcare, education, infrastructure, maintenance and support and to create general awareness about various child healthcare issues. The Trust is partially self-sustainable in that, its operational costs are covered by a Trust Fund. SmithKline&French to SmithKline and French of Pakistan Limited donated the initial seed money and now GSK Pakistan continues to be the major donor.

International Programme for HIV Education “ Positive Action Programme”

It is estimated that more than 36 million adults and children are living with HIV/AIDS with approximately 15, 000 more people being infected each day. Globally, more than 21 million people have died from AIDS, resulting in 13. 2 million orphaned children.

Positive Action is GSK's international programme of HIV education, care and community support. In this, GSK works in partnership with individuals, community groups, healthcare providers, international agencies and others to encourage HIV prevention as well as education, care and treatment of people living with, or affected by HIV/AIDS. Since its inception in 1992, positive action supported and implemented a wide variety of projects at both national and international levels throughout the world.

EARTHQUAKE RELIEF:

In this time of need and despair, GSK Pakistan was very quick to respond to the calamity affected areas with Rs. 20 million worth of antibiotics, analgesics and topical anti-bacterial supplies, delivered within 24 hours of the disaster having struck. Carefully selected emergency treatment packages were developed by the Crisis Management Team established, and a donation of up to 350, 000 doses of Hepatitis A vaccine was given to health authorities to cope with the arising health concerns in the wake of the earthquake. This was all delivered within 24 hours of the disaster due to the urgent medical need.

PROGRAMMES AND OPPORTUNITIES TO ENCOURAGE ACTIVE EMPLOYEE INVOLVEMENT:

GSK encourages employees to become involved with deserving causes in their local communities around the globe. GSK support their time and dedication with various internal programmes and opportunities to encourage active employee involvement.

The PULSE Volunteer Partnership Programme is the newest corporate responsibility initiative. Starting in 2009, PULSE will empower GSK's high-

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performing employees to volunteer using their professional expertise, lasting for a period of three to six months. A PULSE volunteer will work full-time with one of our partner non-governmental organizations (NGO) to make a significant impact in impoverished communities around the world. With their skills and knowledge, PULSE volunteers will work to build positive, sustainable change within the NGO's programming and service delivery in developed and developing countries

ORANGE Day, introduced globally in January 2009, has enabled thousands of employees to make a significant difference through engaging with their local community.

Give as You Earn (GAYE), is a payroll giving scheme where an employee or pensioner can donate to any charitable organization in the UK, straight from their pay.

APPROACH TOWARD SOCIAL RESPONSIBILITY:

PROACTIVE APPROACH:

GSK has a proactive approach towards social responsibility. Managers at GSK actively participate and engage themselves in different social activities which include awareness regarding diseases, PULSE campaign, malaria, AIDS etc.

ABOUT GSK'S CORPORATE ETHICS AND COMPLIANCE PROGRAMME

GSK's Corporate Ethics and Compliance Programme were established by the Board of Directors to support GSK's commitment to high standards of ethical conduct. The programme is under the direction of the Corporate Ethics and

Compliance Officer, who reports to the Chief Executive Officer. Through the programme the Corporate Ethics and Compliance staff provides oversight and guidance to ensure compliance with applicable laws, regulations, and company policies, and to foster a positive, ethical work environment for all employees.

GSK's Code of Conduct is the foundation for all the company policies. It sets out the fundamental principles that the company values and that employees should apply in their daily work. Supporting the Code of Conduct policy is a range of corporate policies providing specific guidance in areas such as competition law, marketing practices, non-discrimination, share dealing, and conflicts of interest. GSK's employee guide to business conduct highlights the Code of Conduct, core compliance policies and provides guidance to employees. It is the responsibility of each employee to implement the code and follow the employee guide to sustain the trust and confidence of all GSK stakeholders. The six pages of code of conduct document clearly define the Purpose, scope, responsibilities, policies and communication of issues to all GSK employees. The policy covers the following function in GSK.

Audit, Compliance, & Quality

Communications

Govt. & External Affairs

Finance

Global Procurement

HR

IT

Legal

Manufacturing & Supply

Marketing, Sales & Support

Medical

Research / Development

Supervisors & Management

Purpose

The purpose of this document is to state GSK's Policy on the fundamental standards to be followed by GSK Staff in their everyday actions on behalf of the Company and to promote honest, legal and ethical conduct. Details relating to specific actions will be provided in the " GSK Standards of Conduct".

