

Making a Difference

Lilly Hands and Hearts

An Interview with Robert L. Smith,
Director of Corporate Branding and Public Relations, Eli Lilly and Company



EDITORS' NOTE Rob Smith joined Lilly after completing his MBA in 1996. Since that time, he has served as a Financial Analyst supporting Lilly's global diabetes and growth hormone businesses, as the Coordinator of Lilly's minority business development program, and as Manager of Investor Relations. He assumed his current role in February 2002. The recipient of a bachelor's degree in accounting and a master's degree in business administration (finance) from Indiana University-Bloomington, Smith additionally serves as President of the Lilly Foundation.



Robert L. Smith

COMPANY BRIEF Founded in 1876 and based in Indianapolis, Eli Lilly and Company (www.lilly.com) develops, manufactures, and sells some of the world's best-known pharmaceutical products, including the schizophrenia drug Zyprexa®, the oncology agent Gemzar®, the world's first biotech product for humans, Humulin (human insulin), and the antidepressant drug Prozac®, as well as antibiotics, growth hormones, cardiovascular therapies, and animal health products. Lilly employs more than 40,000 people worldwide, with about 7,900 of them engaged in research.

What areas of need does the Lilly Foundation focus on?

The Lilly Foundation plays a role in advancing Lilly's interest in being a leading corporate citizen. Our giving is in a few key categories. The largest and most important category is health care, and within this category, our therapeutic areas of interest are diabetes, neuroscience, oncology, and cardiovascular disease. In addition, we support community development projects, particularly in Indianapolis, the site of our corporate headquarters. In this category, we support programs that strengthen our community and make it a good place to live and work. We feel this is strategically important because we need to attract and retain the best and brightest; therefore, investing in the right community organizations is strategically important for us.

We also are strong supporters of the United Way. In fact, Lilly employees and the foundation provide about 25 percent of the annual campaign of the Central Indiana United Way,

given this is where we're headquartered. Last, the Lilly Foundation has a very generous employee matching gift program. If employees make contributions to selected health care organizations, cultural organizations, or educational institutions, we'll match their gift dollar for dollar.

With all those categories combined, the foundation's annual giving was about \$28 million in 2007.

Lilly is a global business that operates worldwide. Do you support any international programs?

We certainly do. The signature corporate social responsibility [CSR] program at Lilly is our multidrug-resistant tuberculosis [MDR-TB] project, which we're very proud of. It's a comprehensive public/private partnership that consists of 14 organizations working alongside Lilly to treat a burgeoning, global health threat. For example, one of our partners is an NGO called Partners in Health (PIH), based in Boston. PIH is doing terrific work in terms of training health care professionals in Russia, one of the hot spots for MDR-TB. The Lilly Foundation recently announced a \$4 million grant to PIH to support their efforts. This grant is part of a \$50 million commitment the company announced on World TB Day 2007. Lilly's total investment in the MDR-TB partnership is \$135 million.

How do you communicate your CSR activities to your employees, to make sure they are a part of these efforts?

One of the areas of value for companies engaging in corporate responsibility, and doing it well, is the benefit from a human resources perspective. Most of our employees care very deeply about these issues. They don't wake up every day just thinking about their paychecks. A lot of people who are attracted to a company like ours come here because they want to make a difference in our communities and in the lives of patients. So our employees are very much engaged. To build on this inherent enthusiasm, we launched the next iteration of our employee volunteer program, under the banner of Lilly Hands and Hearts. Among other things, this initiative lets our employees know about the meaningful opportunities available for community involvement. Our employees are responding well to that. I think this level of engagement helps our communities and strengthens our company.

The pharmaceutical industry does so

much good, yet the public doesn't seem to be aware of it. Can more be done to build positive awareness?

Yes. I think that, as an industry, we need to communicate more effectively. There are ways for us to improve incrementally in that regard. However, over the long run, I think we're going to be judged based on our actions, starting with whether we are discovering and developing medicines that matter. We also have to avoid falling into the trap of saying, "Well, people just don't understand our perspective." There is an element of that, but we also have to listen to what our critics are saying, and when there's some validity in their arguments, we need to take action.

Here's a very clear example from the perspective of our company. One of the criticisms of the industry has been that pharmaceutical companies aren't willing to share all of the data they have on their medicines. So in 2004, we started publishing online all the studies we have carried out on our approved medicines; again, whether they're good, neutral, or negative. By taking those kinds of definitive actions and then having an effective communications plan around them, we can, over time, rebuild the trust that we have lost over the past few years.

How important is the engagement of your leaders to your CSR efforts?

It's very important. The leadership really sets the tone. We're fortunate to be working for a company that has a long history of being a good corporate citizen. Our founder, Colonel Eli Lilly, started an organization here in Indianapolis that later became the Indianapolis Chamber of Commerce, because he wanted to improve the roads in the city. After the San Francisco earthquakes in the early 20th century, we were right at the forefront in terms of providing medicine and aid to people who were stricken by that devastating quake. So, from the very start, community engagement has been important. We've also been fortunate to have leadership that has continued to live up to that long-term commitment. Sidney Taurel, our outgoing CEO, has been just terrific in that regard. And our incoming CEO, John Lechleiter, is a longtime Lilly employee who, like Sidney, has come up through the ranks. He really understands this aspect of our culture and will be a very visible and passionate leader in this space. ●

Lilly is a strong supporter of the United Way.