

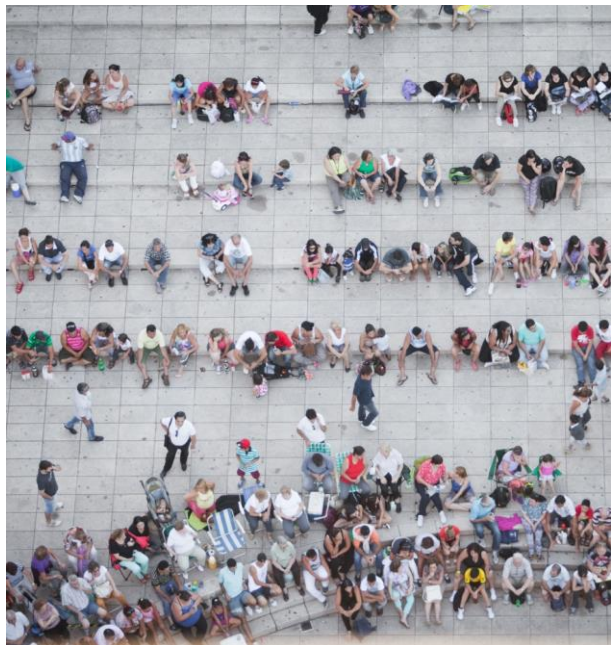


What it means to be a pilot

Transfer of C&B to Shared Service Center

Dmitry Suchkov, Shared Country C&B Head

March 14, 2017



In 2016, Novartis
products reached
nearly 1 billion
patients

Our mission and vision for sustainable growth

Mission

Discover new ways to improve and extend people's lives

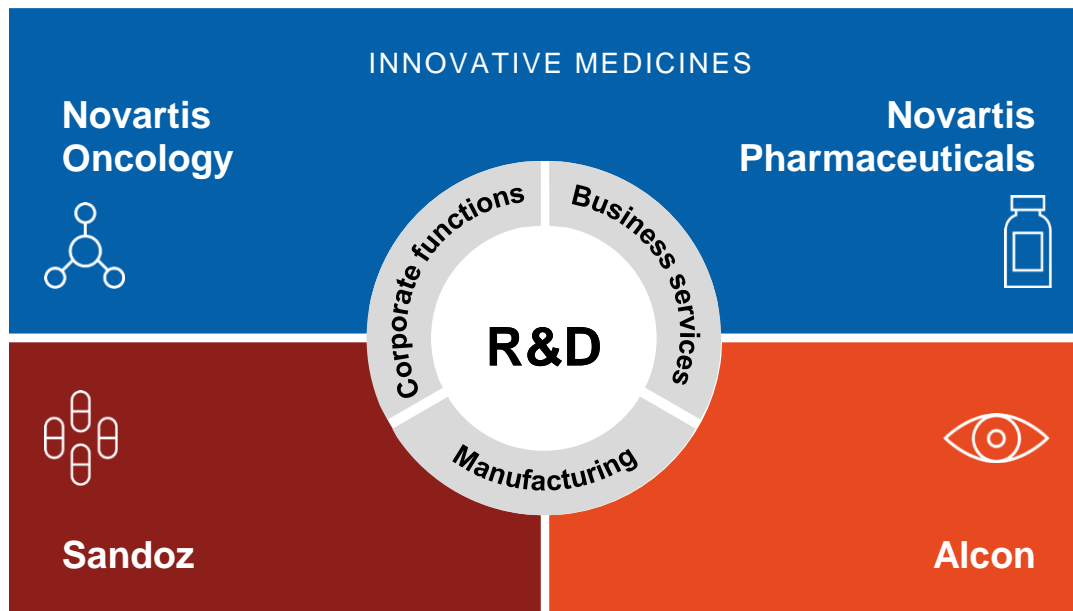
- Using science-based innovation
- Delivering breakthrough treatments to as many people as possible
- Aim to provide shareholder return

Vision

Be a trusted leader in changing the practice of medicine



Focused businesses fueled by innovation and functional excellence



Our innovation engine sustains an industry-leading pipeline

\$9bn

Invested in research
and development

200+

R&D projects
underway

23,000

People working in research
and development worldwide

16

Major regulatory approvals in 2016
(US, EU and Japan)



