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**Watson Wyatt 2007
Pharmaceutical Sector Meeting**
21st February
Sheraton Hotel, Karachi

Meeting Objectives

- Review of 2006 survey process and outputs to
- Review country level developments & issues
- Receive your feedback on our survey delivery in 2006
- Provide feedback on your input in 2006
- Identify potential areas for improvement
- Prepare for 2007

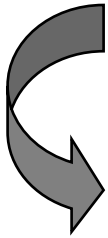
Methodology, Submission & Verification

- 5 incumbents/5 companies still to be used as range minimum
 - Focus on increasing no. of companies in the survey database
 - Focus on optimising data submission from all companies
 - Focus on individual job matching initially for WW/Sidat to get closer to each pharma company
 - Consolidation of findings at a group session to ensure consistent matching for similar roles
- Participants will be informed of likely issues regarding outputs before survey is published
- Survey Job Descriptions to be expanded to include Production, Research and Quality families

Methodology, Submission & Verification

- Years of experience data to be collected in PAKISTAN
- All incumbent input to be maintained
- Expand comp elements to cover certain parks / benefits /allowances
- First stage of alignment of survey jobs across whole EMEA
- Executive data to be supplied **wherever possible**
- Pharma career map XLS document to be used extensively in job matching sessions, detailing key role competencies

Survey Cycle 2007



Dispatching the survey material

April 2007

Paper questionnaire - Electronic input via the Web - Instructions

Full previous input provided

(except sales volume, number of employees & sal. increases)

April & May

Individual and Group Job Matching Support

(consultants available to assist in job matching queries)

Data @ April 1st 2007

Submission Deadline end May 2007

All Participants Who Submit On Time

Will Receive the Comtrack Export Module FREE!!

Data processing & report delivery

Reports for Pakistan to be produced in August

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Middle East & Africa 2006 *- the Year in Review*

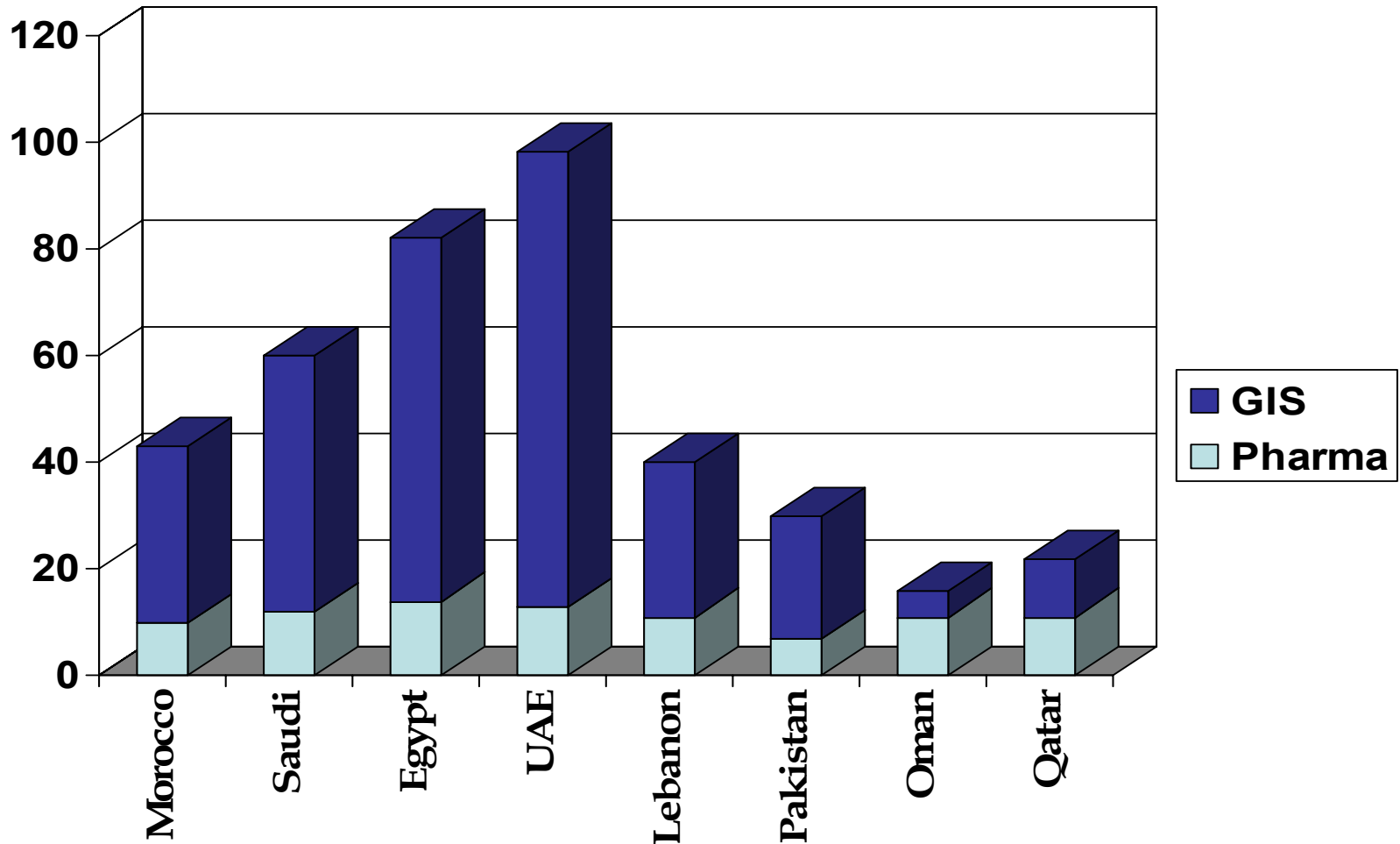
2006: The Year In Review – WWDS & the Pharmaceutical Sector

- Pharma survey running in 43 EMEA countries
- Participant growth sustained for the **4th consecutive year** in MEA club surveys
- Successful 2006 campaign Central & Eastern Europe 3 additional country pharma reports produced (Estonia, Latvia, Lithuania)
- CEE – added 3 additional GIS countries (Azerbaijahn, Georgia & Moldova)

