

Becton, Dickinson and Company: Ethics and Business Practices

How should Becton Dickinson institutionalize its espoused vision, mission, and values?

I. Framework

- A. Key Issue – employees looking for greater guidance from top management
- B. Background – ambitious new push for performance (BHAG)
 - 1. BD moving into new markets and shifting away from distributor-based sales
 - 2. Need exists for new customers, but also a need for ethical and lawful practices

II. Becton Dickinson Analysis

- A. Ongoing organizational initiatives (see Attachment 1)
 - 1. Formed Global One Company Operations Group
 - 2. Re-organized into seven worldwide businesses
 - 3. Created six design teams
 - 4. Promoted cultural change and embraced mission and values
 - 5. Increased attention to ethics and compliance into all company's practices
- B. SWOT Analysis (see Attachment 2)
- C. Environmental Issues
 - 1. Dynamic, fast-changing, competitive environment
 - 2. Greater attention being paid to ethics and lawful business practices throughout the nation and world

III. Global Views

- A. Anticorruption Movement, mid 90's
 - 1. Heightened attention worldwide to problems of bribery and corruption
 - a. Commercial bribery long been considered "business as usual"
 - b. Foreign Corrupt Policies Act and other signs show a change
- B. Views from the BD Field
 - 1. Asia-Pacific, EMA, and Latin America
 - 2. Very different views, cultures, problems... localized challenges

IV. Recommendations (see Attachment 3)

- A. Ensure that vision, mission, and values are embraced by all employees through education and interaction, and evident in all internal business practices
- B. Create *ethics standards*... but enforce at *regional* level
- C. Utilize design teams and One Company Operations Group to communicate, monitor, and enforce the ethics standards on a *regional* level
- D. Become involved in global anti-corruption activities
- E. Envision the future 10-30 years out and do not get bogged down in current trends

V. Lessons Learned (see Attachment 4)

- A. The vision and mission of a company must be the thread that holds it together
- B. Policies and procedures surrounding ethical business practices are ever-changing and companies must be flexible and responsive to these changes
- C. Reputations and practices matter and make a difference... unlawful and unethical practices come back to haunt organizations
- D. Attention must be paid to ethics in business from this point forward

Attachment 1 - BD Organizational Initiatives in more detail

1. Formed Global One Company Operations Group
 - Policy-making group designed to address company-wide issues and forge common identity across BD's businesses worldwide
2. Re-organized into seven worldwide businesses and each had to:
 - Hold leading position in global markets
 - Support strategic investments
 - Satisfy customer needs
 - Lower healthcare costs
3. Created six design teams to identify obstacles to performance and opportunities for growth
4. Promoted cultural change and embraced mission and values
 - Gave employees more freedom and encouragement to be innovative, seize opportunities, and make decisions
 - Involved employees in discussions and assessments of mission and values
 - Result was one authentic company purpose and four core values
5. Increased attention to ethics and compliance into all company's practices by establishing the Ethics and Business Practices Program
 - BD had excellent reputation for ethical code of conduct, but never a real policy
 - Program would minimize legal risks, while also educating all levels of employees on the basic expectations for conduct worldwide
 - Questions still remained, however, from inquisitive employees from various areas

Attachment 2 - SWOT Analysis

STRENGTHS

- Solid, long standing reputation within industry
- Internal focus on mission and values

WEAKNESSES

- Lack of standardized ethical procedures
- Going through a stressful time of ambitious growth that presents challenges

OPPORTUNITIES

- Build on existing relationships with customers and vendors worldwide
- Become a world leader in ethical and lawful behavioral studies and education

THREATS

- Increased competition within industry
- Cultural differences and challenges worldwide

Attachment 3 - How to implement recommendations

Ensure that vision, mission, and values are embraced by all employees through education and interaction, and evident in all internal business practices

- Continue internal focus on vision, mission, and values through constant, consistent communication
- Utilize internal communication vehicles already in place (internal memos, newsletters, meetings, reward systems, etc.)

Create *ethics standards*... but enforce at *regional level*

- Follow through and create Standards of Ethics
- Utilize focus groups in Asia-Pacific, EMA, and Latin American regions to gather “localized” issues and then “globalize” those issues where possible
- Create regional-level enforcers (i.e. regional managers, volunteer “ethics police”)

Utilize design teams and One Company Operations Group to communicate, monitor, and enforce the ethics standards on a *regional level*

- Utilize already-existing “volunteer” teams to introduce program, disseminate updated information, gather feedback, and enforce ethics standards
- Think about introducing a new focus on IT to centralize information and make it easy to access
- Use the “ethics campaign” as a vehicle to continue reinforcing vision, mission, and values

Become involved in global anti-corruption activities

- Take a risk by taking a stance on global anti-corruption issues
- Look carefully at “grand vs. petty” corruption and form a stance
- Partner with the International Chamber of Commerce (ICC) to enforce global standards
- Research PR opportunities to get BD’s voice/position heard

Envision the future 10-30 years out and do not get bogged down in current trends

- Respond to current needs of employees (specifically in ethical issues)
- Do not lose sight of ambitious BHAG goals (financial, cultural, organizational)

Attachment 4 - Lessons learned... in greater detail

The vision and mission of a company must be the thread that holds it together

- When working for a local telecommunications company, the vision and mission was crucial as we went through our start-up phase
- I worked directly with our CEO to communicate and reiterate our mission as we grew, reacted to industry changes, and grew some more
- That mission held us together as we went through both highs (making us proud, focused, and motivated) and lows (making us strive for better times, not get dejected)

Policies and procedures surrounding ethical business practices are ever changing and companies must be flexible and responsive to these changes

- Look at Marriott and Motorola

Reputations and practices matter and make a difference... unlawful and unethical practices come back to haunt organizations

- Consider the Enron and MCI WorldCom scandals

Attention must be paid to ethics in business from this point forward

- Colleges and universities are focusing on ethics in business
 - Center for Ethics and Business at Loyola Marymount University in Los Angeles “aims to provide an environment for discussing issues related to the necessity, difficulty, costs, and rewards of conducting business ethically (see www.ethicsandbusiness.org)”
 - Center for Institutional Investment Management at UAlbany will “focus on finance learning and research, the curricula will encompass today’s vital businesses issues: ethics, information management and decision making (see www.albany.edu/business/CIIM)”