

DISASTER RESPONSE

ready for a crisis

GSK has worked with a number of non-governmental organizations to develop an efficient, streamlined system for donating medicines to areas hit by natural disasters. This involves making sure that the goods are not just delivered to the airport, but tracked on arrival

Brew a coffee. Log-on to the internet. Check your emails. Millions of employees go through the same routine every morning. But for Sue Ricketts, the process has an edge. She can never be quite sure what will be waiting in her inbox. In the frontline of GlaxoSmithKline's product donation programme, she is one of the company's first ports of call in a humanitarian emergency.

Today it happens to be Typhoon Ketsana, which has wreaked havoc in the Philippines, but it could as easily be Burkina Faso or Honduras, or any of the 100-plus countries to which GSK's programme extends. The email comes from global health and emergency response charity AmeriCares and informs her that more than 450,000 people have been displaced from their homes and 380,000 are living in makeshift shelters as a consequence of major floods. In the wake of a large-scale disaster like this, there is a massive surge in the numbers of injured requiring prompt treatment – and diseases such as cholera and typhoid can emerge quickly, creating a huge demand for medicines.

'My job is to get a handle on what is going on and to start the process for managing a donation of our products to the affected communities,' explains the cool-headed programme coordinator. Fortunately, GSK and its partners are prepared. Through news sources and local in-country contacts, Ricketts quickly ascertains the reality of the situation. AmeriCares' request for medicines is appropriate in the circumstances.

The next step is to get clearance. Ricketts contacts the local GSK manager in charge of the affected area, the donation is authorised, and then she sends an email approving the donation request to AmeriCares. Fortunately, the health charity already has the necessary product stockpiled in its warehouse. Every year, GSK provides a product inventory to the five US non-profits with whom it works. Each then chooses the medicines it thinks it will need, not only for responding to disasters, but also to support long-term community healthcare programmes or medical missions.

GSK puts an initial cap of \$15 million-worth (£9.5m) of product on this donation stage. When specific emergencies arise that require additional or different stock, GSK's partners can – and regularly do – request more products. This system of pre-ordering ensures that precious time is not wasted when the news of a

the company

GSK is a UK-based multinational pharmaceuticals and healthcare company that spends more than £300,000 (\$478,000) an hour on developing medicines that treat six major disease areas – asthma, viruses, infections, mental health, diabetes and digestive conditions. It:

- is still active in helping to deal with the devastation created by the 2004 Indian Ocean tsunami, working through its GSK Global Community Partnerships team to help rebuild communities in countries such as Thailand, Sri Lanka and Indonesia
- has donated cash and medicines to more than 100 of the world's poorest countries in recent years, including in the wake of the huge earthquake in China
- donates consumer healthcare products such as toothpaste and nutritional drinks as well as medicines to help provide short-term relief in disaster areas.

delivering a co-ordinated disaster response requires extensive planning and preparation

humanitarian disaster breaks, says Randy Weiss, corporate relations director at AmeriCares. 'Knowing what products we're going to get beforehand helps hugely when scheduling for the years ahead,' he adds.

With the green light from GSK, AmeriCares immediately sends a shipment of medicines to the Philippines. All the time, the charity is working with local health authorities and its own on-the-ground partners to ensure the consignment arrives at the disaster area.

Humanitarian emergencies typically happen without warning. Indeed, the element of surprise is what often makes them so devastating. In contrast, delivering a slick, well-coordinated response to such emergencies requires extensive planning and preparation. Central to the efficiency of GSK's programme is its internal management. GSK's Global Community Partnerships team in the UK acts as the central cog, liaising with the partners as well as mobilising people internally. In the wake of a crisis, a multidisciplinary team is also set up to assess the situation and make decisions.

Of equal importance is having trusted partners at hand. For more than ten years, GSK has been working with the same five US non-profit partners: AmeriCares, Direct Relief, InterChurch Medical Assistance, MAP International, and Project HOPE. All have proven records in supplying emergency relief in humanitarian situations.

Clear rules governing the donation process are the third major factor for success. GSK manages the delivery of its donated medicines in much the same way as its commercial supply chain. GSK's charity partners, for instance, must provide a shipping report explaining what product they are delivering and to where. The process doesn't stop there. After the donations arrive, GSK



■ GSK works closely on disaster responses with US-based health and emergency response charity AmeriCares, which has products stockpiled in its warehouse and ready for delivery by air

requests information on how, where and by whom the products were used. Each donation is dispatched with a lot number, which helps track where medicines end up.

Donation programmes are not without their critics, however. Top of the list of complaints is that large pharmaceutical companies use donations as a way of dumping old stock. GSK's strategic approach, and that of many other major pharmaceutical companies, is far more considered and well developed. But to add credence to its assertion, it participates in an industry-wide alliance to ensure best practice in medical donations. The Partnership for Quality Medicine Donations (PQMD) is made up of 13 non-profit organizations and 15 pharmaceutical and medical equipment manufacturers. GSK was a founding member, helping to get the initiative off the ground over a decade ago. As a condition of membership, PQMD insists all donated drugs have at least one year until expiry date when arriving.

GSK also goes a step further. Back at the manufacturing stage, it factors in those medicines that it intends to donate. This ensures that drugs destined for donation and commercial sale are produced at the same time. In that way, they also share the same shelf-life.

Another common criticism directed against the pharmaceutical industry is that its donations don't cost as much as the company claims. This arises from the industry's practice of valuing its donations in accordance with the wholesale acquisition price: in other words, the price that a commercial buyer pays for the product. That figure, the critics say, is considerably more than the real cost the product costs to make.

This year, GSK decided to change its method of calculation. Nowadays, it uses the 'average cost of goods' as its benchmark: that's to say, the material and labour costs involved in manufacturing the medicine, but not the subsequent sale margin. As a result, in 2008 the company's total humanitarian donations were valued at £5 million (cost of goods value), compared to the previous year's £21.6m (wholesale acquisition cost

value). And all without a significant change in the amount of product shipped to distressed areas. The company also publishes the value of its donation programme in its Annual Report and its Corporate Responsibility Report. There is internal transparency too. After every disaster the Global Community Partnerships team posts details of the company's response on the GSK intranet. 'We receive a lot of inquiries from employees during disasters, both about colleagues and people they know. It's very reassuring for them to know what we are doing and how we are doing it,' says Ricketts.

GSK's approach is not without its challenges, partly because a decade ago the lion's share of the company's products came from the US. Now GSK has factories across the globe. 'So, if there's a disaster in Pakistan, for example, does it make sense to send a donation of medicines from the US when Pakistan has its own manufacturing base?' says Ricketts. It's an important question to resolve. But, for the moment, she can log-off at the end of the day confident that yet another shipment is heading where it's needed.

■ Further information: Global Community Partnerships, GSK at community.partnership@gsk.com

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Getting help fast to those who desperately need it can be a logistical nightmare. GSK's partnership with trustworthy NGOs and an alert in-house team to manage the process is a good example of practical anticipation.

Points that impress are:

- the willingness to donate when need arises
- trust between GSK and its partners
- the effective and speedy authorisation system
- responses to criticisms
- information flow to employees and others

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