As powerful
forces transform
healthcare, we
are reimagining
medicine

We need to Reimagine Medicine



How we fight disease



How we deliver treatments



How we operate

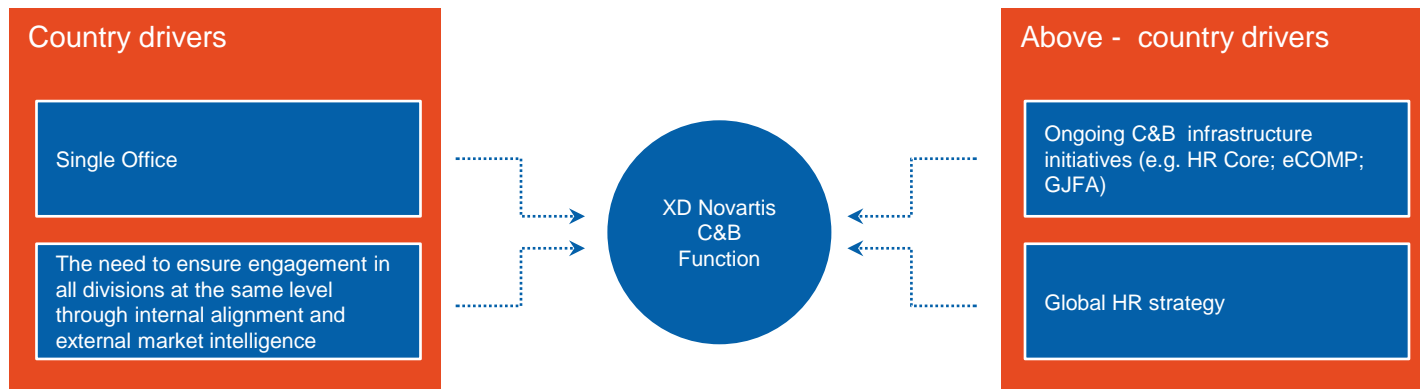


The right strategy
at the right moment

Novartis Single Office