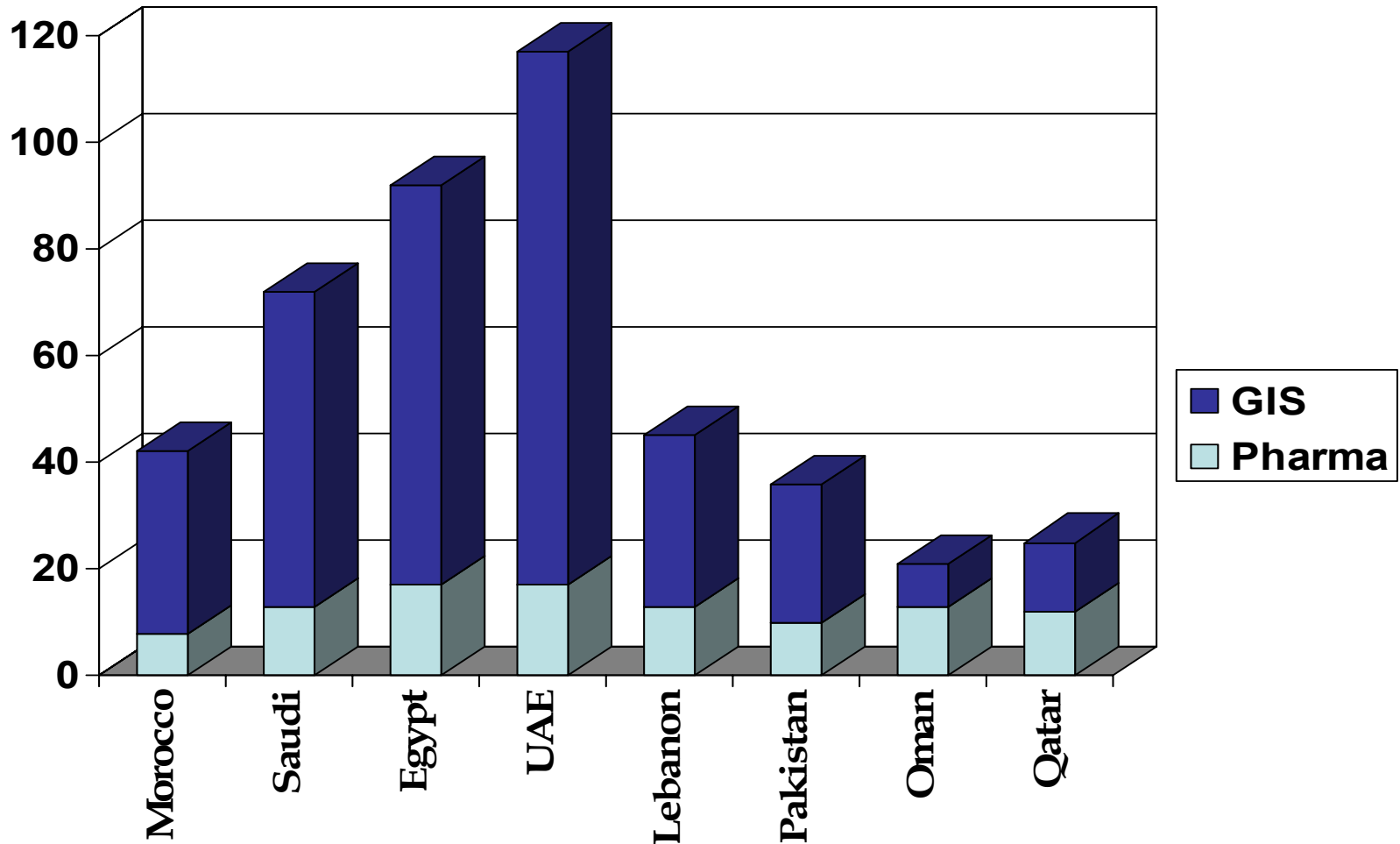
2006: The Year In Review

- **Participation:** overall large increases in both survey participation and data points received
- Particularly good years for Pharma participation in
 - UAE (31% growth)
 - **Pakistan (43% growth)**
 - Algeria (44% growth)
 - Jordan (50% growth)
 - Tunisia (80% growth)
 - Cyprus (133% growth)
- However the above growth has been somewhat offset by changes to survey methodology

