

# Symposium On Reputation

## Leveraging Health Care Through Corporate Social Responsibility

John Clarke

Managing Director, Burson-Marsteller



**Burson-Marsteller**

50

PROUD YEARS

*...just the beginning*

# Key Sectors on the Firing Line

...on the frontlines of the debate over globalization

Company after company in sector after sector have come under scrutiny and criticism – sometimes severe enough to damage reputations, challenge brand values, and imperil their social license to operate.

Extractives  
(oil/gas/mining)

Footwear/  
apparel/textiles

Consumer  
products/  
foods

Pharmaceuticals/  
Chemicals

Information  
Technology &  
Services

Diamonds and  
jewelry

Infrastructure  
and Utilities

# Key Sectors on the Firing Line

...on the frontlines of the debate over globalization

Key issues that cut across these sectors include human rights, labor rights, the environment and sustainable development.

Extractives  
(oil/gas/mining)

Footwear/  
apparel/textiles

Consumer  
products/  
foods

Pharmaceuticals  
/ Chemicals

Information  
Technology

Diamonds and  
jewelry

Infrastructure  
and Utilities

# Major Developments and Issues

- Growing acceptance of business case
- Cluttered landscape of standards and initiatives
- Debate over voluntary versus mandatory standards
- Increasing exposure to litigation
- Greater demands for transparency and disclosure
- Greater focus on implementation/execution
- Supply chains emerging as the “acid test” for companies
- Greater willingness of NGOs to engage companies
- Blurred corporate roles and responsibilities



# 30,000 Foot View Of The Global Pharmaceutical Industry

- The industry is widely disliked and not necessarily trusted
  - Business practices
  - Influence in domestic and global politics
- The cost of drugs is a major bone of contention
  - Prices go up as does advertising and promotion expenditure
  - Drug importation
- The “value of medicines” proposition has become blurred
  - Not yet measuring outcomes
  - The economic benefit of prescription drugs vs. hospital care is not resonating
- The R&D argument is losing its relevance
  - Perceived trickle of ‘breakthrough’ drugs
  - Too many ‘me to’ drugs

# 30,000 Foot View Of The Global Pharmaceutical Industry

- Growing sense of the ‘developed world’ versus the ‘developing world’
  - IPR, Patents and the generic industry
- Understand what the industry is ‘against’ but not so sure what it is ‘for’
- Good philanthropic support...but that is expected – what else is being done on issues directly linked to the healthcare business?
- “Listen to us...we are the experts”
  - Stakeholders want to be involved
- Little if any relationship with consumers



# The Challenge For The Industry

- For CSR to be truly effective for the pharmaceutical industry it needs to:
  - understand and address the issues that concern people most
  - be built into the way the industry conducts business, regardless of country or continent



**Burson-Marsteller**

50  
PROUD YEARS  
*...just the beginning*

# Corporate Responsibility Roadmap

## Stakeholder Engagement and Partnerships

- Shape stakeholder engagement strategies
- Build broad NGO and community relations
- Facilitate ongoing dialogue and partnerships
- Link strategic philanthropy and partnership initiatives to key stakeholders...focus on the issues that drive reputation



# Corporate Responsibility Roadmap

## Implementation and Communications (1)

- Benchmark commitments and performance against peer/competitor companies
- Design and implement communications strategies targeted to key external stakeholders on CSR commitments and performance
- Build employee communications and training programs to drive organizational commitments and cultural change



# Corporate Responsibility Roadmap

## Implementation and Communications (2)

- Implement and communicate commitments with supply chain partners
- Focus on business ethics and compliance
- Develop reporting frameworks
- Prepare relevant social/environmental reports

# Corporate Responsibility Roadmap

## Policy Development and Initiatives

- Revisit policy frameworks, company codes/principles
- Assess international standards, guidelines and initiatives across issues and sectors
- Implement leadership initiatives



**Burson-Marsteller**



# Corporate Responsibility Roadmap

## Risk Assessment and Issues Management

- Perform risk assessments on issues, projects or countries
- Address issues such as human rights/labor rights and environment/sustainable development
- Develop issues management systems

# Key Questions Facing The Industry

## Question 1:

Are the problems that the industry is facing fundamentally communications issues or are they issues related to the way you conduct business?

## Question 2:

Are you fighting on issues that have already been lost in the court of public opinion ? If yes, what damage is being done to your reputation and your license to operate by continuing the fight?



# Key Questions Facing The Industry

## Question 3:

Are your practices for engaging in discussions on industry issues as transparent as they need to be?

## Question 4:

Can the industry move quickly enough together or is it time for individual companies to push ahead on key issues and bring the others with them?

