EFMD Excellence in Practice Award Submission for Endo Pharmaceuticals
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Executive summary
Executive summary

Endo is a global specialty pharmaceutical company and this is the story of the leadership team of its Specialty Branded Division. Patrick, the incoming Head of the unit, knew the value of effective leadership and wanted his whole team to benefit from it, build it for themselves and then share it with the wider organization. Patrick’s brand of leadership is involving, supportive and outcome-focused. Could he bring a soft style to the team and deliver hard results? This is the story of how he, the good people of Endo and LIW achieved just that.

The strength of the partnership meant that the work that LIW and Endo did over 18 months could challenge some L&D norms and seek to get extraordinary results. Some of the L&D shifts that we explore in this submission are:

- **From ‘learning to do’ to ‘doing to learn’:** LIW’s focus on delivering business impact evolved still further through this partnership. With Endo, we closed the ‘learning-doing gap’ totally. The team learned by doing at each stage, reflecting on what worked and what didn’t.

- **From individual to intact team learning:** this team invested the time to come together to learn together and work together. The team recognized their dual roles: the Vertical dimension as leaders of their own function, and the Horizontal dimension as members of the leadership team. Whilst they all performed their vertical role, the importance of their horizontal roles drove the team’s ability to collaborate and to build execution across the business.

- **From a skills focus to a performance focus:** many leadership programs focus on the hard skills of leadership and the business results while others focus on culture and the soft side of leadership. We wanted to combine these approaches so that we could support the leadership team to develop their personal leadership skills, and build their mutual understanding as a team whilst maintaining a ruthless focus on business results. This was supported by the use of assessments, including the Team Calibrator™, throughout the year to track and build the Conditions for Success™ in the team.

- **From a fixed learning path to agile development:** rather than setting out a complete development path upfront in ‘waterfall’ style, each element of the program was developed based on the learnings of the last, ‘pivoting’ where needed to arrive at the desired destination. Furthermore, the team viewed the development path as a journey rather than a set of discrete events, so that while they set some clear goals at the start, the path to achieve them inevitably evolved as they learned and progressed on their leadership journey.

It was not a smooth road – the team, like all groups of humans and all businesses, were hit with some curve balls along the way. There were cynics. There were some discontented customers to get on board. There was a serious health scare in the team.
All these challenges were overcome by a team that had the courage to speak freely, and to challenge themselves and others. This submission is the story of this team, its highs and lows and its ultimate triumph.

The results have been dramatic, both in terms of leadership of the top team and business performance. Team Calibrator scores improved 29% through the year, and variability of scores fell by 48% demonstrating an impressive improvement in alignment across the leadership team. Latest business results are also positive, with the team delivering double digit specialty revenue growth two years in a row and a return to positive growth for the overall business unit in the fourth quarter of 2018.

The team responded with resilience to the market and personal challenges they faced and worked together to deliver these results.

The journey continues and LIW and Endo are working now on cascading this leadership development to the second line leaders as well as continuing the development of the top team. The team set a bold goal for business growth, and the team remain committed to achieving it by engaging the wider business leadership team in their vision and purpose.
Introduction
Introduction

Endo

A highly focused generics and specialty branded pharmaceutical company

Endo Pharmaceuticals Inc., headquartered in Malvern, PA, develops and markets high-value, quality branded pharmaceutical products for patients in need. Endo Pharmaceuticals’ specialty portfolio includes products for urology, men’s health, orthopedics and endocrinology, with product development underway in medical aesthetics. Endo Pharmaceuticals is an operating company of Endo International plc (NASDAQ: ENDP), a highly focused generics and specialty branded pharmaceutical company delivering quality medicines to patients through excellence in development, manufacturing and commercialization.

LIW

Founded in 1995, LIW is a leadership consultancy with a track record of delivering high-impact leadership programmes on a global scale

We believe in the power of leadership to make things happen. In organizations that means building a common language of leadership to create lasting impact on business results. In the wider world, democratizing leadership means low-cost digital approaches that give everyone the benefit of leadership development wherever, and whoever, they are.

Our expertise spans high-touch, bespoke consulting, large-scale global development and digital products that make leadership development highly accessible. LIW’s team of more than eighty leadership consultants, facilitators and coaches delivers programmes that maximize participant engagement and retention. LIW clients benefit from a high level of impact, excellent learner feedback, high levels of engagement and motivation to change, resulting in improved business results.
The challenge
LIW and Endo started working together in 2016 when Patrick Barry joined Endo pharmaceuticals as Head of the Specialty Branded Products Division. LIW and Patrick had worked together in the past when he was at Sanofi so we already had a relationship and a shared understanding of how leadership could transform a business.