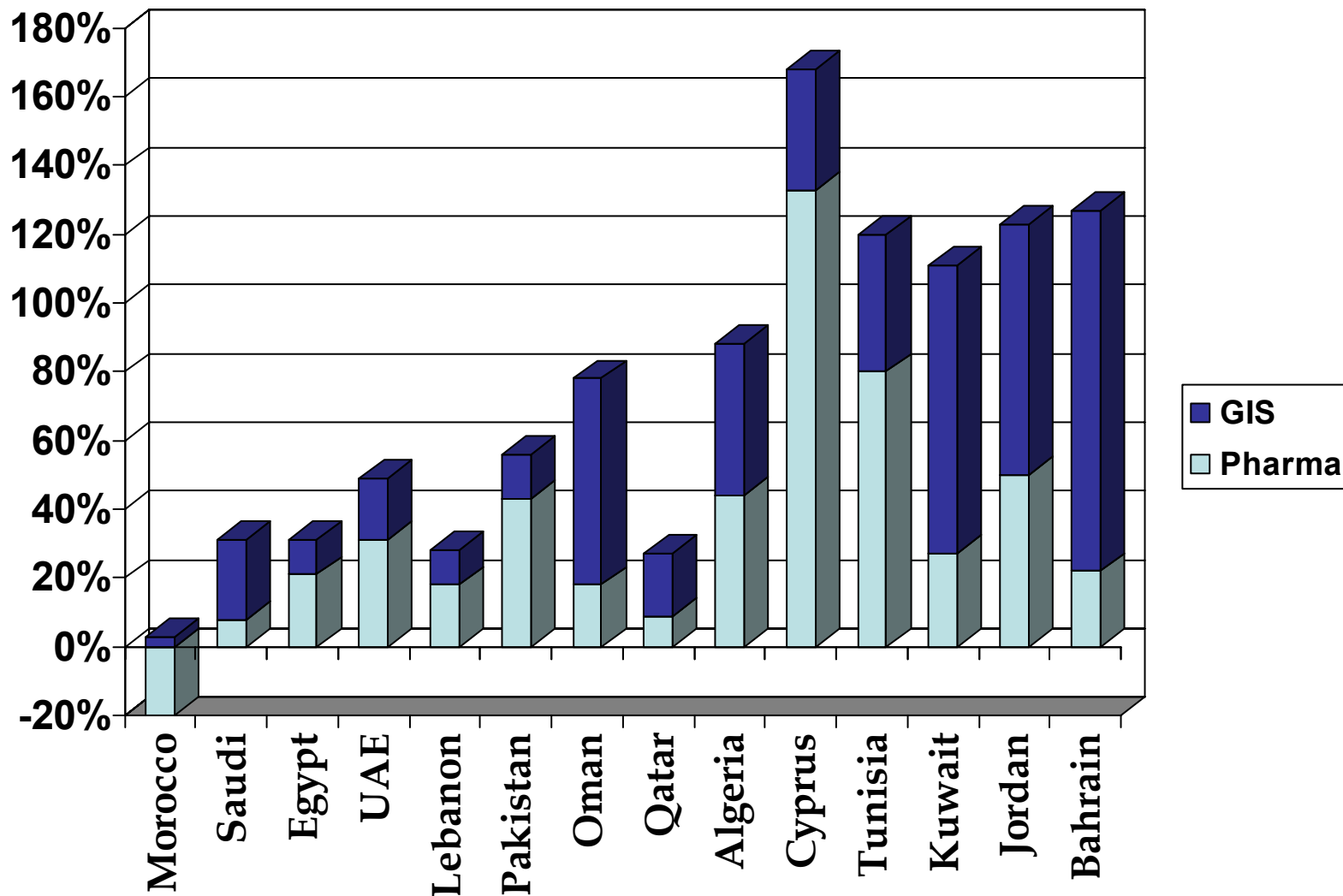
Pharma/GIS 2005 Participation



Pharma/GIS 2006 Participation



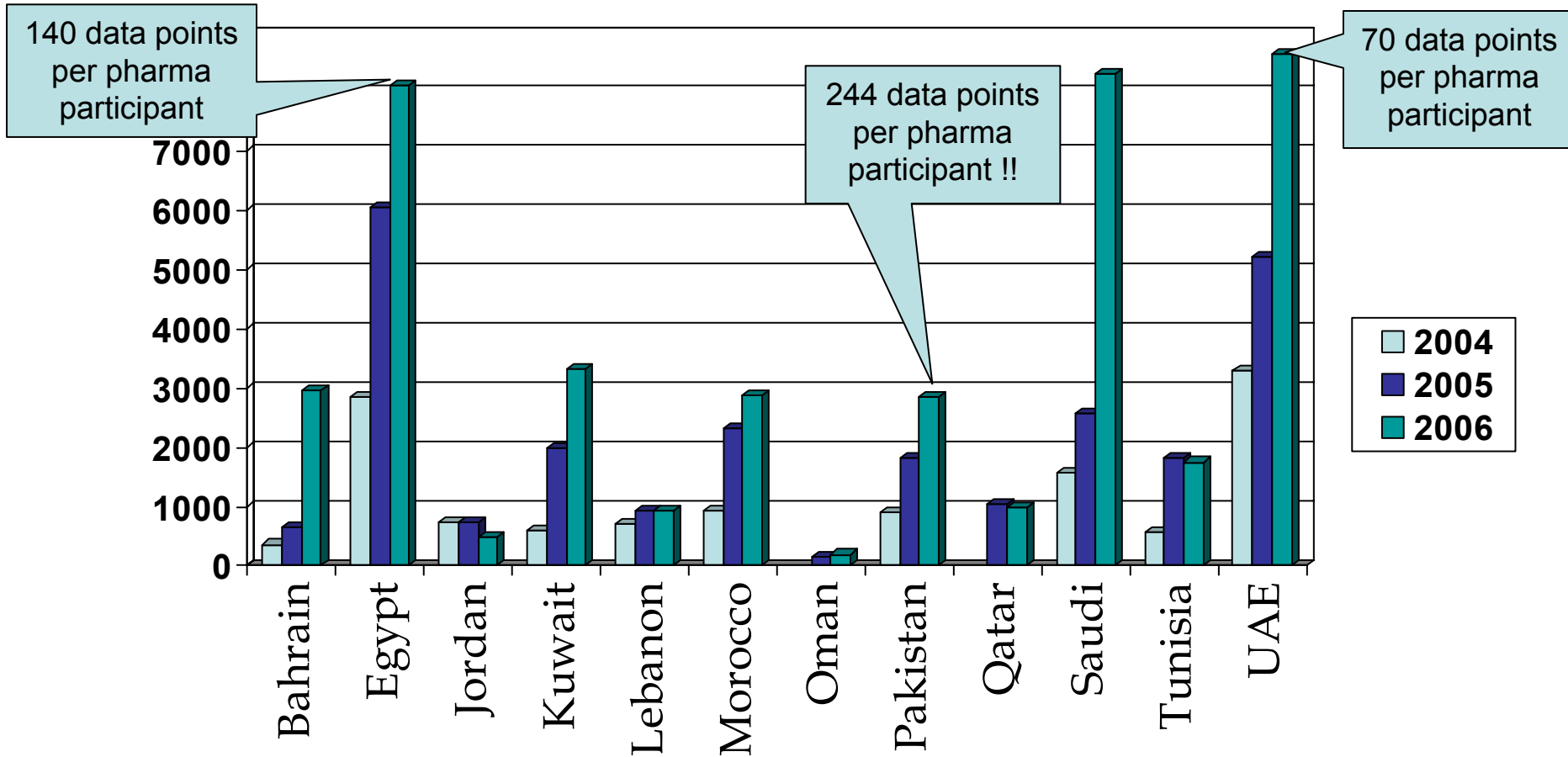
Pharma/GIS 2006 – Growth %



2006 Data Return – GIS

Number of Data Points Received

The vast majority show increased numbers of data points received from 2005 to 2006
Bahrain, Egypt, Kuwait, Morocco, Saudi and UAE show highest proportional growth



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Middle East & Africa: Methodology Review & Feedback

The cycle that saw many changes...

- **All incumbent** output as opposed to the maximum of 5 incumbents per benchmark job per company as in previous reports
- Minimum **5 incumbents across 5 companies** required to produce a range in response to US Anti-Trust legislation
- Production of **pharma compa-ratios vs. equivalent GIS benchmarks** in the event of reduced numbers of market ranges resulting from the above methodological alterations
- Collection of **Years of Experience** data in UAE, Egypt & Pakistan
- Pharma executive data supplemented by General Industry executive data

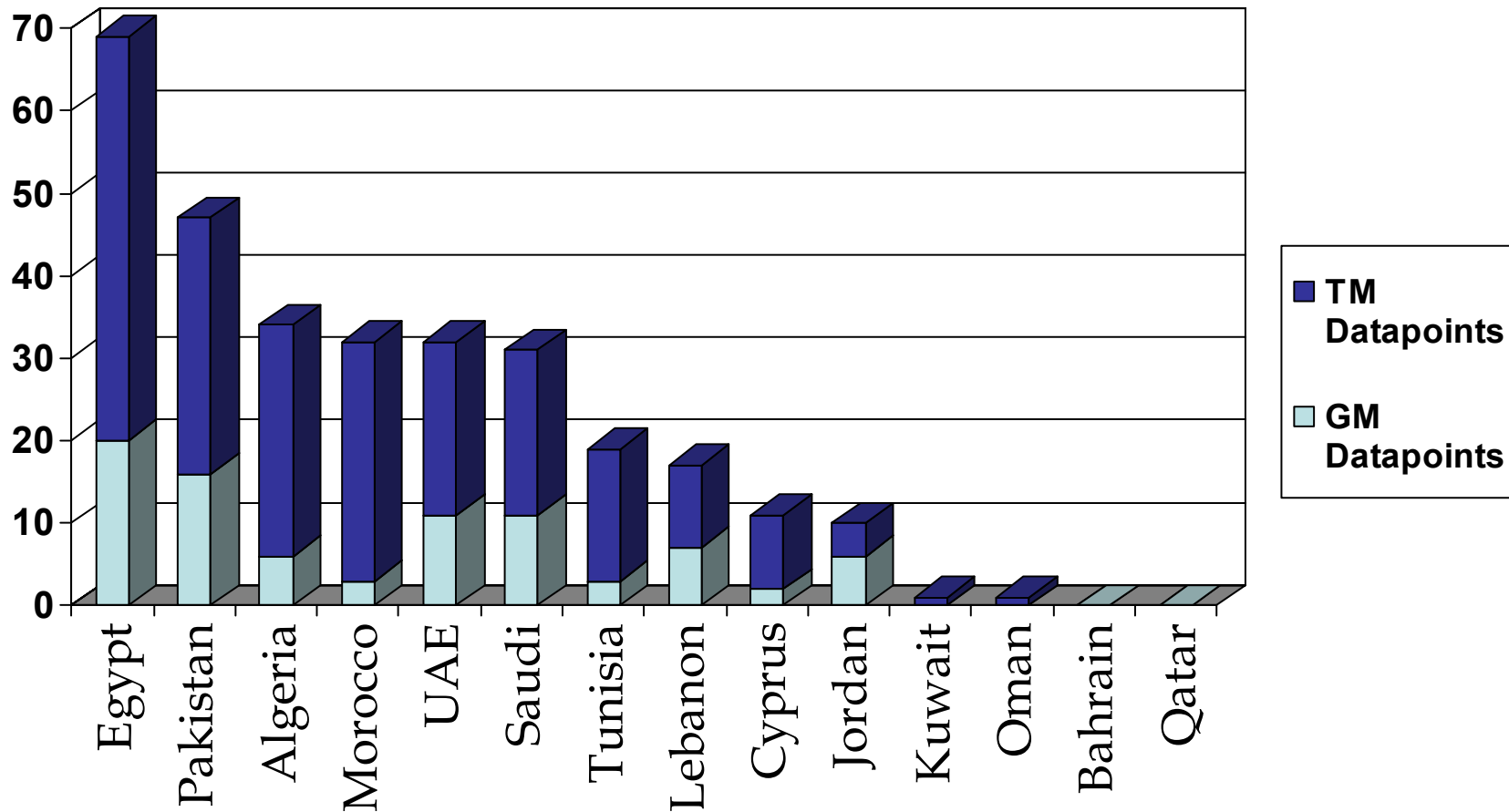
...and the implications thereof

- Minimum 5 incumbent across 5 companies resulted in the publication of **fewer benchmark ranges** despite overall growth in participation and datapoints
- All incumbent output resulted in the **skewing** of some ranges as more data was contributed
- All incumbent output resulted in the need to adopt “sample swamping” measures

