

BEING A PART OF THE COMPLIANCE SOLUTION - NOVARTIS CONSUMER HEALTH

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“ Unfortunately, increasingly busy arbitrators have led to greater delays in issuing awards. It is incumbent on arbitrators to do their work quickly and intensely once the parties have finished theirs. ”



The key to compliance is to ensure you take a serious and preventive approach, says Juan Jorge Gili

Lo principal en asuntos vinculados con el riesgo y con el cumplimiento normativo es que nos lo tomemos muy en serio, y que actuemos de manera proactiva para asegurarnos de que nos perciben como parte de la solución y no como parte del problema, dice Juan Jorge Gili. El cumplimiento normativo es una forma de medicina preventiva y es nuestra función ayudar a la empresa a que cumpla las normas todos los días, lo que significa que tenemos un doble papel como socio del negocio y como guardián de la empresa.

Being in the pharmaceutical business, regulation is a key issue for Juan Jorge Gili, Global Compliance & Risk Management Officer at Novartis Consumer Health SA, part of a Swiss-based multinational pharmaceutical company. One of Gili's significant responsibilities is to ensure that all work, promotional activities and interactions with healthcare professionals are in compliance with local and internal regulation.

Going straight from his studies to Novartis (then Sandoz) in 1989, Gili has since occupied the roles of Legal Counsel, General Secretary, Head of Legal in Spain and Portugal, and Head of Legal for the Consumer Health Division for Southern Europe. But in 2006, he took on the newly created role of Global Compliance and Risk Management Officer for the OTC (over-the-counter) Division. "We identified a trend in increasing regulation, and a higher degree of scrutiny from society and our stakeholders, so decided it was the time to create this much needed role."

Interacting with legal

Gili reports to the General Counsel at divisional level, briefs counsel on compliance initiatives and their progress, and addresses the key initiatives they are dealing with, potential areas of risk and the best way to work together. And while the roles are intertwined, he says, the main difference is that while one thing can be legal, it may not be acceptable from an ethical standpoint. Which is where he comes in.

From a purely compliance perspective, in most cases Gili relies on his internal counsel. But, when external law firms are needed, Gili and counsel work together to decide on which should support them, and they have a usual panel from which to choose.

Raising awareness

Since the changes to the Spanish Penal Code adding criminal liability for individuals and legal entities, locally Gili is seeing an increasing level of awareness about compliance. "There is a clear reference in the Code for having an effective compliance programme to limit or exonerate criminal liability for the legal entities, which is clearly a milestone."

But clarity is needed as to what the authorities and courts will understand as an 'effective compliance programme'. Companies are waiting on guidance, says Gili, but he knows of several Spanish companies, especially domestic, starting to strengthen internal compliance mechanisms,

review internal corporate conduct and implement additional policies. "This is clearly a sign that compliance and integrity are moving higher up company agendas."

To-do list

Currently on Gili's agenda is the rollout of a new anti-bribery policy at global level. "We are working on its implementation in every market and putting in place systems for due diligence when contracting outside parties that fall within the scope of the anti-bribery policy."

They are also reinforcing the monitoring controls in place in relation to the compliance programme and key initiatives, while increasing the efficiency of internal processes for ensuring the appropriateness of our promotional activities. Gili has electronic tools that help in supporting these activities but they are trying to make them more effective, easier to use and to expand them at a cross-country level.

Risk assessment is also on the agenda as a consequence of the legislative changes. "In Spain, following the change to the Penal Code we conducted an analysis of the implications for Novartis," he explains, "and have identified the different crimes that our company could face and conducted a risk assessment for each, seeing where we can make cuts or develop internal awareness or controls to limit risk exposure."

Word of advice

Currently, there is a clear strengthening of the regulatory environment, says Gili, and enforcement is dramatically increasing, as is the degree of scrutiny from society and other key stakeholders. "We have to ensure that we perform our activities in a way that allows us to obtain and retain our social licence to operate, which means we need the trust of our stakeholders." And what is essential to this is reputation, he adds.

Gili firmly believes that the fundamental thing with risk and compliance is that you take it very seriously, and that you proactively take action to ensure you are perceived as a part of the solution rather than the problem. "Compliance is a form of preventive medicine and you have to help the business to succeed in complying every single day," he adds, "and this means you have a dual role as business partner but also as custodian of the corporation, so you have to sit in the executive team, close to the senior executives, helping them take the appropriate decisions."