

# Merck Global Human Health Executive Development Program

EFMD EXCELLENCE IN PRACTICE AWARD

**About the Award:** The European Foundation for Management Development (EFMD) presents Excellence in Practice Awards to recognize outstanding and impactful Learning and Development partnerships in the domains of leadership, professional, talent, and organization development. Based in Brussels, Belgium, EFMD is a global forum for research, networking, and debate on innovation in management development.

## The Challenge

Like most market sectors, the pharma industry struggled in the recent economic downturn, facing new healthcare models, an uncertain policy climate, globalization, consolidations, shrinking margins, and rising competition from generics.

Merck, the world's second-largest healthcare company, was not immune to these market forces. But Merck took a bold step forward when it merged with Schering-Plough, creating a new kind of healthcare company focused on improving health and well-being.

With a stronger pipeline, more diverse product offerings, and an expanded global reach, the merger propelled Merck into a new era of healthcare. All of these strategic shifts required new leadership skills.

## The Goals

Merck and Wharton collaborated on a learning initiative to accelerate Merck's development of senior leaders.

The initiative's three goals were to:

- Improve leaders' competencies in building talent, business acumen, and customer centricity; driving transformational change, entrepreneurial mindset, global perspective, relationship building and influence, and strategic thinking.
- Generate a significant ROI from the growth projects, whether it be expanding into emerging markets, or realizing cost savings from enhanced processes.
- Strengthen Merck's succession funnel.



## THE IMPACT

Merck credits the program with helping it define comprehensive capabilities and related behaviors in its leaders, while advancing Merck's business goals through the program's growth projects.

Merck leaders say the program had a "positive impact in ROI-related measures," including identifying new sources of revenue generation, expanding into new markets, and enabling more efficient decision making.

An independent assessment of the program's impact by the Evaluation Institute of the Learning Alliance found:

- The program helped drive an exceptionally large degree of on-job behavior change.
- The leadership behaviors influenced by the program were strongly aligned with GHH business goals and strategy.
- The business outcomes from participants who applied their learning delivered high financial ROI.

## The Solution

Merck's corporate strategy was the starting point of the collaboration, with Wharton conducting an internal needs assessment. Senior leader sponsorship was critical to program success—and Merck engaged its top executives to act as both resources and experts.

Wharton analyzed Merck's strategic challenges, creating a customized curriculum with the latest market-proven knowledge, tools, and frameworks to meet its specific learning needs.

The *Global Human Health (GHH) Executive Development Program* rolled out with a top leadership strategy workshop and four modules interspersed with action-learning projects.

### THE MODULES WERE AS FOLLOWS:

**Module 1** (2.5 days) – reflect, self-discover, and lay foundation for project work. Cohort participants began phase one of their action-learning project

**Module 2** (3 days) – continue to advance project work while building core competencies in business acumen, strategic thinking, and customer centricity

**Module 3** (4 days) – held in Mumbai, India, focused on competencies such as gaining a global perspective, entrepreneurship, innovation, and global talent management

**Module 4** (4 days) – leadership and strategic execution

## The Impact

Since the program rolled out, Merck reports a substantial increase in the company's succession-planning capacity. In addition, more than 60 percent of participants were moved into new leadership positions during or after the program.

Having Merck "Leaders Teaching Leaders" sessions allowed participants to engage in meaningful conversations with executives on leadership and strategic priorities.

Merck continues to run the program, with additional cohorts and a more efficient delivery approach that includes three residential learning modules over a 10-month time span. Growth projects continue to produce excellent ROI and leadership advancement opportunities.



*“The Merck GHH Executive Development Program [is] one of the best and most effective executive education programs we have come in contact with.”*

— The Evaluation Institute of the Learning Alliance

## WOULD YOU LIKE TO LEARN MORE?

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