

## How to Get Them to Drink the Kool-Aid



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# Agenda

- **Introductions**
- **About McKesson**
- **Organizational Change and DR**
  - Change Leadership Approach at McKesson
  - Applying Change Leadership Tools to Pharma DR
  - Impact of Change Leadership on DR Initiative

# About McKesson

- Headquartered in San Francisco
- Fortune 15 Company
- \$101.7 Billion in revenue for 2008
- 32,000 employees
- Founded 175 years ago
- World's largest healthcare company
- Created the first national drug distribution system
- Distribute 1/3 of all the medicines used each day in North America



# Organizational Change and DR

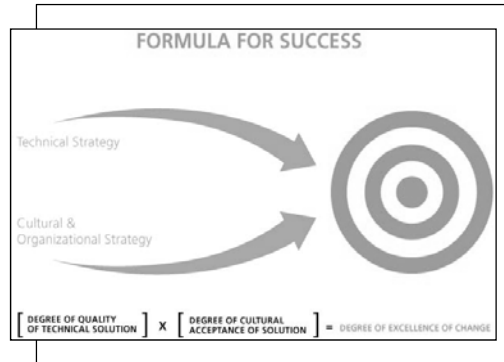
*Ensuring Success through Change Leadership*

## Change Leadership at McKesson

# Change Leadership at McKesson

## Formula For Success

- Simply put, Change Leadership is about managing the human reaction to change
- For a technical strategy to work, it must be in synch with the cultural and organizational strategy



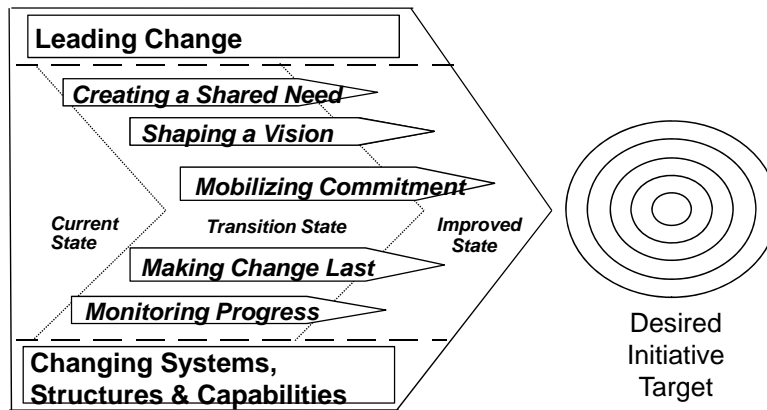
# Change Leadership at McKesson

## Key Success Factors



# Change Leadership at McKesson Change Acceleration Process (CAP)

- McKesson's Change Acceleration Process (CAP) model



# Change Leadership at McKesson Change Acceleration Process (CAP)

CAP Discipline	Definition
<b>Leading Change</b>	Establishing a leadership brand to drive the strategy throughout the organization
<b>Creating a Shared Need</b>	Knowing the "why" as well as the "what"
<b>Shaping a Vision</b>	Having a clear picture of the desired future outcomes
<b>Mobilizing Commitment</b>	Getting the whole system buying in (tipping point)...it is "MY" change...understand stakeholders and areas of resistance
<b>Making Change Last</b>	Thinking ahead and doing what it takes to stay the course
<b>Monitoring Progress</b>	Tracking the right metrics and making time to reflect as things happen...mining the data
<b>Changing Systems, Structures &amp; Capabilities</b>	Success "know-how" is integrated into how you operate... gains are institutionalized

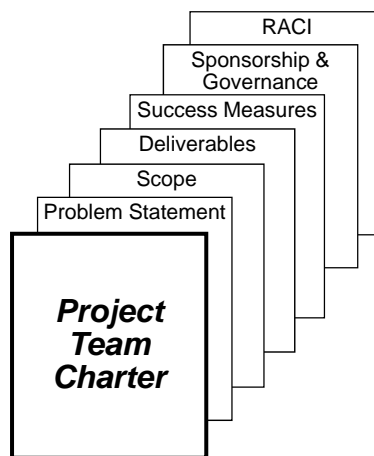
## How We Did It

### Applying CL tools to Pharma DR

## Change Leadership and DR

### *Project Start Up*

- Assembled Leadership Team of key department executives
- Team met in multiple Change Leadership Alignment Sessions to align on project Team Charter
- Result was clear project charter and clear vision for how to achieve success



