

# EXCELLENT ORGANIZATION MANAGEMENT RESILIENT STRATEGY IN TERMS OF COVID 19: CASE OF PFIZER

**Grof Diana**

*CalCampus<sup>1</sup>, United States of America  
E-mails: grof6835@bears.unco.edu*

## ABSTRACT

The rise of the recent coronavirus identified the need that enterprises must increase corporate resilience and respond quickly to the demands of navigating COVID-19. In this paper author considered the organizational management of Pfizer in crisis conditions. She also discussed the importance of environmental analysis and having a list of priorities and a detailed work plan. These instructions for overseas management are a great example of how they put these concepts into practice and be resilient in terms of crisis.

*Key words: organizational management, pandemic, resilience*

*JEL classification: H12, M10, M19*

## INTRODUCTION

At number 31 on the Fortune 500 list, Pfizer's revenue is at \$51,750 million, with a market value of \$181,074.9 million. It has more than 88,000 employees [7]. Currently Pfizer is in the process of developing a coronavirus vaccine, with its development estimated to be completed by fall of this year [2].

Many individuals may know Pfizer for its production of the "little blue pill", as the development of products such as Viagra and Lipitor have helped to grow the company to the impressive status that it has today. However, I looked back at its history to get an idea of how it grew as a business, and how its management changed along with it.

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<sup>1</sup> Student

The company was founded in 1849 by two individuals, Charles Pfizer and Charles Erhart in Brooklyn, NY. It expanded after the Civil war and eventually established other locations throughout the United States. The management of the company was passed from Charles Pfizer to his son until 1941, and eventually other levels of management, such as Chairmen and Board of Directors, were created [5]. The website notes that Pfizer built the company based on a thorough knowledge of German technical education, industry, and determination, all of which are qualities that demonstrate that a good manager has a solid background in a number of specialties, including technical knowledge as well as knowledge of the industry.

## **COMPANY DEVELOPMENT THROUGH HISTORY**

By the 1950s, Pfizer had expanded overseas and was developing penicillin, broad-spectrum antibiotics, and other pharmaceuticals, making it a leader in the industry. By the time they had expanded overseas, the management was directed to change their technique for managing international teams. They were instructed to “study the economy, establish proper contacts with government officials, learn the language, history, and customs, and hire local employees wherever possible” [5]. This is important to note because it demonstrates another important business and management practice. In the textbook we discussed the importance of communication, adaptability, and culture of behaviors.

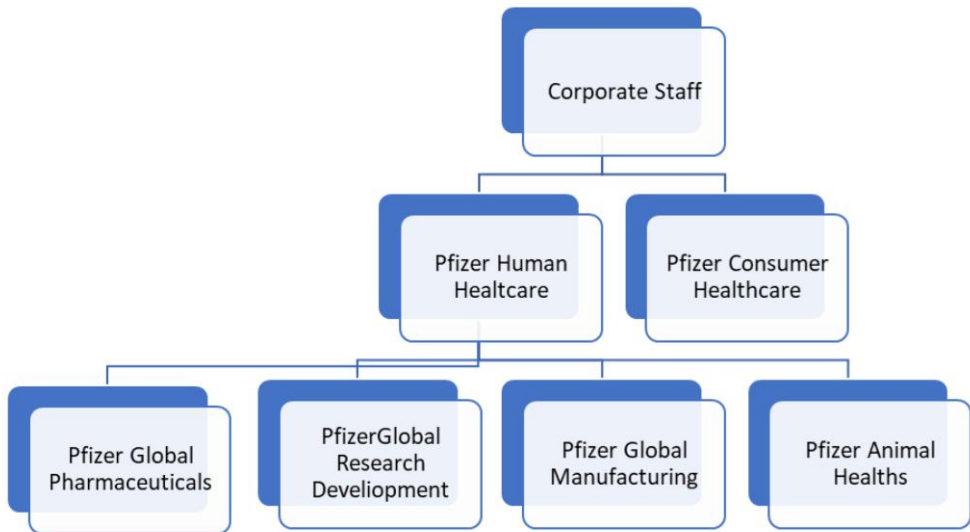
Pfizer continued to grow and expand while adding more and more pharmaceuticals to their pipeline. Eventually, in 2008, the CEO and Chairman Jeff Kindler decided to restructure the company and outlined a plan to establish smaller organizational units that are designed to increase innovation and accountability, while still also utilizing the benefits of Pfizer’s resources and overall scale. These smaller business units were more customer-focused, allowing for the company to better respond and anticipate the customers’ and patients’ needs, as well as better address changes in the marketplace. For example, Pfizer partnered with a company called Garameen Health to “identify more sustainable models for healthcare delivery in the developing world”. These changes in business models show adaptability and they demonstrate a progressive business model. Another approach was in 2009 when Pfizer split their research organization, Pharma Therapeutics Research and Development Group, into two sectors; one for discovery of small molecules and modalities, and another for large-molecule research, which includes vaccines. Again, these shifts in their business model demonstrate a willingness to streamline their process and make it more efficient, as well as to modernize their approach.

