



Driving Performance and Engagement Through Frontline Leadership



sanofi-aventis

Because health matters

Sanofi-aventis powers up its performance management system to help frontline leaders execute dramatic strategic change.

Sanofi-aventis boosts competitive advantage by equipping leaders to execute on a new high-performance strategy

Need

The pharmaceutical industry has matured and technological advances are driving change that will require a fundamental shift in the industry's operating environment. Mass markets are fragmenting into targeted genotype segments that offer higher efficacy rates. The current business model, with its "blockbuster" product development approach and narrow product portfolio, is no longer effective. The shift to a "niche-buster" product development model with a wide portfolio will require existing pharmaceutical players to invest in more effective and efficient research, or restructure and move to more efficient cost structures.

New players, typically faster and more agile, are a significant threat to existing players locked into a large, complicated, R&D strategy. These new players — with more operating efficiencies, product attributes, and customer benefits — are configured to exploit this new pharmaceutical reality. To remain competitive, existing players must rapidly adapt to the emerging pharmaceutical paradigm or die trying.

Facing this reality of change in the pharmaceutical marketplace, sanofi-aventis needed to find fresh ways to respond if they were to remain competitive. Newly appointed CEO Chris Viehbacher believed that creating more sustainable growth required transformation. He envisioned sanofi-aventis as not only a pharmaceutical company, but also as a comprehensive, global healthcare leader.

The leadership in North America was committed to this major change in strategy. Tracie Hill, newly appointed VP of Talent Management, and Michael Capaldi, AVP of Sales Training and Leadership, recognized that transforming sanofi-aventis into a high-performance culture by building their competitive advantage around their human resources — especially their frontline leaders — would require a significant investment. They believed that their frontline leaders' effectiveness at managing people was a critical driver of performance and engagement across the entire organization.

Studies from the Corporate Executive Board, a leading provider of best practices research and analysis on corporate strategy, confirmed this and even indicated "a good manager has the potential to increase the employee's commitment to the job by 34 percent, increase emotional commitment to the organization by 38 percent, and emotional commitment to the team by 47 percent."

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“What buyers today pay for is insight and intellect. As a customer, I pay for people who can help me solve problems, navigate change, and be aware of leading trends. We needed to teach our people to act the same way.”

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Sanofi-aventis is a leading global pharmaceutical company that discovers, develops, produces, and markets innovative therapies that enhance people’s lives. Operating in more than 100 countries and selling its products in more than 170 nations, sanofi-aventis is ranked number-one in Europe and is among the top-five pharmaceutical companies in the United States, their fastest-growing market region.

Sanofi-aventis is the leader in emerging markets with a third of their sales in North America, a third in Europe, and almost a third in the rest of the world. Their extensive research and development efforts are focused on healthcare challenges in cardiology, oncology, and internal medicine, as well as metabolic diseases, central nervous system disorders, and vaccines. Sanofi-aventis employs nearly 100,000 globally — 15,000 in the United States alone — and had a revenue of €27.6 billion in 2008.

Hill and Capaldi aimed to formalize their performance management system so that it would be a strategic lever to drive a “culture of high performance,” rather than just a “performance review event.” This initiative was driven by several organizational priorities:

- To improve employee engagement and create a cohesive, motivated, and high-performing team
- To increase organizational effectiveness through operational excellence and increased productivity
- To maintain an environment of strict compliance standards

Sanofi-aventis needed to roll out its new Performance Management Process in a way that would help their frontline leaders understand how to leverage this process and create effective performance partnerships with individual contributors. Their relationship with Advantage Performance Group began in 2003 when they adopted *Symphony* to equip their frontline leaders with a common language and systems-thinking approach to leading effectively. Referring to *Symphony* as “the best program they’d ever implemented,” sanofi-aventis trusted Advantage Performance Group to replicate that success with a customized frontline leadership development transformation.