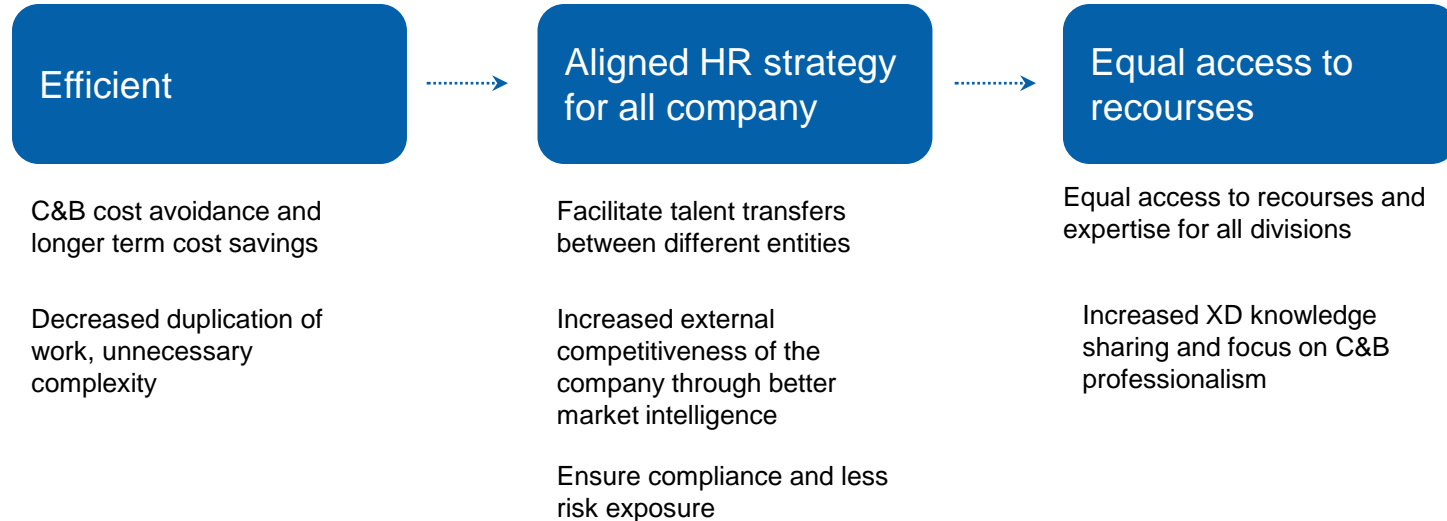


2013 was the right moment for the change

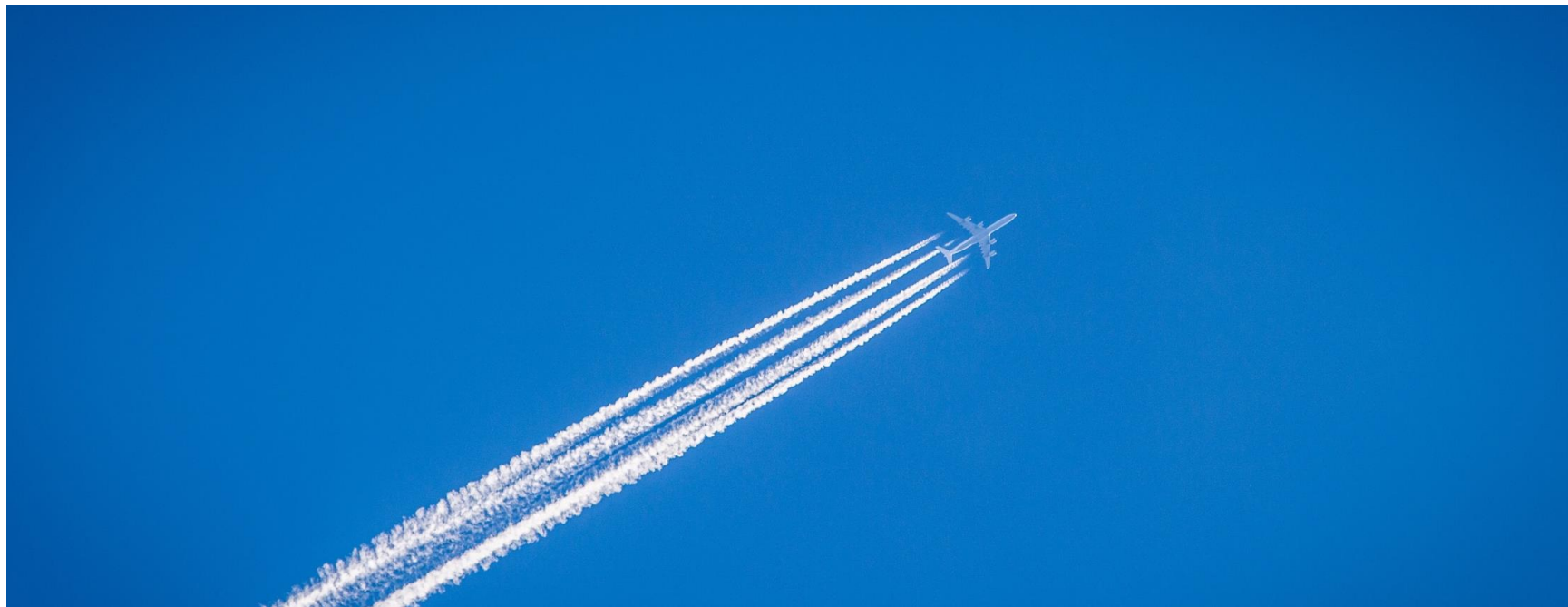


In 2013 Global HR Board endorsed the decision that Russia, would be pilot country for the new C&B Operating Model as it is our future

