

Interview with Vas Narasimhan

In 1998, two years after the merger between Sandoz and Ciba-Geigy, the in-house associations of both companies joined forces. This resulted in the Novartis Employees Association (NAV). Therefore, the NAV is celebrating its 25th anniversary two years after the 25th anniversary of Novartis.



Vas Narasimhan

Chief Executive Officer Novartis

Dear Vas,

Thank you for your willingness to be available for an interview for our 25th NAV anniversary.

Vas, what were you doing professionally and personally 27 years ago? Can you remember where you were at that time, and what was going on in your everyday life, when this big merger took place?

VAS NARASIMHAN: The year Novartis formed after the Sandoz and Ciba-Geigy merger, I was a student at the University of Chicago working on my biology degree so I could later attend medical school and become a physician-scientist. When I wasn't in class, I was studying, getting involved on Campus, or playing basketball when I could find a free moment. While I always had dreams of inspiring a healthier world, in those days I was still not sure where the journey would take me.

Today you are CEO of one of the largest pharmaceutical companies in the world. Was this a goal of yours or even your dream job? Or did you want to take a different career path?

While it was never my goal to become a CEO, I have always been passionate about the work of improving human health. During and after my medical studies, I worked on public health issues such as HIV/AIDS, malaria and tuberculosis in India, Africa and South America.

Along the way, I realized companies like Novartis have an extraordinary impact on human health as they discover novel medicines and deliver them to hundreds of millions of patients every year. I'm grateful I could support those efforts in roles such as Global Head of Development for our former vaccines division and Global Head of Drug Development and Chief Medical Officer, and I feel privileged to continue that work alongside our global associates as CEO.

You have been leading the company since 1 February, 2018. In the 27 years of Novartis, the largest Novartis “cultural revolution” took place within the past 5 years. When you joined Novartis, you experienced the performance-oriented company “culture” first-hand, hence I would like to ask:

Was the cultural change expected from you as the new CEO, or was this a decision that you made?

When we began our culture change, we based it on decades of scientific research into what motivates knowledge workers and drives business performance. For any of your readers that might be interested, Dan Pink’s book “Drive” explains the research very well.

When I became CEO, I felt it was the right time to shift the company from a more top-down, hierarchical culture to an accountability-based culture across teams. With business performance as the end goal, we’re continuing our work to create an inspired, curious, “unbossed” organization.

“Unbossed” will certainly go down in Novartis history. And also outside of Novartis, your name will be connected with “unbossed” for a long time. There is a lot of discussion about the word “unbossed” and what it means in practice. What is your assessment?

There is a lot of debate about the word “unbossed” – and on the one hand that is good! That word in particular helped us start an ongoing conversation about our culture across the company. Whether I am on our Campus in Basel or in our offices in Japan or Mexico, everyone knows the word “unbossed”, and it’s extraordinary to see this conversation continuing across Novartis.

With that said, there is also a lot of debate and some misunderstanding about what an “unbossed” culture is. In actuality, the word “unbossed” is meant to represent personal accountability. In a shift away from micromanagement, which requires a different kind of leadership from managers, we want all Novartis associates to take personal accountability for our company performance and their role in driving that performance wherever they work in the company. So despite some comments about how an “unbossed” culture is somehow in tension with the need to deliver outstanding performance, driving business performance is actually the purpose of “unboss” in the first place.



GSK Consumer Healthcare Joint Venture; Alcon spin-off; exited Roche stake; the Sandoz spin-off – it looks like we have sold all our silver. What is left to keep our investors happy?

Novartis and its predecessor companies have had the courage to continue transforming for over two centuries. Who would have thought that a chemicals and dye-making company would one day make gene and radioligand therapies?

Today, science and technology are advancing at an unprecedented pace, and we have more knowledge at our fingertips than ever before. Given today's explosion of scientific progress, the companies that are focused will lead the industry and ultimately have the greatest impact on humanity.

We've successfully navigated our journey of focus over the past five years, executing over \$ 100 billion in transactions to focus the company while strengthening our position in key technology platforms. We spun Alcon to our shareholders in one of the largest European market spin-offs ever. We exited our Roche stake at a high valuation, through a tax-neutral transaction, and are delivering much of the value back to our shareholders through a share buyback. And if the Sandoz spin-off is approved by our Board and shareholders, we'll spin to our shareholders a leading generics and biosimilars company. We believe this is in the best interest of our shareholders but also society, as our companies will be able to focus our resources and capital on two important areas of medicine for the world.