Patrick arrived at Endo after a period of disruption in the senior leadership team and took on a business which had a diverse group of customers and markets to serve. Furthermore, the business was in decline and the strategy was in flux. Patrick recognized the need to galvanize the top team and develop a high performance culture to deliver the business results the Group needed.

Endo Group comprises this Specialty Branded products division, including a small international business, and a generic pharmaceuticals division. The two divisions serve different customers with distinctly different market dynamics and challenges.

The overriding strategy of the business – to deliver quality medicines to patients in need – is served by a commitment to customer-focus and innovation to deliver cost effective solutions to all markets. This approach is consistent across both divisions but its implementation requires a tailored approach to optimize performance. Patrick had group level goals to achieve but considerable freedom about how to deliver those objectives through his senior team and his business structure.

A core concern of Patrick’s was that the top team at the time was composed of functional leaders who need to expand their roles to play an active part on the leadership team. Their responsibilities and efforts were directed almost exclusively to their functional teams (their Vertical leadership role) and those deliverables. So, Job 1 was to get this team to recognize themselves as a team and define their roles and accountabilities within it. This we defined as their horizontal leadership role.

LIW and Patrick discussed the need for a deep and broad engagement which addressed both the strategic direction setting of the division as well as the leadership values, mindset and skills of the top team. Simplicity and alignment were key to gaining buy-in from the top team.

It was important to Patrick that the program be part of business-as-usual for the team, rather than a ‘leadership learning’ exercise that could just add to the workload. This approach aligned with LIW’s thinking about leadership development which is to bring together ‘learning’ and ‘doing’ so that team members practice and get feedback on new leadership behaviors and build confidence and experience in real time.

Ultimately, the objective of the program was for the Specialty Branded business leadership team to leverage their leadership across the business to deliver growth for Endo and to drive innovation in order to deliver new customer markets and treatment opportunities for their pharmaceuticals.

**External challenges**

When Patrick arrived at Endo the Specialty business was reeling from a decade of strategic and personnel changes. An acquisition strategy was started in the period 2009-2013 and had brought in new people and practices which needed to be merged with Endo. Market challenges in the period 2013-2016 led to changing prioritization of resourcing and focus in some market areas, in particular urology, which negatively impacted some customers. When the team began the journey to become a “best in breed” Specialty business they faced the additional challenge of demonstrating to their customers that they were committed to this market and to them as customers and partners.

In addition, the Endo leadership team made the strategic decision to transition the business focus from pain relief to specialty treatments and to voluntarily withdraw its leading drug OpanaER.
Our approach to this engagement was underpinned by LIW’s 3Cs methodology, the Conditions for Success: **Clarity**, **Climate** and **Competence**. In this framework, teams are able to recognize the importance of creating clarity first – strategic and operational – then develop a culture of collaboration and trust in order to deliver results through the development of competence, accountability and disciplined execution.

The challenge

The solution to these challenges was inherently cross functional, as it touched all areas of the business. In order to present a coherent and consistent strategy to customers, the top team needed to develop that strategy together, and create a collaborative culture which leveraged each of their functional roles to create a top team which was bigger than the sum of its parts.

The voluntary withdrawal of Endo’s drug OpanaER led to a drop in revenues for Endo and increased pressure on the business to deliver growth in other areas.

This was a tough time for the team and it is a testament to the teamwork and commitment of Patrick and the leadership team that they achieved double digit specialty revenue growth two years in a row and returned the overall business unit to positive growth in the fourth quarter of 2018. Furthermore, their growing understanding of their role as a horizontal team supported all team members to develop a level of resilience to meet these major business challenges with a positive and constructive mindset.

**Internal challenges**

Towards the end of last year one member of the PLT suffered a major health crisis. This took them out of the business for a few weeks and challenged the team’s resilience once again. These occasions often prompt a period of reflection and the team pulled together to recognize the great progress they had made and to recommit to their shared plan.

**Common language**

Key to this engagement and to developing the top team’s horizontal leadership roles was to define a common language of leadership which was meaningful to the whole team. In our previous engagement with Patrick we had used the 3Cs™ (Conditions for Success) and we introduced this to the Endo team. Through a recognition of shared goals and a common language in which to discuss behaviors, the team were able to develop a mutual understanding in order to collaborate effectively across their functional specialisms.