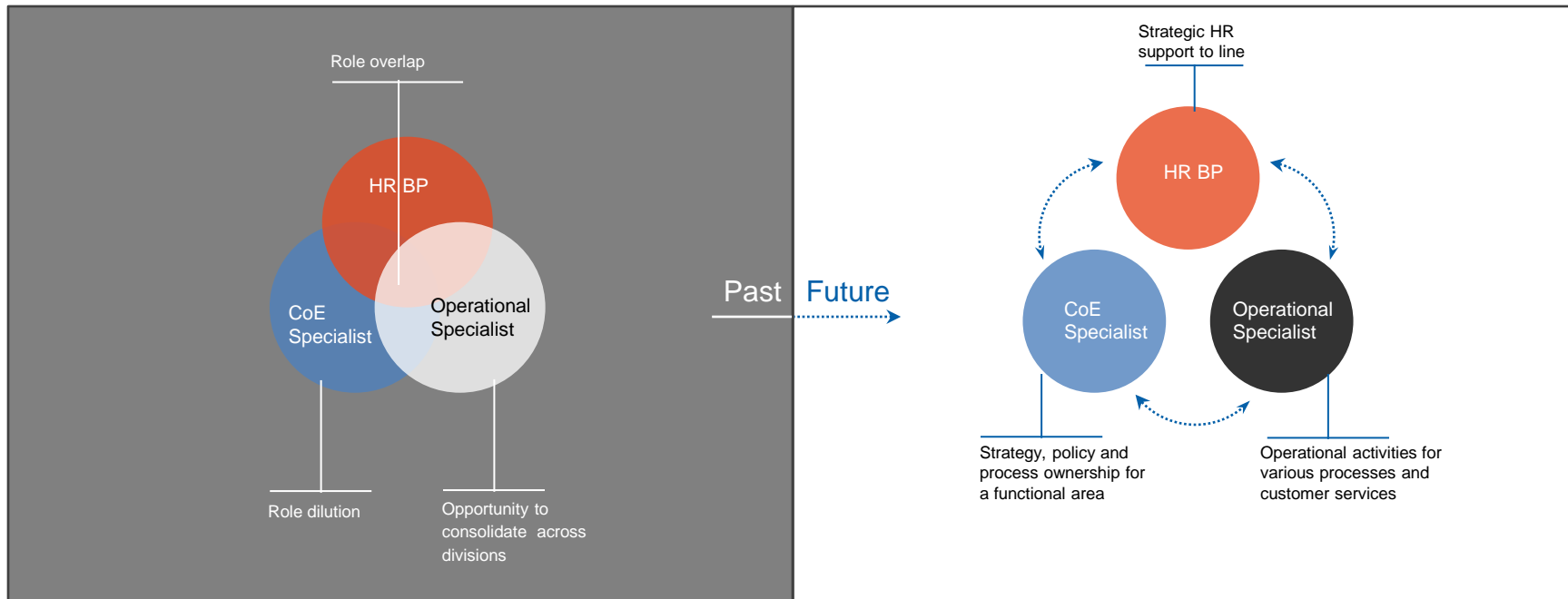
Benefits of SSC C&B



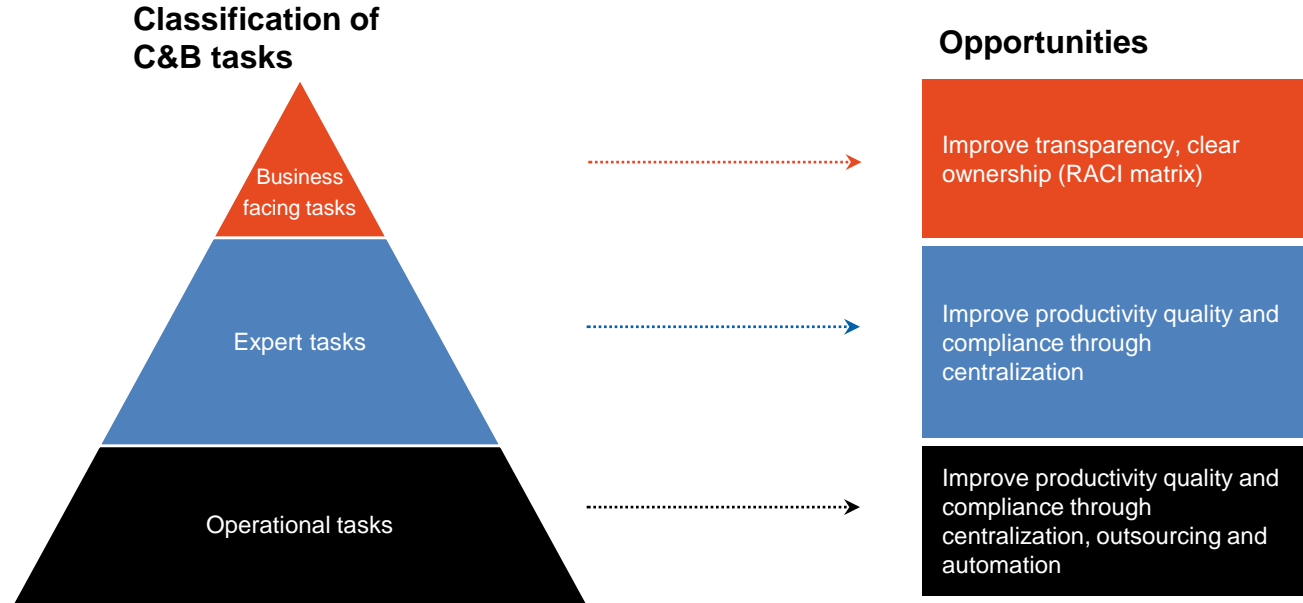
How we transferred C&B to SSC



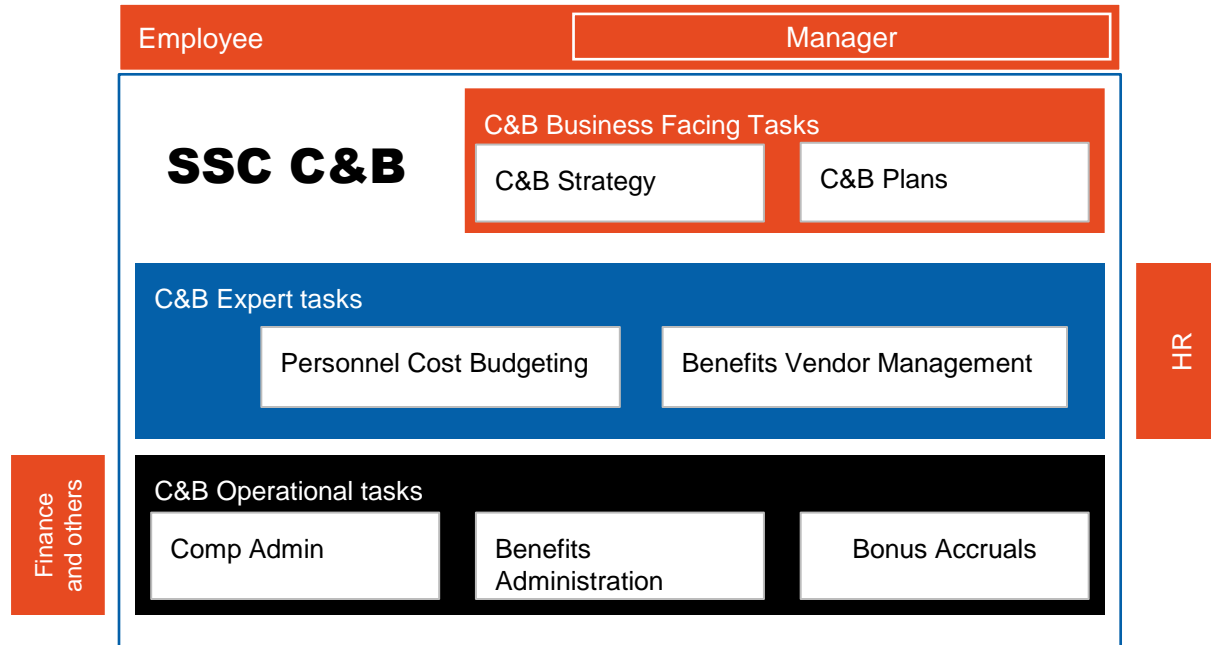
Reason to change



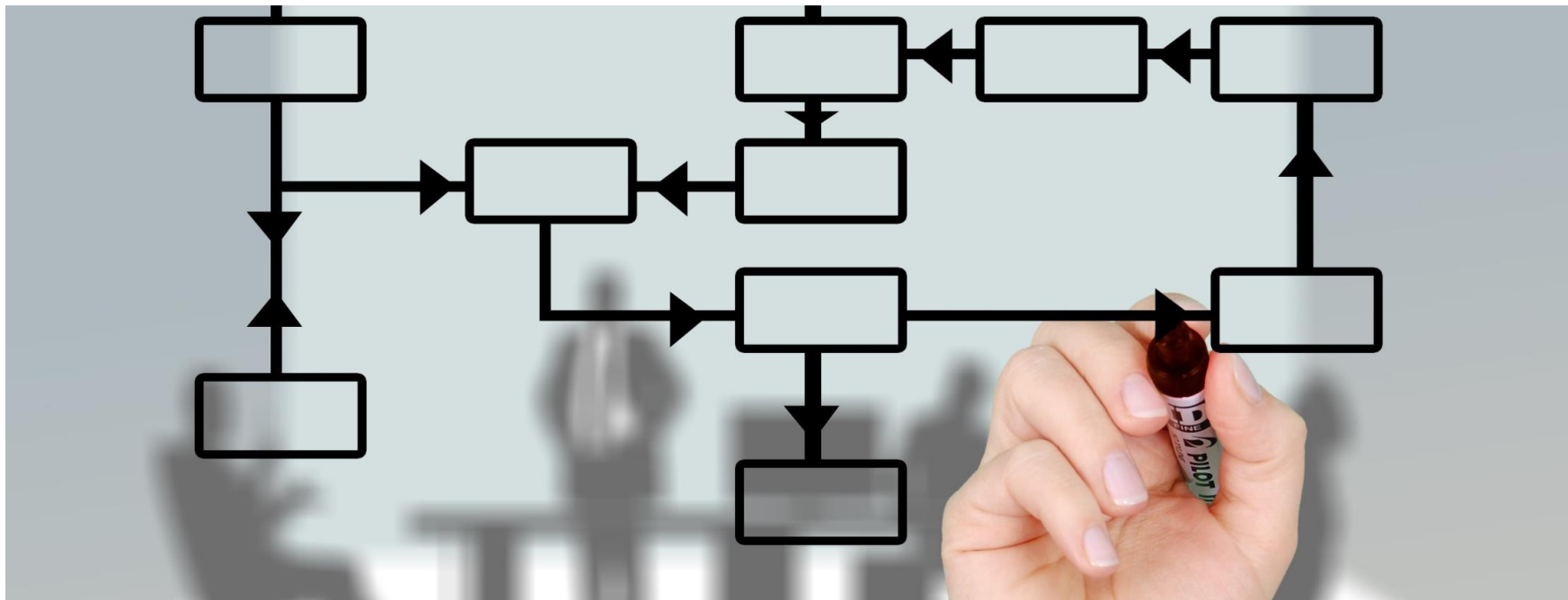
C&B Processes



SSC C&B service delivery model



Process maps