2006 Data Return – Pharma Executive Data

No executive data received in Bahrain or Qatar

Egypt, Pakistan, Algeria, Morocco, UAE & Saudi show highest return levels



Years of Experience - UAE, EGY, PAK

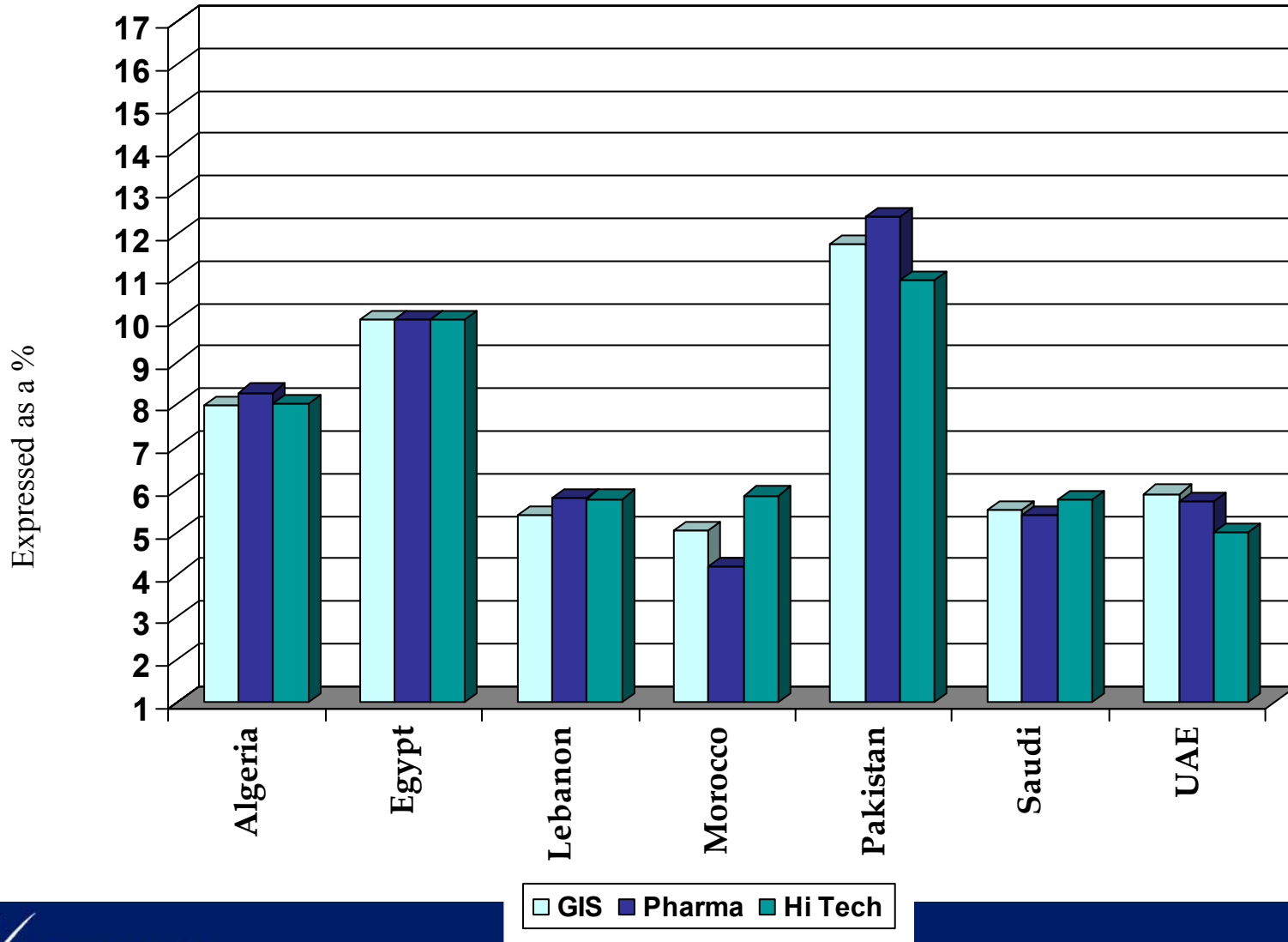
| Company | # N | Egypt | Pakistan | UAE |
|-------------|-----|-------|----------|-----|
| GSK | 2 | Y | N | N |
| Pfizer | 2 | N | Y | N |
| Sanofi | 2 | N | | N |
| Baxter | 1 | | | N |
| J&J ME | 1 | | | N |
| Lilly | 1 | Y | | N |
| Novartis | 1 | Y | | N |
| Organon | 1 | | | N |
| Roche | 1 | Y | Y | N |
| Servier | 1 | Y | N | |
| Alcon | 0 | Y | | Y |
| Astrazeneca | 0 | Y | | Y |
| BMS | 0 | Y | | Y |
| ISL | 0 | Y | | |
| JanCil | 0 | Y | | Y |
| Macter | 0 | | Y | |
| MSD | 0 | Y | Y | Y |
| Novartis CH | 0 | Y | | |
| Ranbaxy | 0 | Y | | |
| Wyeth | 0 | Y | | Y |

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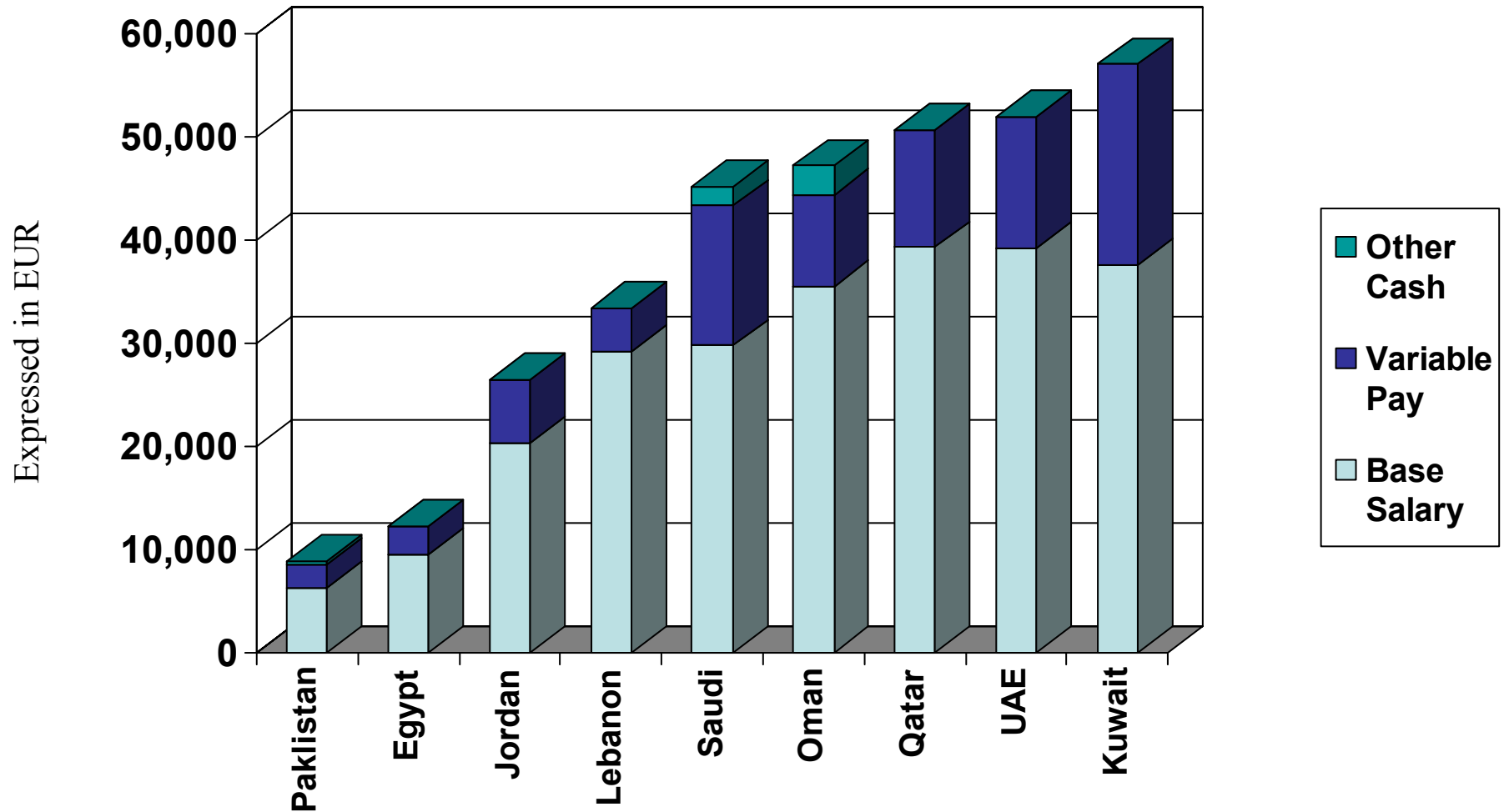