“**This past year has been incredibly challenging and has driven the team to deeply explore their own purpose and motivation, and to develop together as a team to lead the business with vision, determination and resilience. The partnership with LIW was crucial to enable us to find the courage to set bold objectives, and to develop the leadership the business needed to deliver extraordinary results. We look forward to continuing to work together and broadening the scope to the SLL and the wider business**”

Patrick Barry
Head of Endo Branded Products Division
The commitment
Patrick had worked with LIW developing a leadership solution when he was working as a senior executive at Sanofi, so we entered this engagement with a strong relationship and mutual understanding.

Patrick is pragmatic and positive, a style which fits well with LIW’s values and approach. We set up the partnership with a clear agreement on what was on and off the table (everything and nothing respectively!) and a genuine commitment to challenge each-other to be bold and think big in order to learn and ultimately transform the leadership at Endo. We agreed a year-long engagement initially with an intention to cascade the development initiative to the second line leaders (SLL) the following year if all went well.

Leadership objectives
The key objectives for this project were to develop a culture of deep collaboration and trust among the senior leadership team (PLT) and a recognition for their role within the team beyond their functional role. This would encompass clear accountabilities within their functions in order to drive collaborative execution at all levels in the business.

Accelerating learning to deliver outcomes fast
We recognized there was an urgent need to bring the team together and build trust before they could deliver high performance. Any intervention we made in leadership needed to deliver positive change fast in order to get the team on-side and get commitment for further development. Here was our opportunity to challenge an L&D norm and transform our approach from ‘learning to do’ into ‘doing to learn’.

Bridging the learning-doing gap
In this way every part of the program we designed included real experiments and activities which delivered business outcomes and learnings. We created a framework in which the leadership team identified three distinct parts to their role: thinking like leader, being a leader and finally the doing of leadership.

By creating scenarios and experiments throughout the learning we would be able to provide the leaders with the tools for themselves and to share as a common language to be, think and act as leaders.

Agile approach
With the broad scope and deep focus Patrick required it did not make sense to design the end-to-end program at the start, so we agreed to take an agile approach. We created a design framework which outlined the key development areas and set out a timeline for the year. We then allowed the outcomes at each stage and the leadership team’s responses to guide further development planning.

The program was underpinned by LIW’s Team Calibrator, a team assessment tool, which we used at three points during the year. We also launched pulse checks to target specific areas of action and these were designed on the basis of the baseline findings and the subsequent prioritization of development. In this way Calibrator became the shared language of the Endo/LIW team to drive conversations about priorities and where to focus our efforts.

The Endo PLT used Team Calibrator as the core tool for measuring and tracking leadership behaviors within the team. This tool contains a set of questions within the 3Cs framework which get to the heart of what makes teams successful. The methodology draws on the best research into teams including

- Self determination theory
- Lencioni’s 5 Dysfunctions of teams
- Google Project Aristotle
- Gallup Strengths based leadership
- Goleman’s Emotional Intelligence
- The Trust Equation
- The Agile manifesto

The result is a rigorous team assessment which provides evidence for the team on their strengths and provides tailored priorities for development.
The L&D initiative
The L&D initiative

Program design

The Endo PLT engagement was designed to run for one year with Team Calibrator providing the baseline and core tracking of team behaviors and outcomes. The framework initially envisaged two workshops, supported between by coaching tailored to individual team members, as well as for the team as a whole. These workshops would address direction setting and trust.

We planned to run two Team Calibrator surveys, one at the start for baseline, and one at the end to determine progress, with two pulse checks (targeted mini calibrator surveys) through the year. These pulse checks are made up of a selection of key questions which the baseline survey reveals to be key for team development. The pulse checks enable the team to focus on specific aspects of their leadership and see the dials move as they make changes.

As the engagement progressed, the team decided, in agile fashion, that a third workshop should be added to focus on execution excellence, and a final calibrator survey was added after this workshop.
The L&D initiative

The Calibrator tool is underpinned by LIW’s 3Cs methodology, the Conditions for Success: Clarity, Climate and Competence. In this framework, the team was able to recognize the importance of creating clarity first – strategic and operational – then develop a culture of collaboration and trust in order to deliver results through development of competence and accountability.