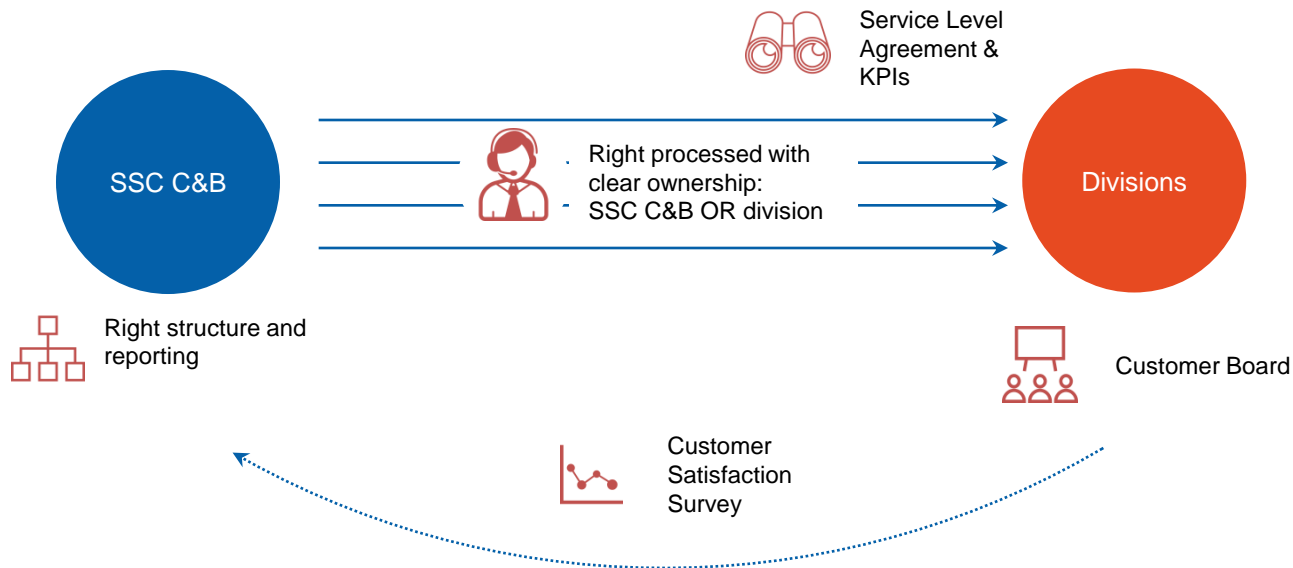
Organizational chart



Key capabilities of C&B Manager:

- client support of specific division;
- project ownership at cross divisional level

How does SSC work?



Our results



Shared Country Compensations and Benefits

Productivity

Improved efficiency through:

- Service cost;
- External vendor consolidation gains;
- Removed unnecessary complexity and alignment across companies.

We decreased a share of personnel cost in the company revenue



Successful pilot



After successful pilot in Novartis Group in Russia SSC C&B model was adopted in other countries