MEA Survey Data Trends

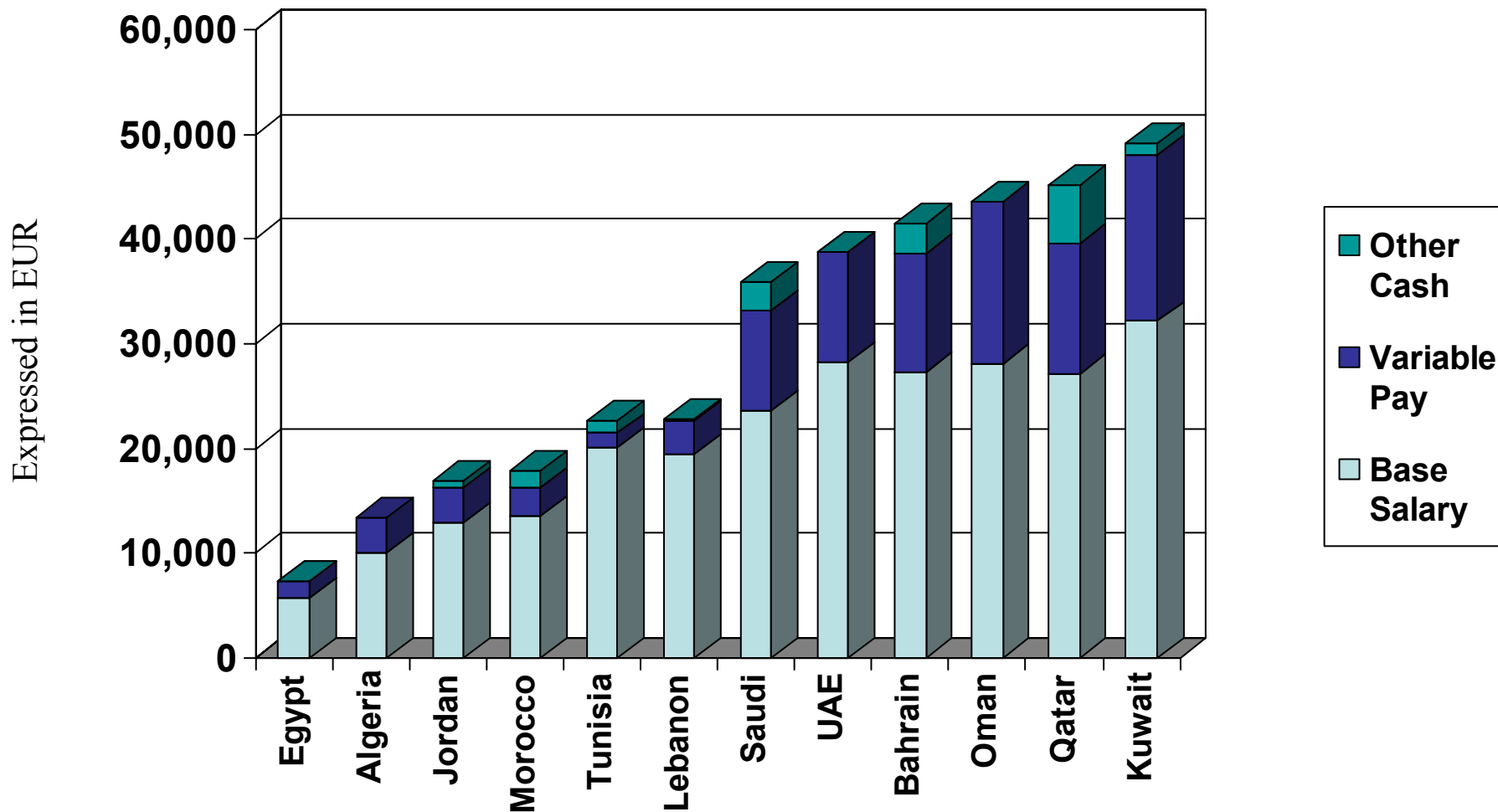
2006 Median Actual Increases by Sector*



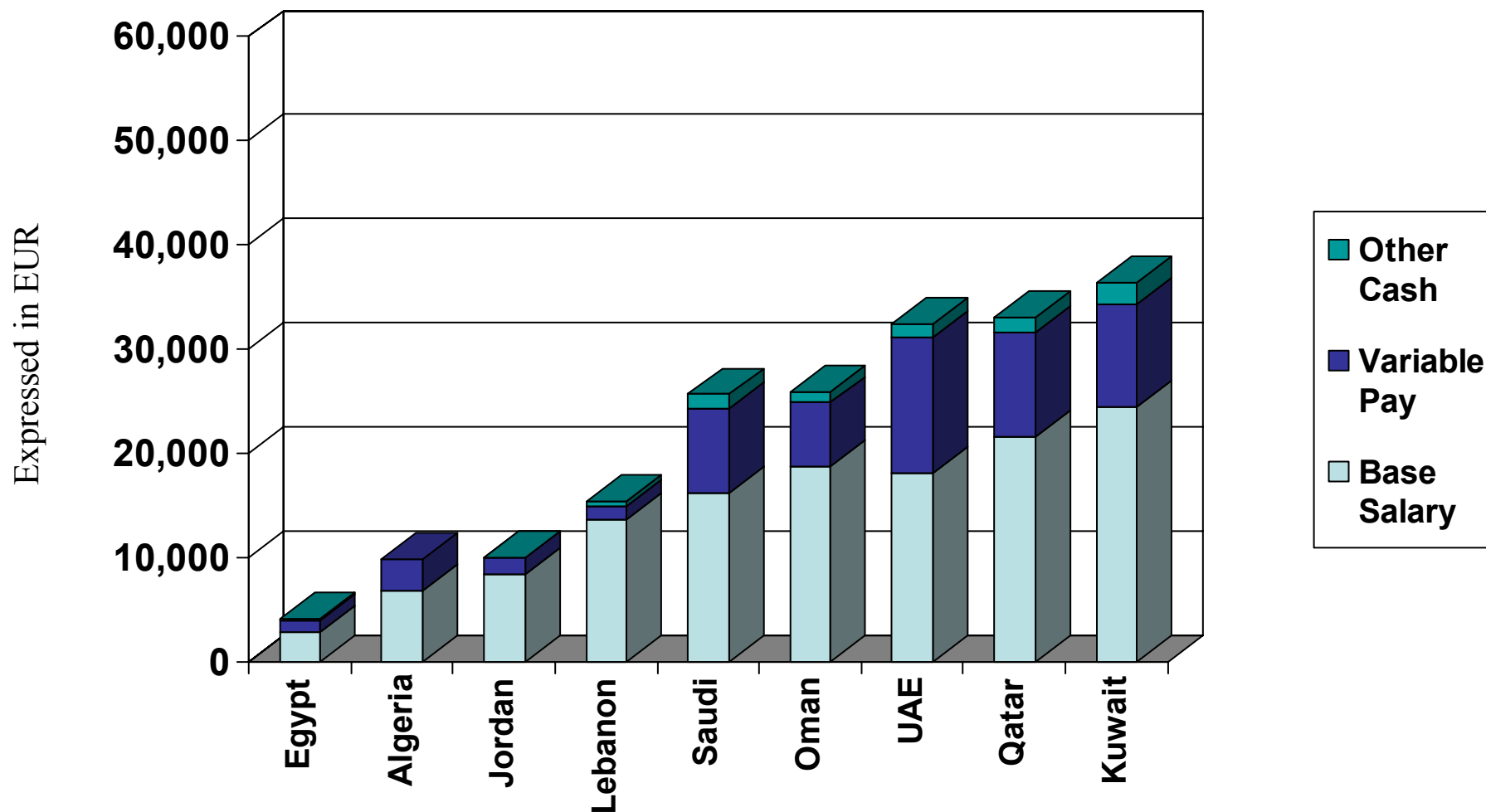
Comparative PS1530 Earnings



Comparative PS2030 Earnings



Comparative PS2050 Earnings



To Summarise...

- Kuwait sales employees consistently command the highest total cash salaries in Euro terms
- Unsurprisingly, the Gulf region exhibits the highest pay levels in the MEA
- At the other end of the scale are Egypt and Pakistan where employees may receive salaries amounting to 10 - 20% of that of employees in Kuwait
- Comparative COL not considered of course!

