



GlaxoSmithKline

GlaxoSmithKline is one of the world's leading pharmaceutical companies. Headquartered in the UK, with operations based in the US, it has an estimated seven percent of the world's pharmaceutical market and employs around 100,000 people in 100 countries.

Taking a longer-term look at planning

Corporate planning at what was then Glaxo had traditionally followed the lines of a financially-driven exercise, involving the processing of five-year plans from local operating companies based on centrally-issued global assumptions.

This was supplemented by central ten-year sales forecasts based on longer-term assumptions regarding the product pipeline. Following the acquisition of Wellcome in 1995, however, a new approach to looking at longer-term issues which could impact on the new company, Glaxo Wellcome, was developed by the group strategy team.

SAMI's role: developing scenarios for global healthcare

The go-ahead for a scenario exercise in 1996 was given by the company's Executive Committee, thus securing top-level endorsement. A steering group to manage the project was established, led by the group strategy team and including external specialist scenario facilitators to provide the essential process expertise.

A range of interviews was conducted with key executives from across the business and various pieces of preparatory material were circulated. The process culminated in two linked off-site workshops, composed of senior executives representing the major business functions and global regions, together with some external opinion leaders.

The first workshop was very successful, particularly since there had been no previous history of scenario development at Glaxo and there was some scepticism among participants at the start. Following a structured but flexible methodology, the two-day workshop developed four scenarios for the global healthcare environment. These were subsequently written up and circulated.

A second two-day workshop was held a couple of months later. This focused on two aspects: first, to confirm and extend the scenarios; and secondly, to map the strategic options for the business arising from the alternative scenarios. This latter process was very stimulating as it provided a means of identifying common strategic directions from the scenarios, as well as analysing the drivers and external signals which could come into play that would steer towards any individual scenarios.



The result: a sharper focus on strategy

As a result of the exposure of senior executives to the process of strategic scenario thinking, added impetus was given to the need for the company to invest in new technologies and emerging global regions. In addition, all participants agreed that they viewed, analysed and interpreted external signals in the global environment in a very different and more purposeful way.

The exercise stimulated a range of further scenario planning activities in subsequent years, in research and development; manufacturing and supply; and major operating regions. A project to assess Glaxo's potential business in predictive and preventive modes has been documented in "Scenarios in Business", Gill Ringland, ISBN 0-470-84382-9.

Subsequent work with the manufacturing division used scenarios to anticipate the types of flexibility likely to be required for manufacturing processes and the implications for skills.