High quality customer service at the scale of 6



5.1

Novartis is a Top Employer



Critical success factors

1

Harmonization of principles,
processes and governance

2

Process automation

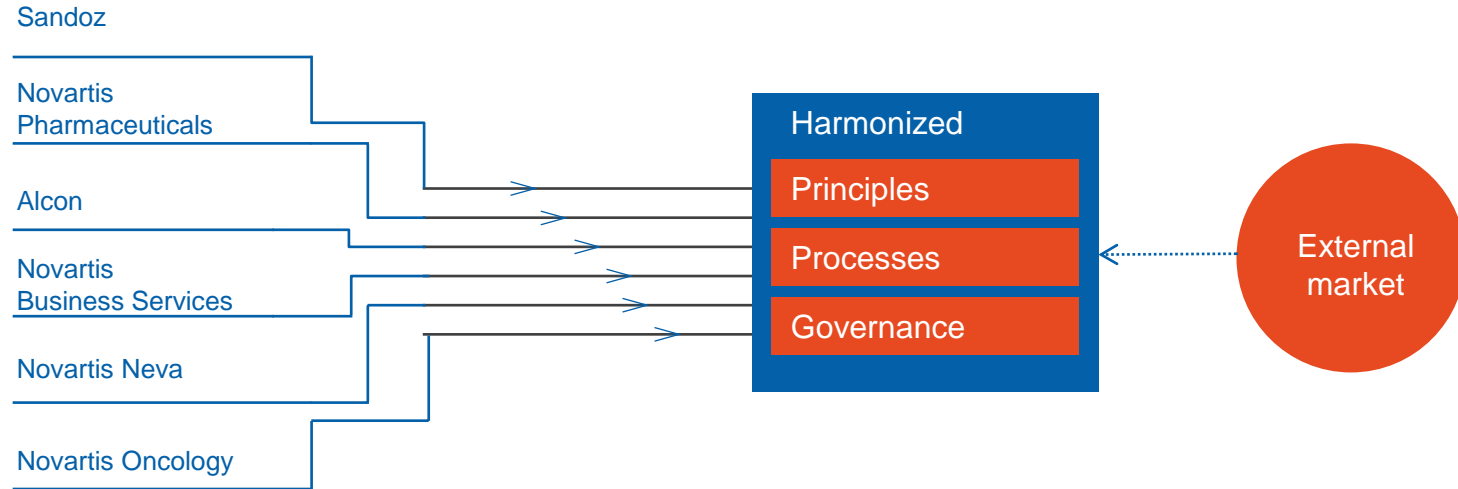
3

Outsourcing

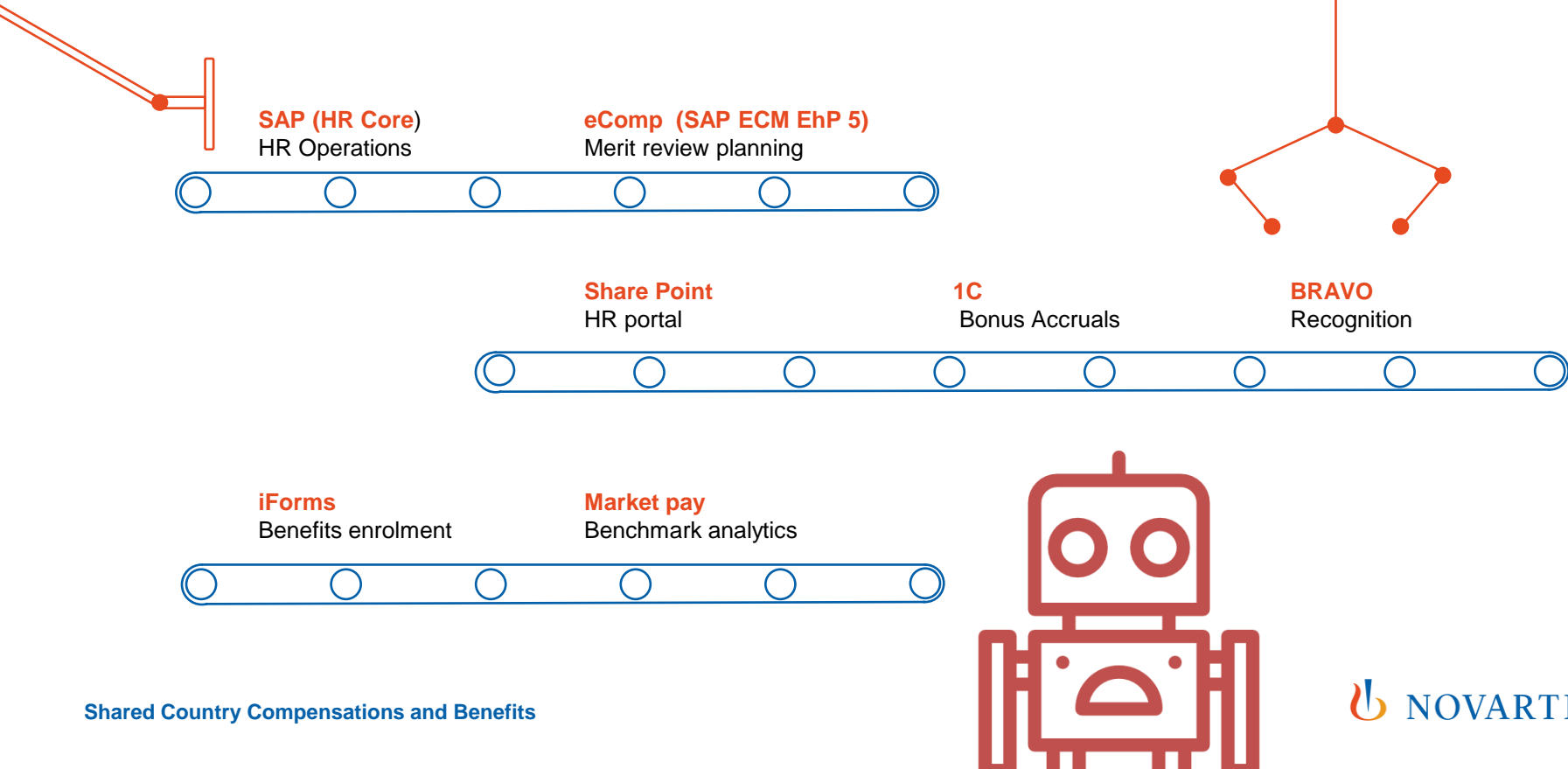
4

Change
management

Step 1: Harmonization



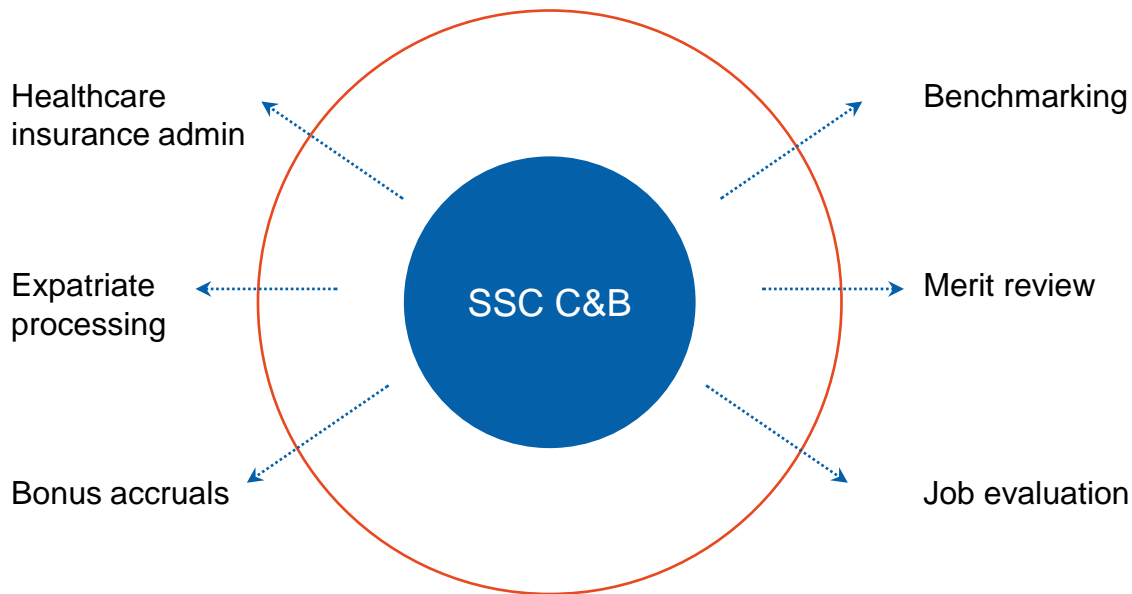
Step 2: Processes automation



Step 3: Outsourcing

To local vendors

To global vendors



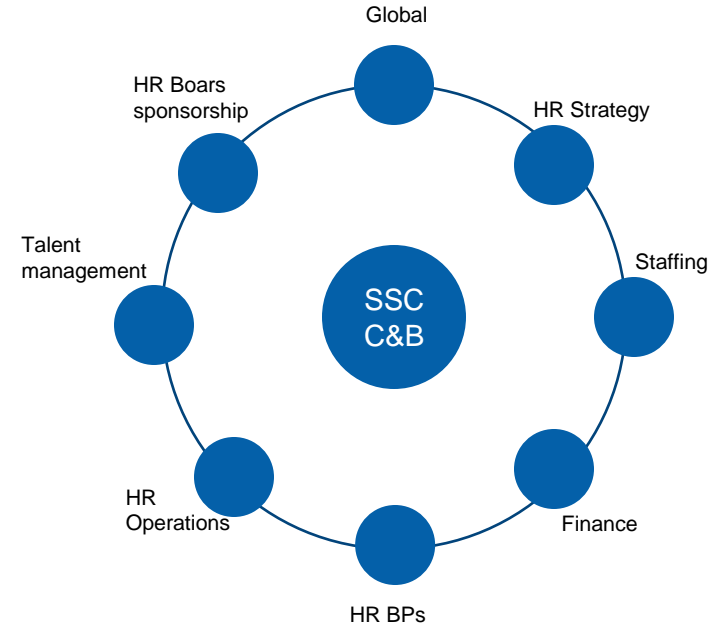
Step 4: Change management