Target Group

Sanofi-aventis knew that such a massive strategic change would require them to get their frontline aligned and executing on this change in strategy. The critical success driver in this transformation would be eliciting key behavioral changes from their frontline:

- A new mindset that internalized the message and vision, generating a desire to inspire their frontline to see the bigger picture
- Competence to create goals and objectives aligned with larger organizational results, then coach their individual contributors and hold them accountable to those goals
- Confidence and motivation to apply this new mindset by engaging their individual contributors with a larger vision and greater sense of purpose

Just as sanofi-aventis had turned to Advantage Performance Group to build a common language around management through the use of the *Symphony* approach, sanofi-aventis accepted APG’s recommendation to use *Applause* in building a consistent, performance based culture. (*Applause* is a development program designed by APG’s Alliance Partner, BTS.)

Deciding to take a talent management approach to the problem, sanofi-aventis delivered the program to their frontline leaders and those leaders’ individual contributors. The program was delivered to 1,500 managers — 1,200 of them frontline leaders — as a classroom experience in seven locations across the United States over the course of three months. An online version of *Applause* was also created and delivered to 14,000 individual contributors to help them understand their role and how their managers would hold them accountable (see sidebar).

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“We’re very focused on measuring training results. Success Case is an alternative way to come at results measurement that I thought was very meaningful and provided an appropriate level of detail for a learning investment of this size.”

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APG Approach

Partnering closely with sanofi-aventis, Advantage Performance Group supported the transformation by customizing *Applause*, a one-day program that helps frontline leaders achieve on-target performance from individuals and teams. Leveraging sanofi-aventis’ Performance Management Process, *Applause* enhances frontline leaders’ ability to establish performance partnerships early and then recognize, shape, and redirect performance on an ongoing basis throughout the year. Rather than viewing performance management as an administrative responsibility that must be completed at the end of the year, *Applause* helps frontline leaders incorporate the critical skills required to effectively manage performance into their daily activities.

APG offered unsurpassed value to sanofi-aventis in critical areas:

- **Strategic Alignment** with senior leadership’s strategy to ensure the frontline understood their desired business results and was equipped to execute on the strategy
- **In-Depth Customization** that simulated sanofi-aventis’ Performance Management Process and ensured the highest level of relevancy for participants
- **Discovery-based Solutions** that transformed a highly complex and detailed process into a simple and engaging learning experience
- **Measurable Results** using follow-through learning tools — such as an *Impact Map*, Business Action and Results (BAR) map, and manager’s guide— designed to maximize the return on learning investment after the training
- **Multiple Learning Platforms** (online and classroom) that reached a wide and dispersed audience
- **Speed of Implementation** that allowed Advantage Performance Group to create a relevant and strategically aligned program in less than three months

Outcomes

The senior leadership at sanofi-aventis was pleased with the implementation and rollout, particularly the customization and added accountability through the use of *Impact Maps* and post-session BAR maps. They regarded *Applause* as a “standing ovation” that helped align their frontline with their strategy and has begun to create a high-performance culture in the context of that strategy. They achieved 100 percent participation in their classroom sessions and 95 percent participation in their online sessions.

Participants returned to their jobs with an understanding of the Performance Management Process and a new mindset, one that no longer saw a “yearly performance review” but rather a performance management system that develops employees into a competitive advantage.

Sanofi-aventis is confident that the implementation of *Applause* and their investment in their frontline leaders will create that high-performance culture that outperforms their industry peers and will ultimately improve bottom-line results.

Ongoing Benefits

Advantage Performance Group senior partner Kelvin Yao worked with Hill and Capaldi to achieve the learning goals.

“Sanofi-aventis had an insightful understanding of how markets had evolved and the strategic transformation this would require for the company. They also realized that frontline leaders were the critical link in making sure that individuals and teams were aligned around and could execute the new strategy. That realization made all the difference.

The *Applause* learning and previous *Symphony* implementation were ideal for this situation and uniquely suited to the sanofi-aventis performance management process. Frontline leaders developed a new systems-thinking approach to leading effectively that included new ways of partnering with reports in support of agreed-upon outcomes. Now they have the common language, tools, and mindset to sustain performance directly related to the corporate goal of becoming a premier global healthcare provider.

It always comes back to the frontline leaders. Whether organizations need to completely transform and re-brand, or just recharge and reposition, change must be strategic to make a difference. Ongoing development of frontline leaders is crucial. Equip frontline leaders with the skills and systems they need to align, execute, coach, and sustain performance around any new strategy, and you’ll see the positive impact of strategic change right where you want it: on your company’s bottom line.” ♦