The three workshops addressed core elements to achieving a high performing team:

1. **Direction setting** – creating as a team a compelling vision for the Specialty Branded business, resulting in a Clarity on a Page™ document setting out the purpose, vision, values and strategies that the team were committed to delivering. This crucial ‘guiding light’ for the organization was created in a facilitated executive team workshop. A number of ‘doing to learn’ approaches were involved:
   - Discovery exercises to help the team uncover leadership learning for themselves
   - Small bites of knowledge immediately applied to the task in small groups and with feedback from each other and the LIW team
   - Team and individual reflection on the ‘being’ journey that they were on in order to support each other along the way

2. **Building trust** – through deeply exploring their own and others leadership styles and recognizing the strengths in diversity and the importance of collaboration to deliver results.

Both LIW and Patrick believe that the ‘soft skills’ of leadership are essential in order to deliver hard business results. This team genuinely committed to open honest discussion of their challenges which led to real deepening of their mutual understanding and respect. We used a range of activities and tools including personal leadership impact reports (LSI), life maps, leadership letters, and vision cards to support the team to develop self-understanding and appreciation of others.

In addition, we used ‘the Hands exercise’ to explore the importance of purpose in a team. In this exercise teams of three work together on a construction project without knowing the outcome. There are many challenges to overcome and the project can become frustrating. Eventually the team discovers they are building a prosthetic hand for a child in a developing country and this shared purpose generates a deeper commitment to overcome challenges.
3. **Execution excellence** – working together to prioritize the ‘Big Swing Factors’ which will deliver the greatest impact. Then drilling down on accountability to ensure each team member plays their part and finally recognizing the need to build resilience in the face of challenging external business conditions.

The PLT members explored their individual roles and their role within the team to identify what drove them.

In preparation for the new fiscal year the PLT reviewed the Ambition they set out in the Clarity on a Page document and ran a reality check on what it was going to take to achieve it. They checked in on the team’s commitment to ensure that everyone was ‘in the boat together’ to make it happen.

PLT members further committed to role model collaborative behaviors within their functions to encourage accountability at all levels. Whereas in the past cross-functional disputes had been escalated to the PLT, this dramatic change in leadership style resulted in greater collaboration across functions at all levels, leading to more speedy decision making and improved execution.

“It made us realize that outside the day-to-day we like each-other. It helped us to solidify the things we have in common.”
The impact
The impact

The purpose of this program was to take the leadership team on a journey to high performance. To develop a team which truly leads the business beyond their role or function and drives performance throughout the business through setting clear direction, role-modelling collaborative leadership and enabling efficient execution.

We set out to measure impact across the three interdependent dimensions of System, Team and Self. This enabled the team members to see the direct line from their own leadership development through the impact on the team and the wider business.

System impact

The overriding objective of the Specialty Branded division was to achieve revenues of $1B within three years. This was a bold goal, particularly in the face of the challenging customer environment and the voluntary product withdrawal. However, the team chose to retain this objective and the latest financial results demonstrate that they have achieved double digit revenue growth for the last two years. While $1B revenue is a stretch it is achievable and it continues to inspire the team.

Individual impact

We used the Human Synergistics Leadership Impact (LSI) tool to assess the individual behaviors of team members and how they invoke behaviors in others. Combining this with the Team Calibrator baseline provided insight into the team dynamics.

The strongest behaviors patterns were constructive, but there were some aggressive, defensive behaviors for the team to work on. The team displayed some competitive and power-based (red) behaviors, as well as a degree of avoidance which stood in the way of true collaboration. This was not a surprise to the team and aligned to their siloed structure, but provided further evidence of the need to develop the team’s shared vision and define and work towards shared objectives.

Agile design optimizes performance improvement

Out of this initial assessment the team refined the design of the series of workshops to address the needs of the team and to develop a high performance culture. Detailed analysis of the Calibrator scores provided the key areas to focus on to achieve the highest improvement.

Calibrator results are reported in three dimensions: individual question scores, summarized at the 3Cs level, and scores summarized by specific team capabilities. The Endo PLT selected three team capabilities to focus on: Alignment, Trust and Execution. This provided a deeper perspective on the team’s transformation.
The impact

Team impact

We started with a baseline Calibrator to create a powerful shared view of the team by the team. This revealed a set of moderate scores across the board, with particularly poor alignment and lack of clarity. This was no surprise given the number of new team members and changing business environment, but it provided a shared understanding of the need for change and supported the program design with our initial focus on setting strategic direction.

The three Team Calibrator surveys run through the year show the impact on the team and the journey they took to transform themselves.

Overall scores rose each time, from an average of 3.3 at the start, 3.6 at the midpoint and 4.3 at the end. This represents an improvement of 29% in one year.

