

NOVO NORDISK

An exemplary ecosystem player

TYPE OF MIMICRY

Systems Level (Closed Loops, Open & Transparent, Sense of purpose)

Awarded multiple times for its environmental and societal policies, Novo Nordisk is a thriving company that builds its success on its respect for life.

Novo Nordisk is a Danish pharmaceutical company that manufactures and markets pharmaceutical products and services. The company employs more than 40,000 people globally, and markets its products in 180 countries. In 2010, Novo Nordisk was ranked 25th among 100 best companies to work for by Fortune Magazine and then in January 2012, it was named the most sustainable company in the world by the business magazine Corporate Knights.

Novo's ideals inspire great thinking and invite employees to engage in ways that have emotional and spiritual value to them. Novo's score in engagement surveys presents us with evidence, when large corporations average 62%, Novo's score is 86%. According to the Aon Hewitt's 2015 survey, companies that attain best employer scores generate 83% better shareholder returns than the global average. Novo's competitive edge over other pharma giants resides in its inspiring culture, where respect for life – here defined as working in harmony with Nature and society – is a universal corporate value.

Novo Nordisk's respect for Nature and the society can be seen through the environmental policies and practices it has developed throughout the years, along with the focus it has set on encouraging high standards on bioethics and human rights. This environmental awareness was particularly evident during the economic crisis. Unlike its competitors, Novo's environmental spending rose steeply to lower its ecological footprint by switching its Danish operations to green electric power and reprocessing waste-water for reuse.

During that two-period year, the company's net income increased more than 27%. This enabled it to add nearly \$1.1 billion to cash reserves, which raised the year-end 2009 net cash surplus on its balance sheet to \$2.2 billion.

Novo Nordisk's determination to address environmental and societal issues comes from a personal understanding of the concept of feedback loops: healthy people and a healthy planet support healthy business; healthy business, in turn, supports healthy people and

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planet. By reinvesting profits in life-supporting ways, the company has found its balance, and made sure to positively impact and nurture its ecosystem. This mindset can be illustrated by the implementation of their “blueprint for change” strategy. This strategy is a public-private partnership whose goal is to create “sustainable shared value” wherever Novo operates. The blueprint aims to reduce national healthcare costs, and enable people with diabetes to have longer productive lives by focusing on vulnerable and under-served people. The first gain for Novo Nordisk comes with the expansion of its market, but the second and most important gain comes from obtaining higher employee engagement, resulting in improved productivity levels. Employees’ sense of purpose match this goal, and believe this approach is the best way to do it.

Figures prove Novo Nordisk’s strategy to be successful. In 2015, its five-year return on assets was more than 5 times superior to its four largest competitors’ average, 34.8% against 6.7%. The same can be said about its five-year return on equity with 61% for Novo Nordisk and 14.4% for its four competitors on average.

Novo Nordisk’s presence within the Kalundborg Symbiosis shows, furthermore, that the company is an excellent ecosystem player.

The Kalundborg Symbiosis

The Kalundborg Symbiosis has become an exceptional example of successful Ecoparks. It is the largest eco industrial park in the world, and is located on the North Sea Coast.

It is a symbiotic business relationship that eight radically different companies (including Novo Nordisk) have developed throughout the years to promote common values, both economically and environmentally.

Openness and transparency are the most important behaviors within the Ecopark, allowing the diverse industry partners to collaborate and develop the outstanding close loop system they now have. Companies exchange waste and energy streams as well as various by-products via an extensive network of pipelines. One company’s by-product becomes an important resource to one or several of the other companies. The total annual savings for the Symbiosis’ members were estimated to be around \$15 million dollars a year in 2007, and the environmental benefits were extremely high.

SOURCES

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ARE YOU AWARE OF THE ROLE YOUR BUSINESS HAS ON ITS LOCAL ECOSYSTEM? WHICH SYNERGISTIC OPPORTUNITIES BETWEEN YOUR AND YOUR NEIGHBORS ARE YOU NOT YET DEVELOPING?