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Job Mapping Best Practices

Pharma MEA Career Map

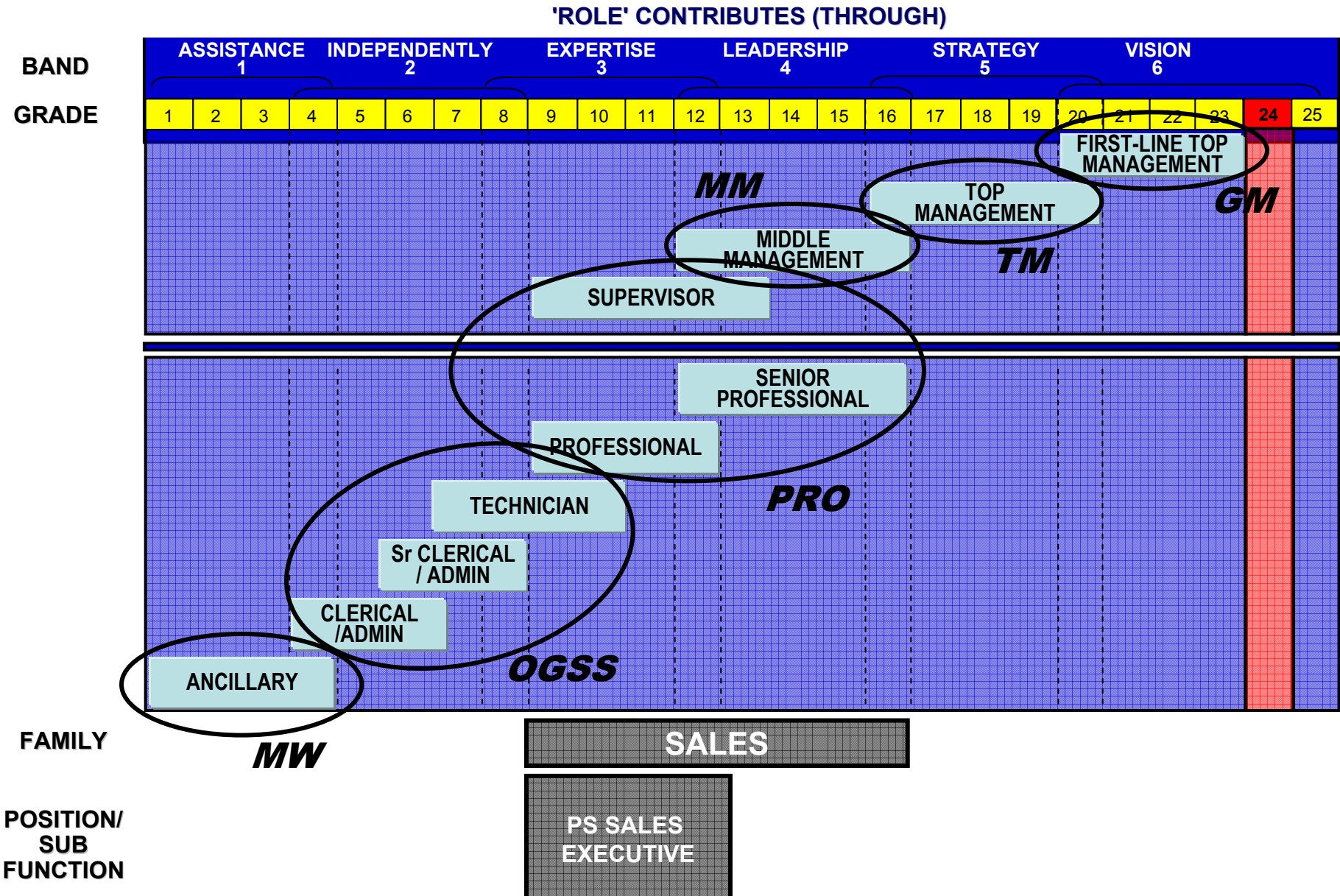
| Career Step | General Management | Sales | Sales Management | Marketing | Category | WW Global Grade | WW Job Code |
|-------------|--|--|--------------------------------|--|---------------------------------------|-----------------|--------------|
| 7 | Country/Region General Manager | Mapping Chief Executives / Business Unit Managers to survey job will depend on scoping data - \$revenue and organisation headcount | | | General Management | 16-19 | GM0001,2,3,4 |
| | Business Unit Manager | | | | | 17-19 | GM0012,13,14 |
| 6 | | | Regional Sales Director | | Top Management | 16 | SL0000 |
| | | | | Country (Region) Market/Marketing Manager | | 16 | MK0000 |
| | | | | Product Marketing Director/ Senior Group Brand Mgr | 16 | MK1500 | |
| | | | Regional/Country Sales Manager | | Integrating | 15 | PS1500 |
| 5 | | | District Sales Manager | | Middle Management | 14 | PS1520 |
| | | | | Group Brand Manager | | 14 | MK1520 |
| 4 | | | Sales Supervisor | | Seasoned Professional | 13 | PS1530 |
| | Senior Medical Rep, Senior Sales Executive | | | | | 13 | PS2030 |
| | Senior Hospital Rep | | | Brand/Product Mgr | | 13 | MK1530 |
| 3 | | | | Marketing Associate | Professional | 13 | PS6030 |
| | Product Specialist | | | | | 12 | MK1540 |
| | Hospital Medical Rep | | | | | 11 | PS2040 |
| 2 | | | Junior Hospital Rep | | Junior Professional | 11 | PS6040 |
| | Medical Rep | | | | | 10 | PS6050 |
| 1 | | | Entry Medical Rep | | Entry-level / Developing Professional | 10 | PS2050 |
| | Entry Hospital Rep | | | | | 9 | PS2060 |
| | | | | | | 9 | PS6060 |

To be included in survey questionnaire

Global Grading System

- Underpins all Watson Wyatt Surveys
- Assists Job Matching, not a substitute for!!!
- Grades are consistent across families
- Benchmark jobs have suggested grades
- Can link to other providers grading systems based on empirical referencing (Hay, Mercer)
- Standard Simple Methodology which is useful for Job Matching
- Always starts with defining the Business in terms of scope