Scope

This policy applies to all GSK Staff (includes employees, complementary workers, students and interns) world-wide, within all sectors, regions, areas and functions. GSK Staff must ensure this policy is followed by any contractors or other third-parties whom they engage.

FORCES FROM SPECIFIC & GENERAL ENVIRONMENT:

SPECIFIC ENVIRONMENT

COMPETITORS:

GSK faces huge competition in Pakistan. It has many competitors that are affecting the sales of GSK. Competitors include

Pfizer

Johnson & Johnson

Bayer

Abbott

Novartis

Competition from generic products generally occurs as patents in major markets expire. We believe that remaining competitive is dependent upon the discovery and development of new products, together with effective marketing of existing products. Within the pharmaceutical industry, the introduction of new products and processes by our competitors may affect pricing or result in changing patterns of product use. There is no assurance that products will not become outmoded, notwithstanding patent or trademark protection. In addition, increased government and other pressures for physicians and patients to use generic pharmaceuticals, rather than brand-name medicines, may increase competition for products that are no longer protected by patent.

CUSTOMERS:

The main customers of any pharmaceutical are the doctors. The brand name of GSK is so reliable that most of the doctors prefer only the GSK's product. GSK continuously spent money on R&D so to satisfy the customers need.

SUPPLIERS & DISTRIBUTORS:

Worldwide GSK buy goods and services from around 90, 000 suppliers. Our supply chain is complex: it ranges from strategic relationships with suppliers that manufacture active pharmaceutical ingredients, intermediates, raw materials and packaging for GSK medicines to contracts for goods and services such as office equipment, cleaning and security. The Primary supply sites supply high quality, competitively priced bulk actives and focus on improvements in primary technologies and processes. GSK does not own any of the suppliers or distributors. New product and global supply sites work closely with R&D's development teams to ensure that the right technical competencies are in place to support rapid and successful new product

GOVERNMENT:

As such GSK don't face any issues with the government because they have their code of ethics which GSK strictly follows. GSK also play part in the welfare of society and avoid any of the illegal acts that can affect the GSK's reputation.

GENERAL ENVIRONMENT:

In general environment technological forces affect the GSK in the sense that new technologies are coming which are resulting in the new methods of

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producing the products. But GSK due to its huge business easily replace old technology with the new one for making the product in the much better way than the previous methods.

FUNCTIONS AND DEPARMENTS AT GSK:

The main functions and departments at GSK are:

- Production
- Engineering
- Environmental health and safety (EHS)
- Operational excellence
- Supply chain
- Finance
- Human resource
- Procurement
- Quality assurance
- Supply chain

CUSTOMER REQUIREMENTS

CUSTOMER VALUE

FASTER LOWER COST BETTER

LEAN SIGMA

INPUTSCULTURE AT GSK:

CULTURE AND VALUES

GSK's mission is to improve the quality of human life by enabling people to do more, feel better and live longer.

GSK place great emphasis not only on what we achieve, but also on how we deliver our achievements. Integrity and transparency are critical in our decision making and underpin everything that we do.

GSK's culture is summed up in the Spirit of GSK that defines the values we expect all our employees to embrace:

Respect for People

Patient Focused

Transparency

Integrity

GSK's values are pivotal to the way they operate and employees are people with high integrity who make good, honest decisions with patients in mind.

GSK's mission and spirit help employees deal with new challenges and maintain a clear focus.

CORE COMPETENCY OF GSK:

The core competency of GSK is their consumer health care, consumer health standard their quality standard. These factors give the core

The sources of GSK are due to their huge efforts in R & D to bring continuous innovations in the products. Our scientists are working hard to discover new ways of treating and preventing diseases.

Our success depends on a vibrant and productive R&D function. To this end, we have established an innovative R&D structure that encourages creativity and facilitates the accelerated discovery and development of new medicines and hence gaining the competitive advantage.

We also build collaborations and links with other research groups, biotechnology companies and academic institutions to help develop transformative scientific concepts.

SOURCES OF CORE COMPETENCY:

Sources of core c