Variability fell 47% over the period. High variability in scores indicates team members have different understandings of the conditions in the team. A reduction of this magnitude in this measure shows a dramatic improvement in alignment among team members.

The Gap between importance and presence of the team scores fell 58%. This gap indicates there are conditions that team members would like to see in the team that are not present to the extent that they need to be. The sizeable reduction of this metric demonstrates significant improvement in the focus of team attention on the most important factors to them.

The pattern of scores for the gap and the variability indicate that while the overall performance was improving, the team took time to adjust both their expectations and their behaviors. Higher expectations of each other leads inevitably to greater gaps between desire and reality, and potentially to different perceptions of the team as they settle into the new team objectives and dynamics.

The midpoint scores might indicate the team going through a “storming” phase, to use Tuckman’s language, until they settle into their new roles within the team and all the metrics move positively.

Finally, two new members joined the team during the year, which brought both fresh energy and new perspectives, but also required a degree of integration into the established PLT team.
The impact

Team Calibrator scores reveal the leadership journey

Tracking the Team Calibrator results through the year we see each showed clearly the impact of the specific learning and leadership development initiative as it flowed through into team performance.

We see at the midpoint, after the team has completed the direction setting workshop, a distinct improvement in both Clarity and Alignment, reflecting this new shared understanding of where the team is going.

The final Calibrator shows greater increases in trust and execution after the team have worked on those elements in the third workshop.

The temporary drop in trust at the midpoint might reflect that ‘storming’ phase as the team readjusts to new relationships and commits to greater collaboration across functional roles.

The report provides four key analytical insights for teams, based on the team’s own ratings:

- **Highest scoring factors** – what the team consider they do best
- **Lowest scoring factors** – what the team consider they do least well
- **Factors with the greatest gap between importance and presence** – areas where the team feels more effort is necessary
- **Factors with the greatest variability in scores** – areas where team members appear to have different perceptions of performance – a key focus for alignment.

“Does it make the boat go faster? I liked that image and it gave us something to focus on together.”
The impact

Team Calibrator detail demonstrates the richness of this tool

Beyond these top level measures we track individual question responses as the team transforms. Looking at the final top 15 items we can see a dramatic improvement in alignment, shared clarity of vision and purpose. The improved process scores indicate that the team is operating more effectively as a team rather than a group of individuals, and each has a clear role and scope. Trust is reflected by the scores for the team being a safe place and relationships with stakeholders are much strengthened.

The result for the team has been transformational. **Overall scores increased 29% and variability across the team reduced to half its original level.** The team members have recognized their role as going beyond their functional responsibilities to creating the climate of collaboration and execution for all people within the business. Performance has followed with 2018 results showing the continued transformation of Endo. Latest (Q3) results show strong growth in the branded division, driven in part by this leadership team’s focus on execution excellence and commitment to a shared strategic objective.

The story would not be complete without some personal stories. Here we see individual examples of PLT members discovering the value of collaboration to deliver results for Endo and for their customers.
The impact

Case study 1
PLT members commit to partner with Sales to grow the business

- Sales had felt exposed and unempowered
- PLT members now have regular C-level customer meetings to support sales and problem solve
- Quarterly tracking of relationships as well as sales

Case study 2
PLT ‘locks arms’ and cascade collaboration to their teams to avoid siloed thinking

- Typically problems were escalated through functions – defensive behavior and empires built
- Now PLT present shared objectives
- PLT coach their team to collaborate across the business to resolve issues

Case study 3
Sales and compliance engage constructively to enable proactive problem solving

- Sales frustrated by being uninformed about potential issues
- Now engaging earlier in the process to anticipate and address compliance issues
- Greater trust between the two teams
- Time and money saved in reporting
Reflections/next steps
Reflections/next steps

In recognition of the valuable transformational journey they have been on, the PLT is continuing to work together on their team performance and has launched a new Calibrator for this FY.

In July 2018 the team conducted a joint summit for PLT and second line leaders (SLL) to align them with the strategic direction. This coincided with the kick off of the field leadership council comprising SLLs in customer facing roles. In the Summit, Employee Engagement Survey results were shared, and this led to the launch in November of the HEAC (Headquarters Engagement Advisory Council) to address engagement challenges in HQ employees.

In early December 2018 selected SLLs joined the PLT to review the Critical Success Factors for 2019. In early 2019 we ran the first Calibrator with the SLL and these results are being shared with the group in coming weeks. A proposal is under consideration for an exclusive SLL Summit in April or May, to deepen the leadership development of this group.