WW Salary Survey Structure



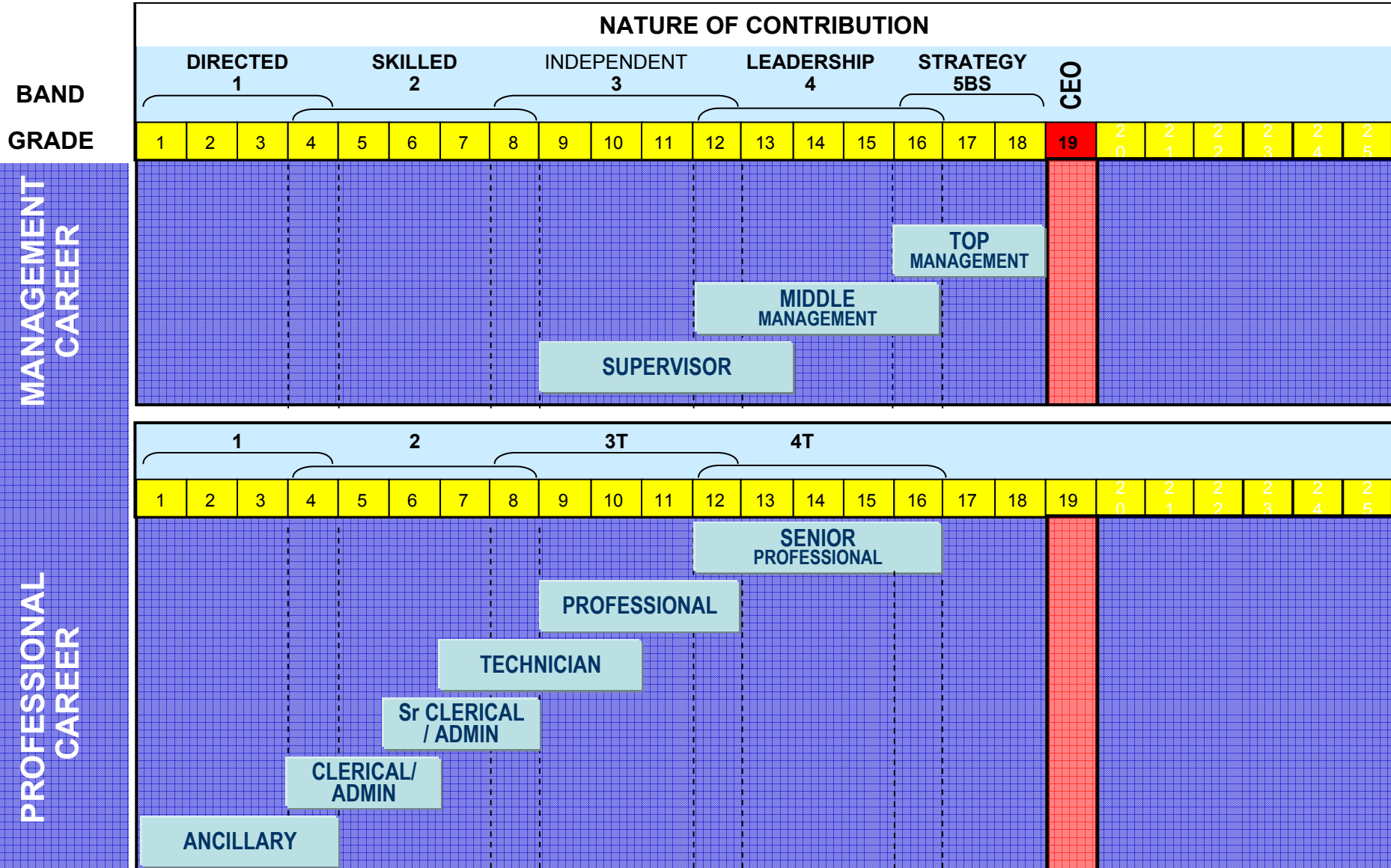
Scope the Business

- Set the CEO grade and the “ceiling” for all other jobs in the organisation

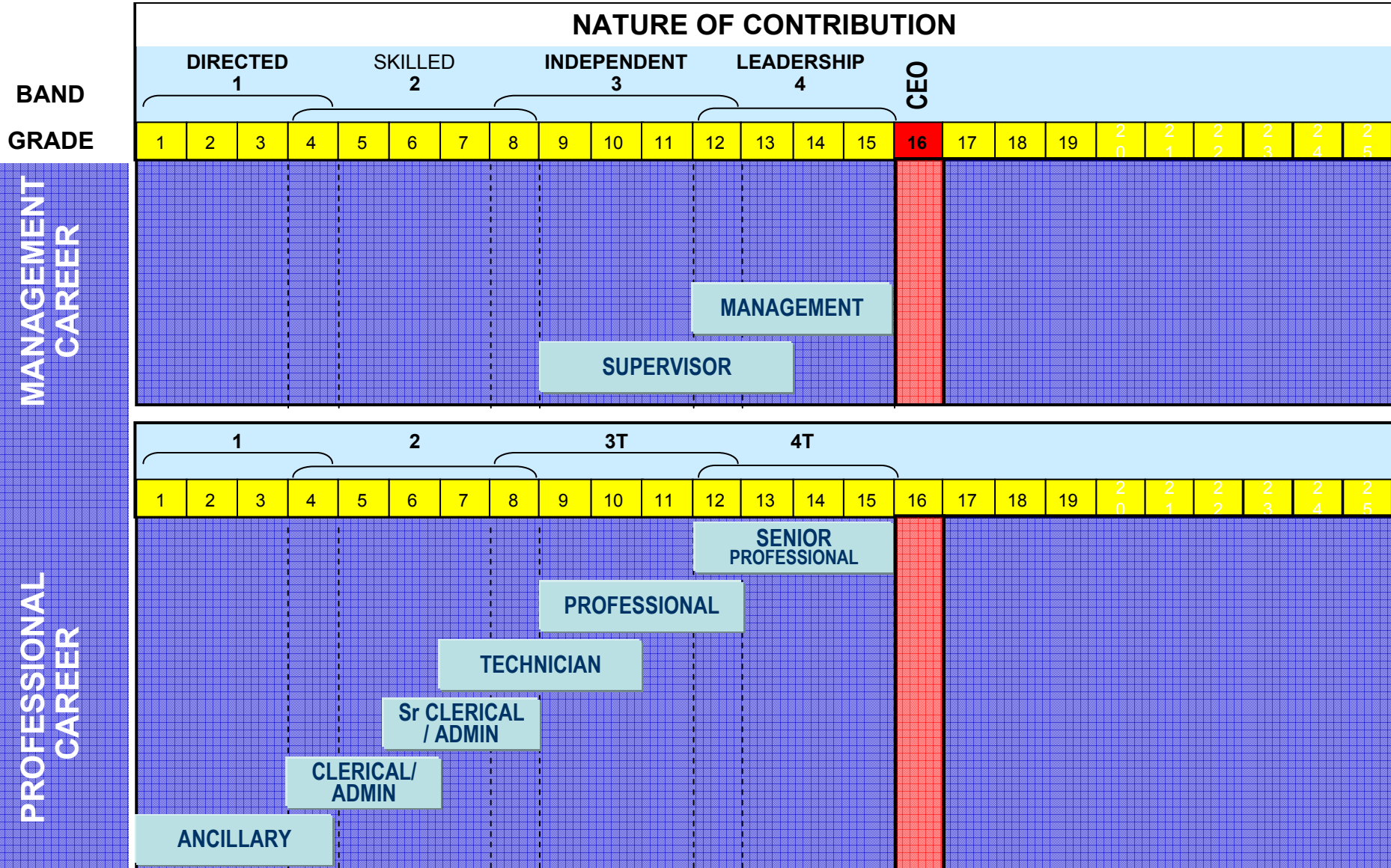
| | | | | | | | | | | |
|-------------------|----|-----|-----|-------|-------|--------|--------|--------|---------|----|
| | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| EMPLOYMENT | 90 | 240 | 620 | 1,600 | 4,100 | 10,600 | 27,500 | 75,000 | 200,000 | |
| TURNOVER | 75 | 150 | 500 | 1,000 | 2,000 | 5,000 | 10,000 | 50,000 | 100,000 | |

| PRODUCT DIVERSIFICATION | COMPLEXITY OF MARKET | | |
|-------------------------|----------------------|---------------|--------|
| | Domestic | International | Global |
| LOW | 16 | 19 | 20 |
| MEDIUM | 18 | 21 | 22 |
| HIGH | 20 | 23 | 24 |