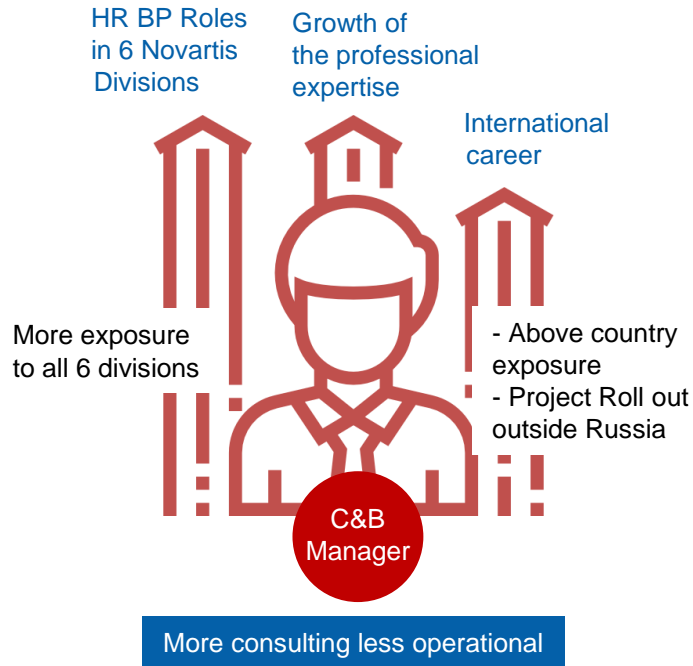


We explained our leaders that SSC C&B brings value to our organization



We took the key interdependencies into account while transitioning to the SSC C&B





We explained our people that SSC C&B brings new career opportunities

SSC C&B partnered with divisions with empathy and resilience to their specific needs



In order to execute our strategy and bring it to life



Don't be afraid to change

Believe in your strategy and walk towards it step by step every day

Thank you