# Change Leadership and DR

## *Leading the Change*

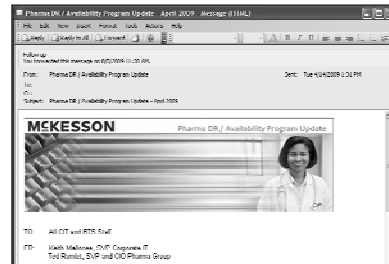
$$\text{Time} \times \text{Energy / Passion} \times \text{Focus / Agenda} \times \text{Committed Talent Resources} = \text{Effective Change Leadership}$$

- Established clear project sponsorship
- Built program governance structure
  - ▶ Visible, active support and public commitment
  - ▶ Proactive identification and resolution of conflicts / issues
- Assigned dedicated CL resource
- Engaged project leadership to ensure they were on the same page regarding all aspects of the program
  - ▶ Governance Committee semi-monthly status
  - ▶ Governance Track Focus meetings / “deep dives” on key topics

# Change Leadership and DR

## *Shared Need / Shaping the Vision*

- Developed clear “shared need” messages
  - e.g., Expanding DR capability to mitigate risk
- Developed clear vision for desired project outcomes
- Defined what needed to change to ensure success
- Developed project communications
  - Monthly project newsletter (see sample)
  - Interactive DR Forums
  - SharePoint site





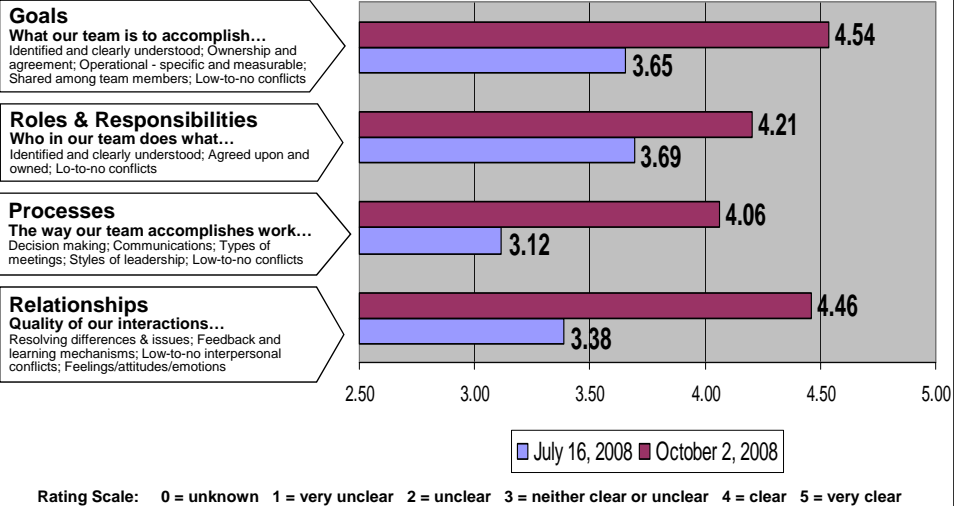
## Change Leadership and DR *Monitoring Progress*

- Track leads provided regular status against project plans
- Program provided regular status to Governance Committee
- Several project team surveys completed
- Leadership team completed surveys on goals, roles, processes, relationships multiple times
  - ▶ Solid, measurable improvement noted on all surveys