If you look at Novartis today, we are poised to become the largest pure-play medicines company in the world. We are a leader in technologies like siRNA, gene and cell therapy, and radioligand therapy, and we tackle some of society's most intractable disease areas, such as cancer and cardiovascular disease.

In the future, we will focus on the 5 “core therapeutics areas,” despite the pandemic experiences and the extremely high probability of future pandemics and epidemics. Why do you think focusing on these five therapeutic areas only is a good idea?

Novartis has a renewed strategy to drive growth and performance. Our strategy is to deliver high-value medicines that alleviate society's greatest disease burdens through technology leadership in R&D and novel access approaches. As we execute this strategy, we have clear focus areas that determine where we invest our time, energy, and resources.

We have an even more clarified view on our key therapeutic areas: Cardiovascular; Immunology; Neuroscience; Solid Tumors; and Hematology. We chose these based on where there is significant and sustained disease burden, and where our commercial and pipeline assets and expertise give us a leadership position.

We also focus on technology platforms where we have the depth and scale to discover, develop and commercialize therapies. There are two established platforms, chemistry and biotherapeutics, plus three newer platforms that give us technology leadership – xRNA, radioligand therapy, and gene and cell therapy.

This more focused strategy will enable us to accelerate our growth and impact as we reimagine medicine.

How and where do you work best and why do you think the hybrid working model is the right model going forward?

After adopting certain approaches during the pandemic and learning from them, my leadership team and I are confident hybrid working is the right approach for Novartis going forward. Almost all major industries are moving or have moved toward hybrid, and while we are also making a pivot at Novartis, we are maintaining important aspects of flexibility for our people.

There is no replacement for the energy and cultural capital that comes with being with our teams in person. This is especially true at Novartis – a company that counts on the collaboration of our people to solve complex problems in science and beyond. When I am in Basel, I am typically on Campus four days a week. And when I am not working in Basel, I am meeting with key partners or with our teams at Novartis sites around the world.

You live in the city of Basel. So, at the heart of the action. Have you already participated in typical Basel celebrations with your family, such as swimming in the Rhine, Fasnacht or Vogel Gryff?

Basel is the place my family calls home. Since moving to Switzerland over 10 years ago, my wife and I have started our family, raised our sons, and made life-long memories in this wonderful country. I have participated in Vogel Gryff, and my boys and I regularly participate in the Basler Rheinschwimmen. We also love skiing and hiking in the stunning Alps, and we feel privileged to live in this beautiful city and country.

What role will Switzerland have for Novartis in the future?

The greater Basel area is home to Europe's largest life sciences cluster and continues to be an attractive location in terms of talent, infrastructure, and other conditions. We remain committed to Switzerland, as evidenced not only by our 250-year history here, but also by our latest investments. Recent examples include our new state-of-the-art RNA manufacturing facility in Schweizerhalle, the recently reopened and fully renovated modern research building Banting 1, the new laboratories for radioligand therapy, and the Novartis Pavillon. In addition, we have announced an investment of approximately CHF 100 million in a new center for biologics development on the Basel Campus. We also spend around half of our annual global R&D budget in Switzerland.

Novartis is committed to Switzerland for the long term, and we continue investing in our future here.

The Novartis Employees Association is the independent, internal company social partner of Novartis. It is committed to the interests and rights of our members and to the employees with the delegates of the ERC (IPV). Are you aware of us and if yes, what opinion have you formed of the NAV? By the way, anyone with a permanent Novartis employment contract can become a member. The NAV would be very happy to welcome you as a member.

First, I'd like to congratulate the NAV on its 25th anniversary. The NAV and its delegates in the ERC play a valuable and constructive role in representing the interests of employees in dialogue with Novartis. I see the NAV as a constructive partner that shares our common goal of ensuring the long-term success of our company, representing the important perspective of our associates in search of the best way to deliver on our commitments.

Stable and constructive relations between social partners are crucial as they represent an important advantage in Switzerland. Most recently, I have been personally involved in ERC (IPV) consultation meetings and in several informal exchanges. I appreciate the critical and solutions-oriented dialogue and look forward to continuing this exchange with our social partners.

**A big thank you to our CEO, Vas Narasimhan, for taking the time for this interview. Highly appreciated!
Davide Lauditi**