## **CURRENT EXECUTIVE LEADERSHIP STRUCTURE**

Looking at the current executive leadership structure, there is the Chairman and CEO of the company, Albert Bourla, DVM, PH.D. I wanted to know more about his managerial background, and according to his biography on Pfizer’s website, he has

been with the company for over 25 years. He served as their chief operating officer and oversaw the company's commercial strategy, manufacturing, and global product development. He also previously created a group that developed solutions for increasing patient access to Pfizer's medicines, encouraging a broader business model of innovation. He helped build a strong and competitive oncology and vaccine sector, implemented strategies related to their portfolio, and assumed responsibilities in their global business sector [3]. This resume of sorts says a lot about Bourla's management expertise as a whole. He has overseen various aspects of the company's production, research, commercial strategy, and global operations from a variety of management positions.

Figure 1. Pfizer organisation structure



Source: Prepared according to <https://pt2.slideshare.net/Aamirchouhan/pfizer-strategy-for-internationalization/23>

Additionally, Albert Bourla brings a unique background to Pfizer. He is a former veterinarian and PhD and is known for shaping the company into a leaner, R&D-focused profile with an emphasis on their branded prescription drugs. He has advocated for policies that end competitiveness between companies, with a focus on allowing innovation and increasing patient access to their products. Another key approach from Bourla is his emphasis on technology's role in R&D to provide a deeper understanding of biology. An example of this emphasis is his appointment of Lidia Fonseca, the Chief Digital and Technology Officer, which is a new position that was created within the company to ensure a strong focus on their technological innovation. In terms of patient access and drug affordability, Bourla has demonstrated his support in a number of ways. For example, he's been known to push back on

government interference that may hamper R&D, and he also wants to cap out-of-pocket costs for seniors. He has also pushed for R&D and production of vaccines throughout his entire career, as is evidenced by Pfizer's recent partnership with Gavi and Pevnar, two companies that are involved in vaccine development [6].

Continuing down the tree of executive leadership, you can get further insight into the managerial structure of a complex organization such as Pfizer. Below the Chairman and CEO is an executive vice president of global business services and transformation, as well as a chief financial officer, chief scientific officer, and chief digital and technology officer. Next, there is a group president, executive vice president, chief development officer, chief human resources and corporate affairs officer, and a chief business officer. This structure is complex but it addresses the variety of roles that are needed for a global organization such as Pfizer [6]. The company has greatly expanded over the years, so I'm sure there have been new positions added along with this expansion.

## **CONCLUSION**

Diving more into their corporate governance, Pfizer claims that this is essential to their business. Central to this is their shareholder outreach program, in which they engage with their investors and stakeholders regularly to provide insight and to keep potential issues at the forefront. This encourages a collaborative approach and drives innovation in policies and disclosures in key governance areas. They have an annually elected board of directors that is comprised of independent directors, aside from the Chairman and CEO Albert Bourla. This ensures transparency and accounts for decreased likelihood of bias among the board. As is stated on their website, each director provides a unique perspective on business and lends experience and skills that are valuable to the company as a whole. The board oversees a variety of matters, including business strategy, financial performance, public policy, etc., and this in turn fosters stakeholder confidence and value for shareholders through direct discussions with senior leaders and external advisors. There have been some regulatory reforms that have influenced their corporate governance, making sure that the company adapts to new innovations and changing requirements [1]. This also ensures responsible business practices and a commitment to value for their investors and stakeholders.

It will be interesting to see how the company changes over time, and the impact of the current CEO's emphasis on R&D and scientific innovation, as well as drug affordability and accessibility. If Pfizer does become one of the first companies to release a COVID-19 vaccine, it could have an enormous impact on the future of the company.

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