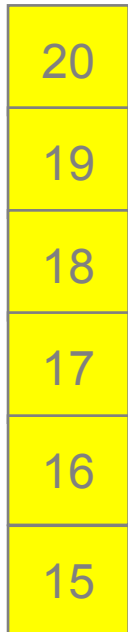
Example Grade Map with CEO at GG 19



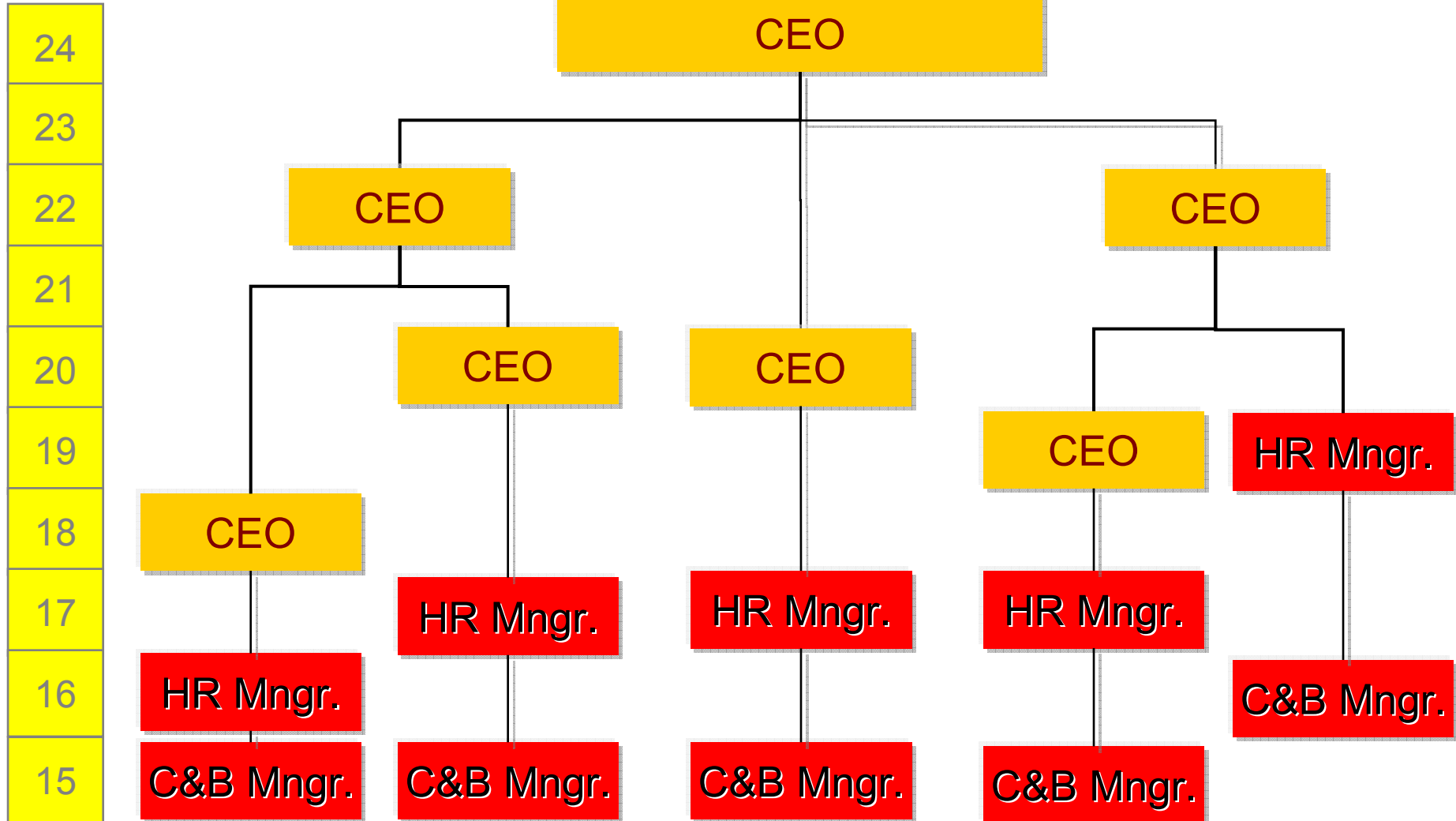
Example Grade Map with CEO at GG 16



Scope data setting the ceiling



Scope data sorting the mess out



Global Grade Definitions

| | Technical | Managerial |
|--------|--|---|
| < 9 | <ul style="list-style-type: none"> - Entry Level / Junior Professional or Senior Support Role - Works within fairly strict guidelines - Performs tasks - Receives frequent supervision - Small to moderate impact on business | |
| 9 | <ul style="list-style-type: none"> - Developing Professional - 1 year experience after university - Follows existing methodology, although no procedures exist (independent) - Very complex problems are still referred up - Works under broad supervision | <ul style="list-style-type: none"> - Team Leader - Small team - Supervises completion of straightforward tasks – quantity - No impact on growth and development of people |
| 10 | <ul style="list-style-type: none"> - Developing Professional - 1 – 3 years experience - Moderate, usually indirect impact - Deals with most problems independently - Is controlled on deliverable/outcome, much less on “how” | <ul style="list-style-type: none"> - Team Leader - Medium-sized team - Supervises completion of sometimes complex tasks – quantity - Some input in performance management process |
| 11 | <ul style="list-style-type: none"> - Seasoned Professional - 2 – 4 years experience - Moderate but direct impact through close contact with businesses’ core activities - Will work completely independent and have significant latitude to solve complex problems | <ul style="list-style-type: none"> - Supervisor - Supervises work and checks on quality and quantity - Input in team-members’ assessment and pay-review |
| 12 | <ul style="list-style-type: none"> - Seasoned Professional - 5 – 8 years experience - Significant impact (in terms of project-size, territory, ...) - Involved in training, coaching of new recruits - Recognise and be able to contribute to the improvement of processes and work-flows (policy development) for their function | <ul style="list-style-type: none"> - Supervisor - Allocates work and checks on quality and quantity - Suggests alternatives / improvements in processes and flows - Responsible for team-members’ assessment/pay-review |

Global Grade Definitions

| | Technical | Managerial |
|-----------|--|---|
| 13 | <ul style="list-style-type: none"> - Strategic Professional - 8 – 10 years experience - Stays abreast of latest developments in own field and contributes to strategy by applying in own job / organisation - Significant impact through deliverables | <ul style="list-style-type: none"> - Operational Manager - Responsible for planning of short term action plans and activities - Responsible for people's growth and development - Involved in planning of resources for future (1-year) |
| 14 | <ul style="list-style-type: none"> - Strategic Professional - +10 years experience - Follows latest trends and developments in own field and adapts these to apply in own job / organisation | <ul style="list-style-type: none"> - Operational Manager - Leads and directs team of professionals - Responsible for short- to medium-term planning of actions and resources for own area - |
| 15 | <ul style="list-style-type: none"> - Strategic Professional - +15 years experience - Develops new techniques, methodologies, approaches ... in own field to directly impact the work of others and the results of the organisation - Thought leader | <ul style="list-style-type: none"> - Manager with Strategic Impact - Manages through managers, large group of senior professionals - Responsible for medium-term (1-3 years) planning - Sizeable section of the business – big direct impact |
| 16 | <ul style="list-style-type: none"> - Future Nobel-price winner ! - +20 years experience - Internally and externally recognised Guru that influences the way things are done in the entire industry / world! (just to say you won't find a lot of these and they will probably not participate in surveys !) | <ul style="list-style-type: none"> - Strategy Setting Manager - Responsible for long-term (+3 years) planning - Integrating different disciplines / sections of the business - Covering diverse functions or one major function in a large organisation |

Employee categories

6 Typical Levels

- General Management (GM) GG 16 - 21
- Top Management (Heads of) (TM) GG 16 - 21
- Middle Management (MM) GG 14 - 16
- Professionals (PRO) GG 9 -13
- Other General Salaried Staff (OGSS) GG 4 - 9
- Manual Workers (MW) GG 1 - 5

General Management (GM)

- The **most senior executive** position in the organisation directing the **full range** of functions in a territory or Business Unit
- Provides leadership and **has overall direction and control** of the company's operations/divisions
- Responsible for **strategic long-range planning** and establishment of basic policy
- **Size of role determined by Scope Data Matrix. Global Grade will set cap for organisation and provide a reference for jobs reporting into it**

Top Management (TM)

- Executives who report directly to the General Management with a **full responsibility for major departments or functions**.
- Heads of Function
- Actively **participate in developing company policy** and work closely with General Management on **strategy**
- Grading directed by grading of GM/top position

Middle Management (MM)

- Executives who either report directly to the General Management but are not regarded as the top level of management, or
- alternatively report directly or indirectly to department heads or heads of function (either in country or remotely at region/corporate level).
- Position with full management status.
- Engaged in **medium term, operational** management

Professionals (PRO)

- Personnel who either through a **specific qualification** or a level of **skill/competence in particular discipline** are considered as experts in their field.
- From Entry Level to Strategic (subject matter expert)
- Positions with **supervisory responsibility** which are not regarded as having full management status belong to this level.
- From first level supervision to Group Supervisor

Other General Salaried Staff (OGSS)

- White collar personnel employed directly by an organisation, either in the office environment or in the field.
- Involved in Administration/Technical activities
- Typically eligible for overtime

Manual Workers (MW)

- Blue collar personnel employed in a plant/factory environment. Levels can vary from unskilled to highly skilled.
- Typically eligible for overtime

Desirable Benchmarking Trends

- Centralised approach to benchmarking
- Job Mapping Tables of company's versus consultant's benchmark jobs across regions
- Creation of link between company's and consultant's grading systems
- Development of Career Maps

Example: Job Mapping Table

| Job Family | Company Job Information | | | | Watson Wyatt Job Information | | |
|------------|---|------|----------------------|----------|---------------------------------------|--------------------|--------------|
| | Typical Job Title | Band | Reference Level /Mpt | Midpoint | Job Title | Job Code and Level | Global Grade |
| Sales | | 5 | 22 - 23 | 1232 | Director of Sales | S02 A | 17 |
| | Associate Director Sales | 4 | 20 - 21 | 895 | Head of Sales & Marketing of Sales | S01 B | 16 |
| | (District) Sales Manager | 3 | 18 - 19 | 627 | District Sales Manager | S11 B/C | 13 - 14 |
| | (Senior) Account Manager, Associate Sales Manager | 2 | 16 - 17 | 445 | Senior Sales Representative | S29 A - S31 A | 12 - 13 |
| | (Junior) Account Manager, Medical Rep, Sales Rep | 1 | 14 - 15 | 320 | (Junior) Sales Representative | S29 B/C - S31 B/C | 9 - 11 |
| R&D | Associate Director R&D | 4 | 21 - 22 | 1070 | Senior Research & Development Manager | R01 B | 16 |
| | Section Head, Principal Scientist | 3 | 19 - 20 | 747 | Group Research Manager | R11 A | 15 |
| | Senior Scientist | 2 | 17 - 18 | 526 | Senior Scientist/Team Leader | R11 B | 13 |
| | Scientist, Principal Researcher | 1 | 15 - 16 | 376 | Scientist/Senior Research Assistant | R20 B (12) | 11 |

- Company job information (job title, job family, band, grade/level/point) for typical benchmark jobs across countries
- Matching with WW set of generic job description (job title, job code, job level, Global Grade)