

MAKING YOUR MARK

Measuring the Impact of a Mission Driven Organization

Written by Joseph Jimenez

In business, how we measure ourselves is constantly evolving. Traditionally, success has been measured in dollars and cents: revenue, profit, shareholder returns. These are important indicators of performance, but I strongly believe that the true measure of an organization's long-term ability to be financially successful is whether it leads with purpose and a mission.

/ Program Advice & Strategy

In today's business environment, change is constant. Companies must measure themselves against something that will stand the test of time: specifically, how are we trying to change the world? Without a clear purpose, organizations run the risk of becoming too focused on shortterm returns, which can sometimes lead

Focusing on a larger mission also makes business sense. Research from a Deloitte Review study in 2015 has shown that mission-driven companies have 30 percent higher levels of innovation and 40 percent higher levels of retention. What is most important is a company's lasting

At Novartis, our mission is to discover new ways to improve and extend people's lives. We put a lot of time and effort into engaging our associates around this. We want them to not only understand it, but live and breathe it so when they wake up in the morning and come to work, they're focused on enhancing lives. Whether in the minutia of our work – from office meetings and regulatory deadlines, to understanding the scientific mechanism of disease – we see it as our fundamental purpose driving us to work hard and deliver for the people who need us the most.

It may sound simple, but reminding people of the reason they are here takes a bit of inspiration. What started as a rallying cry around our mission in a time of extraordinary change and uncertainty in the external global healthcare landscape has become a movement in our company that was driven by our associates. We call it "Long Live Life."

Long Live Life is all about celebrating the fact that every normal life is extraordinary. When somebody gets sick, all you want to do is get back to normal. That is what we at Novartis fight for every day. So we asked associates to share photos, stories, and ideas across the organization, to engage with our mission on a personal level and explain what Long Live Life means to them. And this year, we're asking associates to share inspiring patient moments to help make these extraordinary moments possible.

Since it launched three years ago, the program has become a collective expression of what we stand for and believe in. Participation has exceeded our expectations and we've seen engagement with our mission increase at all levels throughout the

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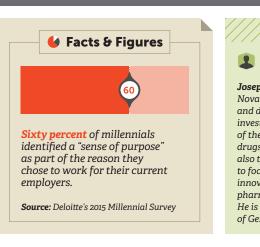
company. During its first year alone. over 80 percent of our associates visited our internal Long Live Life website. Sixty-four percent of global associates participated in our image sharing program, in which over 8,000 associates from all levels and tenures in 95 countries registered to generate 1,250 new ideas and more than 400 video stories. Across the board, our associates now feel they're leading with purpose – they're coming to work for a more noble cause.

For instance, through Long Live Life, we learned about one of our own cancer researchers who works at the Novartis Institutes for BioMedical Research. The day a drug he spent years researching was approved by the FDA – a career-marking moment for any scientist - was also the day he was diagnosed with cancer himself. His story as a patient and a scientist struck a chord with many of our people, illustrating the powerful impact of what we do in a personal way. Stories like this rally us all around our common enemy disease. They inspire us to work harder.

The same is true for me personally. I re-cently received a letter from a patient who is taking our medicine Entresto® for chronic heart failure. He told me that Novartis changed his life. He now has the chance to see his daughter graduate college and get married, and he hopes to hold his future grandchildren one day. Because of us, he is able to enjoy life again.

Stories like this show us the real impact of our mission. They also help reinforce the values and behaviors we want to reward internally. When we illustrate our mission in action, we motivate associates to make the right decisions and carry out higher ethical thinking. Our mission has both quantitative and qualitative value. We evaluate the performance of our 120,000 employees against six values and behaviors. It's not just what they deliver in a year but also how they deliver it. This also determines how they are compensated. This has been critical to attracting and retaining top talent and has helped us identify what kinds of people we want in the company. This is especially true for millennials, who will make up half of the global workforce by 2020. According to Deloitte's 2015 Millennial Survey, 60 percent of millennials identified a "sense of purpose" as part of the reason they chose to work for their current employers. Refocusing around our mission has helped us to not only become an employer of choice, but also find the right people who share our same values and will hold up our very high standards.

What a company stands for and the impact it makes on society will determine its success or failure. As the world becomes increasingly complex, let us focus on the reason society allows us to exist - our mission – and the impact we will leave on the world.



Executive Briefing

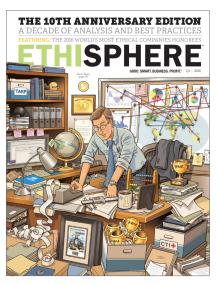




Author Biography

Joseph Jimenez has been CEO of Novartis since 2010. Under his leadership, and driven by a commitment to R&D investment, Novartis has developed one of the largest pipelines of self-originated drugs in the industry. Mr. Jimenez has also transformed the company's portfolio to focus on leading businesses with innovation, power and global scale in pharmaceuticals, eye care and generics. He is a member of the Board of Directors of General Motors Company.

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