## Impact of Change Leadership on DR Initiative

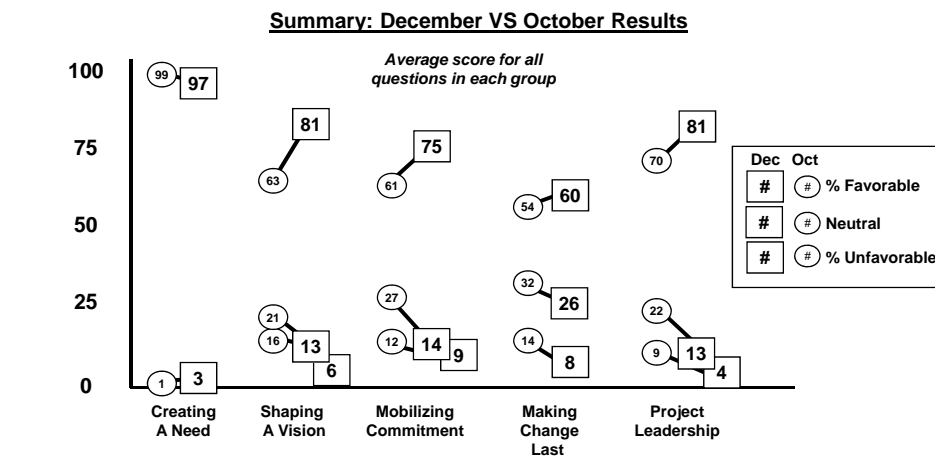
# Impact of Change Leadership

## Progress on the Leadership Team



# Impact of Change Leadership

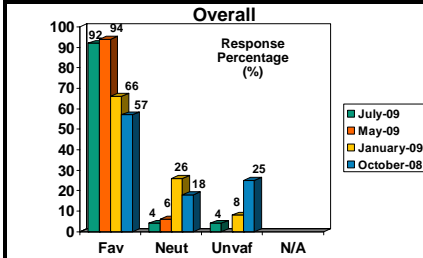
## Perceptions of the Project Team



# Impact of Change Leadership

## Selected Question Results Over Time

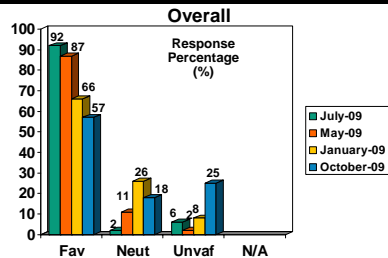
I believe BTS and CIT are teaming effectively on this initiative.



**NOTES:**

- 2 respondents of 56 (1 from SAP Shared Services; 1 from Web & Mobile Services) responded unfavorably.

I believe the Pharma DR program is organized so that it will continue to provide a successful DR capability for the long haul.



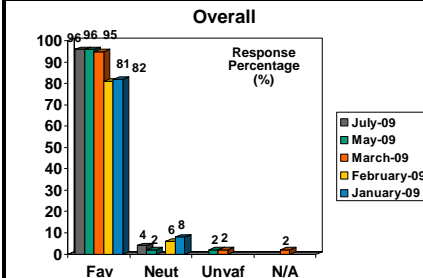
**NOTES:**

- 3 respondents of 56 (1 from CIT-Run; 2 from SAP Shared Services) responded unfavorably.

# Impact of Change Leadership

## Selected Question Results Over Time

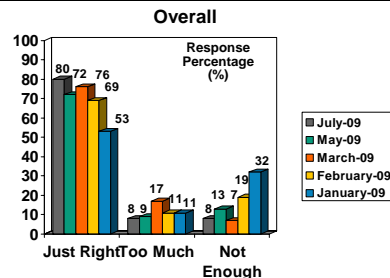
My role and responsibilities on the Recovery Team are clearly defined.



**NOTES:**

- No unfavorable responses.

I've received an appropriate level of communications and / or information about my role.



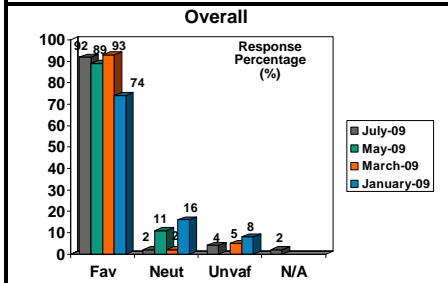
**NOTES:**

- 92% answered either Just Right, Too Much or N/A (N/A score not shown on chart).
- For the 4 who feel they haven't received enough communication, 2 are from CIT-Run; 1 from Foundation Services; 1 from SAP Shared Services.

# Impact of Change Leadership

## Selected Question Results Over Time

Based on my current knowledge and experience with the July 11-12 exercise, I am confident in the team's ability to successfully recover the DR environment.



**NOTES:**

- 2 respondents of 56 (1 from CIT-Run; 1 from SAP Shared Services) responded unfavorably.

# QUESTION & ANSWERS

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